



Dragonite International Limited

叁龍國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code : 329)

(股份代號: 329)

2013

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年報
Annual Report

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Wong Yin Sen

Ms. Chan Mee Sze

Mr. Lam Suk Ping

Mr. Gary Drew Douglas

(resigned on 1 November 2013)

NON-EXECUTIVE DIRECTOR

Mr. Hon Lik

(re-designated as Non-executive Director on 30 October 2013)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Yuk Lun

Mr. Liu Kwong Sang

Mr. Lam Man Sum, Albert

Mr. Ho Tak Fun

AUDIT COMMITTEE

Mr. Chung Yuk Lun

Mr. Liu Kwong Sang

Mr. Lam Man Sum, Albert

Mr. Ho Tak Fun

COMPANY SECRETARY

Ms. Chan Mee Sze

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

執行董事

王彥宸先生

陳美思女士

林叔平先生

Gary Drew Douglas 先生

(於二零一三年十一月一日辭任)

非執行董事

韓力先生

(於二零一三年十月三十日調任為非執行董事)

獨立非執行董事

鍾育麟先生

廖廣生先生

林聞深先生

何德芬先生

審核委員會

鍾育麟先生

廖廣生先生

林聞深先生

何德芬先生

公司秘書

陳美思女士

核數師

德勤 • 關黃陳方會計師行

註冊辦事處

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA ("HONG KONG")

Room 1101, 11th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

中華人民共和國
香港特別行政區(「香港」)
總辦事處及主要營業地點
香港
北角
馬寶道28號
華匯中心
11樓1101室

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

股份過戶登記總處

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

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1712-1716室

PRINCIPAL BANKERS

in Hong Kong:
The Hong Kong and Shanghai Banking Corporation Limited

主要往來銀行

於香港：
香港上海滙豐銀行有限公司

in the PRC:
China Construction Bank
Shenyang Economic and Technology Development Zone Branch

於中國：
中國建設銀行
瀋陽經濟技術開發區分行

WEBSITE

www.dragonite.com.hk

網站

www.dragonite.com.hk

STOCK CODE

0329

股份代號

0329

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

On behalf of the board of directors (the "Board") of Dragonite International Limited (the "Company"), I hereby present the audited results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 (the "Year").

BUSINESS REVIEW

The Group recorded an audited consolidated net profit of approximately HK\$568,164,000 for the Year (2012: net loss of approximately HK\$ 66,080,000). Turnover for the Year from continuing operations was approximately HK\$184,524,000 (2012: negative amount approximately HK\$191,000). The segment turnover for the Year from discontinuing operation was approximately HK\$4,990,000 (2012: approximately HK\$2,540,000). The net asset value of the Group increased from approximately HK\$310,445,000 as at 31 December 2012 to approximately HK\$985,874,000 as at 31 December 2013, representing a 217.57% increment.

Profit for the Year was mainly attributable by the followings:

1. The Group recorded net realized and unrealized gain of approximately HK\$169,772,000 (2012: net loss of approximately HK\$11,104,000) on change in fair value of financial assets at fair value through profit or loss ("FAFVPL").
2. Profit from the sale of assets in relation to the electronic cigarette business of the Group amounted to approximately HK\$550,319,000.

Health Care Products

Approval was granted for the sales and production of Chenlong Baoling Longevity Ginseng product following the completion of improving the manufacturing plant in Shenyang during the Year. New products were launched in the fourth quarter of the Year with recorded sales of approximately HK\$762,000.

本人謹代表參龍國際有限公司(「本公司」)董事會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一三年十二月三十一日止年度(「本年度」)之經審核業績。

業務回顧

本集團於本年度錄得經審核綜合純利約568,164,000港元(二零一二年:虧損淨額約66,080,000港元)。本年度持續經營業務營業額約184,524,000港元(二零一二年:約負191,000港元)。本年度已終止經營業務的分部營業額約4,990,000港元(二零一二年:約2,540,000港元)。本集團資產淨值由二零一二年十二月三十一日之約310,445,000港元增至二零一三年十二月三十一日之約985,874,000港元,錄得217.57%增長。

本年度溢利主要由於以下列因素所致:

1. 本集團就按公平值計入損益之金融資產(「按公平值計入損益之金融資產」)之公平值變動錄得已變現及未變現收益淨額約169,772,000港元(二零一二年:虧損淨額約11,104,000港元)。
2. 出售有關本集團電子煙業務之資產之溢利約550,319,000港元。

保健產品

本年度瀋陽之製造工廠改良完畢後,本集團獲准銷售及生產辰龍保齡參產品。本集團於本年度第四季推出新產品,錄得銷售約762,000港元。

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主席報告及管理層討論與分析

Pharmaceutical Products

Two key products, Azithromycin Granules (II) (「阿奇黴素顆粒 (II)」) and Rosiglitazone Hydrochloride Capsules (「鹽酸叻格列酮膠囊」), contributed to the majority of sales in this segment during the Year. The performance of trading of pharmaceutical products for the Year was stable. Turnover of pharmaceutical products for the Year was approximately HK\$19,433,000, representing an increase of 9.25% from approximately HK\$17,787,000 as compared to the previous year.

Electronic Cigarettes and Intellectual Property

In the first half of 2013, the Group consolidated the distribution of electronic cigarettes in the People's Republic of China (the "PRC") while international sales were minimal. As the result of the package sale of certain assets related to electronic cigarettes, an increase in turnover of electronic cigarettes from approximately HK\$2,540,000 in 2012 to approximately HK\$4,990,000 in 2013 was recorded.

On 23 October 2013 ("Closing Date"), the Company completed the disposal of certain assets, including but not limited to the intellectual property rights in connection with the electronic cigarette business of the Group (the "Assets Disposal"), at a total consideration of US\$75 million (approximately HK\$581,250,000). The initial purchase price of US\$50 million (approximately HK\$387,500,000) has been received upon completion and the deferred purchase price of US\$15 million (approximately HK\$116,250,000) and US\$10 million (approximately HK\$77,500,000) will be received on the first and second anniversary of the Closing Date respectively.

Having considered the resources available to the Group as well as the scale and strength of other market-leading international companies with focus in electronic vapor products, the Board believes that the Assets Disposal is a reasonable strategic decision for the Group.

醫藥產品

本年度兩種主要產品阿奇黴素顆粒(II)及鹽酸叻格列酮膠囊貢獻本分部銷售額的大部分。本年度醫藥產品買賣之表現穩定。本年度醫藥產品之營業額約19,433,000港元，較去年約17,787,000港元增加9.25%。

電子煙及知識產權

二零一三年上半年，本集團鞏固中華人民共和國（「中國」）之電子煙分銷業務，而國際銷售較少。由於打包銷售與電子煙有關的若干資產，本集團錄得電子煙營業額由二零一二年之約2,540,000港元增至二零一三年之約4,990,000港元。

二零一三年十月二十三日（「截止日期」），本公司完成出售若干資產（包括但不限於與本集團電子煙業務有關的知識產權）（「資產出售事項」），總代價為75,000,000美元（約581,250,000港元）。於完成後已收取初步購買價50,000,000美元（約387,500,000港元），而遞延購買價15,000,000美元（約116,250,000港元）及10,000,000美元（約77,500,000港元）將分別於截止日期第一個及第二個週年收取。

經考慮本集團可動用之資源，以及專注於電子煙霧產品的其他市場領先國際公司的規模和實力，董事會認為，資產出售事項對本集團而言是一項合理戰略決策。

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Trading of Securities

As a treasury function, the Group continues to invest its surplus cash in the Hong Kong securities market with an aim to capture future appreciation of share price. Securities trading and investment will remain one of the principal businesses of the Group. The net realized and unrealized gain in securities trading substantially increased to approximately HK\$169,772,000 for the Year. (2012: net loss on the change in fair value of FAFVPL approximately HK\$11,104,000). The net realized gain from the securities trading during the Year amounted to approximately HK\$21,394,000 (2012: approximately HK\$262,000).

Property Investment

The Company owns the premises situated at the Basement of China United Centre, located at 28 Marble Road, North Point, Hong Kong. During the Year, the said property has been fully leased to a Chinese medicine clinic and a Western pharmacy to generate a monthly rent of HK\$410,000. Attributable to such rental income, the Group recorded a segment turnover of HK\$4,920,000 for the Year (2012: HK\$4,680,000).

Money Lending Business

During the Year, the Group utilized part of its surplus cash to provide short-term financing to individual borrowers through a wholly-owned subsidiary. During the Year, interest income generated from money lending business amounted to approximately HK\$1,660,000 (2012: approximately HK\$300,000).

證券買賣

本集團繼續將其現金盈餘投資於香港證券市場作為財資功能，旨在獲取未來股價升值。證券買賣及投資仍將為本集團的主要業務之一。本年度證券買賣產生之已變現及未變現收益淨額大幅增至約169,772,000港元（二零一二年：按公平值計入損益之金融資產之公平值變動虧損淨額約11,104,000港元）。本年度證券買賣產生之已變現收益淨額增約為21,394,000港元（二零一二年：約262,000港元）。

物業投資

本公司擁有位於香港北角馬寶道28號華匯中心地庫之物業。於本年度，上述物業全部租予一間中醫診所及一間西藥店，帶來每月租金410,000港元。因有關租賃收入，本集團於本年度錄得分類營業額4,920,000港元（二零一二年：4,680,000港元）。

貸款業務

於本年度，本集團利用其部分現金盈餘透過其全資附屬公司向個人借款人提供短期融資。本年度貸款業務所得利息收入約1,660,000港元（二零一二年：約300,000港元）。

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主席報告及管理層討論與分析

LIQUIDITY, FINANCIAL ANALYSIS AND CAPITAL STRUCTURE

As at 31 December 2013, the Group fully repaid its secured bank borrowings (31 December 2012: approximately HK\$25,676,000). Such borrowings were denominated in HK\$, and thus, there was no exposure to fluctuations in exchange rate. The gearing ratio of the Group decreased from approximately 8.27% as at 31 December 2012 to zero as at 31 December 2013. This calculation is based on net borrowings mentioned above and shareholders' funds of approximately HK\$985,874,000 (31 December 2012: approximately HK\$310,445,000). Cash and bank balances amounted to approximately HK\$37,614,000 (31 December 2012: approximately HK\$34,881,000) and total assets were approximately HK\$1,083,451,000 (31 December 2012: HK\$394,990,000). Net current assets of the Group on the same date amounted to approximately HK\$748,836,000 (31 December 2012: approximately HK\$104,571,000). As at 31 December 2013, inventories amounted to approximately HK\$4,889,000, representing a decrease of approximately HK\$3,666,000 when compared with the amount as at 31 December 2012. The Group had no material capital commitment as at 31 December 2013.

On 7 February 2013, the Company completed a rights issue at a subscription price of HK\$1.00 per rights share on the basis of one rights share for every share held. Net subscription price per rights share was approximately HK\$0.96. 105,974,992 rights shares were issued, which raised a net proceed of approximately HK\$102 million.

As at 31 December 2013, the issued share capital of the Company was 211,949,984 shares of HK\$0.01 each.

流動資金、財務分析及資本結構

於二零一三年十二月三十一日，本集團悉數償還其有抵押銀行借貸（二零一二年十二月三十一日：約25,676,000港元）。該等借貸以港元計值，因此無匯率波動之風險。本集團之資本與負債比率由二零一二年十二月三十一日約8.27%減至二零一三年十二月三十一日之0%。此乃根據上述借貸淨額及股東資金約985,874,000港元（二零一二年十二月三十一日：約310,445,000港元）計算。現金及銀行結餘約37,614,000港元（二零一二年十二月三十一日：約34,881,000港元）及資產總額約1,083,451,000港元（二零一二年十二月三十一日：394,990,000港元）。本集團於同日之流動資產淨額約748,836,000港元（二零一二年十二月三十一日：約104,571,000港元）。於二零一三年十二月三十一日，存貨約4,889,000港元，相對二零一二年十二月三十一日之存貨減少約3,666,000港元。本集團於二零一三年十二月三十一日並無重大資本承擔。

於二零一三年二月七日，本公司完成供股（認購價為每股供股股份1.00港元，按每持有一股可獲發一股供股股份之基準進行供股）。每股供股股份認購價淨額約0.96港元。已發行105,974,992股供股股份並籌得所得款項淨額約102,000,000港元。

於二零一三年十二月三十一日，本公司已發行股本為211,949,984股每股面值0.01港元之股份。

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

FOREIGN EXCHANGE RISKS

The Group's operations conducted in the PRC are mainly settled in Renminbi. However, securities trading and investments, money lending, property investment and all corporate activities such as rights issue are conducted in HKD. Therefore, the Group is only exposed to fluctuations in foreign exchange rates to a certain extent. Currently, the Group has no formal hedging policies in place. The Group has not entered into any foreign currency exchange contracts or derivatives to hedge against the Group's currency risks.

PROSPECTS FOR THE YEAR 2014 AND DEVELOPMENT PLAN

Following the aforesaid Assets Disposal, the Group has switched its focus on electronic cigarette business to other principal businesses such as money lending, securities trading and investment while sale and production of health care and pharmaceutical products remain as the core businesses of the Group. The Group intends to identify suitable projects and new investment opportunities in other sectors.

In the first quarter of 2014, the Company acquired a Western pharmacy in North Point situated in a property owned by the Group. The pharmacy store occupies a total area of approximately 1,500 square feet and is operated by registered pharmacist. It provides pharmaceutical products and a variety of skincare, healthcare, wine and grocery products. The wide range of products available helps to create enhanced product mix for the pharmacy, and to explore new product lines to broaden the income stream of the Group. The Group will continue to explore the opportunities in developing retail business in other sectors.

DETAILS OF MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

On 23 December 2013, the Group disposed certain wholly-owned subsidiaries to an independent third party at a consideration of HK\$10,000 to streamline the corporate structure of the Group by selling these dormant companies.

外匯風險

本集團之國內業務主要以人民幣結算。然而，證券買賣和投資、貸款、物業投資及所有企業活動（如供股）則以港元進行。因此，本集團有一定程度之匯率波動風險。現時，本集團並無制定正式對沖政策，亦無訂立任何外匯合約或衍生工具，以對沖本集團之貨幣風險。

二零一四年展望及發展計劃

繼上述資產出售事項後，本集團已將其專注於電子煙業務轉移至其他主要業務，如貸款及證券買賣及投資且同時銷售及生產保健及醫藥產品仍是本集團的核心業務。本集團擬在其他行業尋求物色合適的項目及新投資機會。

於二零一四年第一季，本公司收購位北角本集團擁有之物業的一間西藥店。該藥店佔地總面積約為1,500平方英尺並由註冊藥劑師營運。藥店不僅提供醫藥產品，還提供多種護膚、保健、洋酒及雜貨產品。這有助在西藥店業務中開發更佳產品組合及開拓新產品線，擴大本集團收入來源。本集團將繼續尋找發展其他行業零售業務之機會。

重大收購及出售附屬公司詳情

於二零一三年十二月二十三日，本集團以代價10,000港元出售若干全資附屬公司予一名獨立第三方。本集團通過出售該等不活動公司以精簡其企業架構。

Chairman's Statement and Management Discussion and Analysis

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PLEDGE OF ASSETS

At 31 December 2013, margin facilities of approximately HK\$280,964,000 (31 December 2012: approximately HK\$64,914,000) from regulated securities brokers were granted to the Group. These were secured by the Group's FAFVPL with the carrying amount of approximately HK\$599,317,000 (31 December 2012: approximately HK\$129,828,000).

At 31 December 2013, the Group did not pledge its investment property as its bank borrowing has been fully repaid (31 December 2012: approximately HK\$ 25,676,000).

CONTINGENT LIABILITIES

As at 31 December 2013, the Group did not provide any form of guarantees for any external party and was not liable to any material legal proceedings of which provision for contingent liabilities was required.

EMPLOYEE POLICY

As at 31 December 2013, the Group employed approximately 112 employees in the PRC and Hong Kong. The remuneration package of the employees is determined with reference to their performance, experience and their positions, duties and responsibilities in the Group.

資產抵押

於二零一三年十二月三十一日，本集團獲規管證券經紀商授予保證金信貸額約280,964,000港元（二零一二年十二月三十一日：約64,914,000港元），以本集團賬面值約599,317,000港元（二零一二年十二月三十一日：約129,828,000港元）之按公平值計入損益之金融資產擔保。

於二零一三年十二月三十一日，本集團概無抵押其投資物業，因其已悉數償還其銀行借貸（二零一二年十二月三十一日：約25,676,000港元）。

或然負債

於二零一三年十二月三十一日，本集團並無對外為其他公司作出任何形式之擔保，亦無涉及重大訴訟事項而需要作出或然負債撥備。

僱員政策

於二零一三年十二月三十一日，本集團在中國和香港僱有員工約112名。僱員之薪酬待遇參考其表現、經驗及在本集團之職位、職責及責任而釐定。

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

EVENTS AFTER THE REPORTING PERIOD

On 9 January 2014, the Group acquired from an independent third party the entire interest of King Delight Holdings Limited which holds 100% equity interests of Rainbow Pharmacy Co., Limited ("Rainbow Pharmacy"), a limited company incorporated in Hong Kong, at a cash consideration of HK\$800,000. Rainbow Pharmacy is principally engaged in operation of a western pharmacy in Hong Kong.

On 21 January 2014, the Group entered into a conditional agreement to sell the entire issued share capital of and the shareholder's loan to Central Town Limited and its subsidiaries ("Central Town Group") at the consideration of HK\$140 million. The principal asset of Central Town Group is the investment property situated at the Basement, China United Centre, 28 Marble Road, North Point, Hong Kong. The transaction will be completed on 24 July 2014. Upon the execution of such conditional agreement, HK\$14 million has been received on 21 January 2014 as initial deposit and the balanced sum of HK\$126 million shall be received in full on the completion date.

APPRECIATION

The Board would like to express our gratitude and sincere appreciation to all our business partners, management, staff members, and shareholders for their continuous support.

By Order of the Board
Dragonite International Limited

Wong Yin Sen
Chairman

20 March 2014

報告期後事項

於二零一四年一月九日，本集團以現金代價800,000港元向一名獨立第三方收購持有 Rainbow Pharmacy Co., Limited (「Rainbow Pharmacy」)(一間在香港註冊成立的公司)全部權益之 King Delight Holdings Limited 之全部權益。Rainbow Pharmacy 主要在香港從事西藥店經營。

於二零一四年一月二十一日，本集團訂立一項有條件協議，以140,000,000港元之代價出售 Central Town Limited 及其附屬公司(「Central Town 集團」)之全部已發行股本及股東貸款。Central Town 集團之主要資產為位於香港北角馬寶道28號華匯中心地庫之投資物業。該交易將於二零一四年七月二十四日完成。於簽署該有條件協議後，已於二零一四年一月二十一日收到14,000,000港元作為初始按金，餘下金額126,000,000港元將於完成日期全數收取。

致謝

董事會衷心感謝本公司之所有業務夥伴、管理層、員工及股東一直以來之支持。

承董事會命
叁龍國際有限公司

主席
王彥宸

二零一四年三月二十日

The board of directors (the “Board”) of the Company is committed to maintaining and ensuring a high standard of corporate governance. The Board takes the view that a high standard of corporate governance lays down a solid foundation for enhancing a high degree of accountability and transparency, maintaining sound and effective internal control, improving the performance of the Group and safeguarding the interests of the shareholders of the Company.

The Board has adopted the code provisions set out in the Corporate Governance Code (the “Code”) as contained in Appendix 14 to Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). During the year ended 31 December 2013 (the “Year”), the Company has complied with the Code except the deviations from code provisions A.4.1 and A.6.7 of the Code. The Board will continue to review and recommend such steps as appropriate in a timely manner in order to comply with the requirements of the Code.

THE BOARD

As at 31 December 2013, the Board comprised of Mr. Wong Yin Sen (Chairman), Ms. Chan Mee Sze (Managing Director and Chief Executive Officer) and Mr. Lam Suk Ping as Executive Directors; Mr. Hon Lik as Non-Executive Director; and Mr. Chung Yuk Lun, Mr. Liu Kwong Sang, Mr. Lam Man Sum, Albert and Mr. Ho Tak Fun as Independent Non-Executive Directors. Mr. Gary Drew Douglas resigned as Managing Director of the Company with effect from 1 November 2013.

The biographies of the Directors are set out in pages 25 to 27. The composition of Board members demonstrates a diversity of skills, expertise, experience and qualifications.

To the best of knowledge of the Company, save for the interests in the shares of the Company held by Absolute Target Limited, a corporation which is controlled as to 46.25%, 42.5% and 11.25% by Mr. Wong Yin Sen, Mr. Hon Lik and Mr. Wong Hei Lin respectively, there is no financial, business, family or other material/relevant relationship between the Directors.

本公司董事會(「董事會」)致力保持及確保高水準之企業管治，乃因董事會認為高水準之企業管治為問責性和透明度的提升確立穩固基礎，保持合理有效的內部監控，並改善本集團表現及保障本公司股東之利益。

董事會已採納香港聯合交易所有限公司證券上市規則(「上市規則」)第十四章所載之企業管治守則(「守則」)。於截至二零一三年十二月三十一日止年度(「本年度」)，本公司已遵守守則，惟守則第A.4.1條及A.6.7條除外。董事會將繼續適時檢討及建議適當步驟，以遵守守則規定。

董事會

於二零一三年十二月三十一日，董事會包括執行董事王彥宸先生(主席)、陳美思女士(董事總經理兼行政總裁)及林叔平先生；非執行董事韓力先生；以及獨立非執行董事鍾育麟先生、廖廣生先生、林聞深先生及何德芬先生。Gary Drew Douglas先生自二零一三年十一月一日起辭任本公司董事總經理一職。

董事之履歷資料載於第25至27頁。董事會成員的組成顯示董事各具不同技能、專業知識、經驗和資歷。

據本公司所深知，除由Absolute Target Limited(由王彥宸先生、韓力先生及王希年先生分別控制46.25%、42.5%及11.25%的公司)持有本公司股份權益外，各董事之間並無任何財務、業務、家屬或其他重大／相關關係。

Corporate Governance Report

企業管治報告

The Board is responsible for the overall strategic development of the Company and its subsidiaries (collectively the “Group”) and is also responsible for the financial performance, internal control policies and business operations of the Group. The daily operations of the Group are delegated to the Group management. All Directors are provided with updated information relating to corporate governance and regulatory matters. During the Year, all Directors had been provided with monthly management updates giving a balanced and understandable assessment of the Company’s performance, position and prospects to enable the Directors to discharge their duties under the Listing Rules.

The Board is responsible for performing corporate governance functions with written terms of reference. The primary duties are:

1. To develop and review the Company’s policies and practices on corporate governance.
2. To review and monitor the training and continuous professional development of Directors and senior management.
3. To review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements.
4. To develop, review and monitor the code of conduct applicable to employees and Directors.
5. To review the Company’s compliance with code and disclosure in the corporate governance report.

BOARD MEETINGS

The Executive Directors meet on a regular basis to discuss the ordinary business of the Company. Board meetings are held to discuss the overall development, operation, financial performance, interim results, annual results and other business of the Company that requires approval from the Board. Reasonable notice has been given to Board members to give them an opportunity to attend. All Board members are provided relevant documentation covering the subject matter of the board meetings. Board members are also provided with sufficient information in a timely manner to review and consider matters to be discussed at Board meetings. The Company utilizes telephone conferencing for Directors who are not able to attend in person.

董事會負責本公司及其附屬公司(統稱「本集團」)之整體策略發展，亦負責本集團之財務表現、內部監控政策及業務營運。本集團之日常業務授權予本集團管理層負責。全體董事均會獲提供有關企業管治及監管事項之最新資料。於本年度內，全體董事獲提供有關本公司表現、狀況及前景之公正及易於理解之評估，有助董事履行其在上市規則下之職責。

董事會負責執行企業管治職能並書面界定職權範圍。主要職責為：

1. 制定及檢討本公司之企業管治政策及常規。
2. 檢討及監察董事及高級管理人員之培訓及持續專業發展。
3. 檢討及監察本公司在遵守法律及監管規定方面之政策及常規。
4. 制定、檢討及監察本公司僱員及董事之行為守則。
5. 檢討本公司遵守守則之情況及在企業管治報告內之披露。

董事會會議

執行董事定期召開會議，以商討本公司日常業務。召開董事會會議乃為討論本公司整體發展、營運、財務表現、中期業績、年度業績及須董事會審批之本公司其他業務。本公司會給合理通知予董事會成員，以便彼等有機會出席會議。董事會全體成員均能獲得涵蓋董事會會議主題的有關文件，亦適時獲提供充足資料以審閱及考慮董事會會議上商討事項。對於不能親身出席之董事，本公司使用電話會議方式以便彼等參與。

Corporate Governance Report 企業管治報告

During the Year, the Board held 9 board meetings. The following table shows the attendance of Directors at board meetings during the Year:

於本年度內，董事會已舉行9次董事會會議。下表列示本年度內董事出席董事會會議的情況：

Name of Directors 董事姓名		Attendance 出席會議次數
Executive Directors		
執行董事		
Wong Yin Sen (<i>Chairman</i>)	王彥宸(主席)	6/9
Chan Mee Sze (<i>Managing Director & Chief Executive Officer</i>)	陳美思(董事總經理兼行政總裁)	9/9
Lam Suk Ping	林叔平	9/9
Gary Drew Douglas (<i>resigned with effect from 1 November 2013</i>)	Gary Drew Douglas(於二零一三年十一月一日辭任)	8/9
Non-executive Director		
非執行董事		
Hon Lik (<i>re-designated as Non-executive Director with effect from 30 October 2013</i>)	韓力 (於二零一三年十月三十日調任為非執行董事)	4/9
Independent Non-executive Directors		
獨立非執行董事		
Chung Yuk Lun	鍾育麟	5/9
Liu Kwong Sang	廖廣生	5/9
Lam Man Sum, Albert	林聞深	5/9
Ho Tak Fun	何德芬	5/9

During the Year, all Directors discharged their duties in a dedicated, diligent and proactive manner with reasonable prudence. They have executed their duties in accordance with statutory requirements, the articles of association of the Company (the "Articles of Association") and the Listing Rules. All Directors have exercised due care in monitoring corporate matters of the Company and provided sufficient time and attention to all significant issues of Group.

於本年度內，全體董事以合理審慎之方式竭力、盡職及主動履行職責。彼等根據法定規定、本公司組織章程細則(「組織章程細則」)及上市規則執行職責。全體董事謹慎監督本公司的企業事務，並投入充裕時間及精力關注本集團的一切重大問題。

Corporate Governance Report

企業管治報告

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors are encouraged to enroll in professional development courses and programs so that they can continuously update and refresh their knowledge and skills. The training received by each Director is set out below:

董事之持續專業發展

董事獲鼓勵參加專業發展課程及計劃，使彼等能不斷更新及整理其知識和技能。各董事的培訓載列如下：

Directors 董事		Corporate Governance/ Updates on Laws, Rules & Regulations 企業管治／法律、 規則及條例的 最新資料	Accounting/ Financial/ Management or Other Professional Skills 會計／財務／ 管理或其他 專業技能
Executive Directors	執行董事		
Wong Yin Sen	王彥宸	—	√
Chan Mee Sze	陳美思	√	√
Lam Suk Ping	林叔平	√	—
Gary Drew Douglas (resigned with effect from 1 November 2013)	Gary Drew Douglas (於二零一三年 十一月一日辭任)	—	—
Non-executive Director	非執行董事		
Hon Lik	韓力	—	√
Independent Non-executive Directors	獨立非執行董事		
Chung Yuk Lun	鍾育麟	√	√
Liu Kwong Sang	廖廣生	√	√
Lam Man Sum, Albert	林聞深	—	√
Ho Tak Fun	何德芬	—	√

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Following enquiries with the Directors, the Company has received confirmation from each of the Directors confirming that he or she has complied with the required standard of dealings set out in the Model Code for the Year.

董事之證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易之標準守則(「標準守則」)。經向各董事作出查詢後，全體董事均向本公司確認，彼等於本年度內已遵守標準守則所載的交易規定標準。

SEGREGATION OF DUTIES

Chairman and Managing Director positions are held by separate individuals with a view to maintain an effective segregation of duties in respect of the management of the Board and the day-to-day management of the Group's business. The Chairman is responsible for the management of the Board and the strategic developments of the Group. The Managing Director is responsible for implementing the overall strategy of the Group and the Group's day-to-day management.

INDEPENDENT NON-EXECUTIVE DIRECTOR

The Independent Non-Executive Directors bring independent judgment to the Board. Each Independent Non-Executive Director sent a written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules to the Company. Based on these confirmations, the Board considers that all Independent Non-Executive Directors have met the qualifications of Rule 3.13 of the Listing Rules for the Year.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Directors are appointed in accordance with their qualifications and experience to ensure they are capable to perform their duties and protect the interests of the stakeholders. Every newly appointed Director receives a comprehensive and formal introduction to ensure that he/she has an understanding of the Group's business and operation, his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements, and the Model Code.

Article A.4.1 of the Code stipulates that non-executive directors shall be appointed for a specific term and be subject to re-election. The Non-Executive Director and Independent Non-Executive Directors of the Company have not appointed for a specific term of office, which constitutes a deviation from A.4.1 of the Code. However, the Non-Executive Director and all Independent Non-Executive Directors are subject to retirement by rotation at the Annual General Meeting of the Company in accordance with the Articles of Association. The Board therefore considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those of the Code.

職責分工

主席及董事總經理之職位由不同人士擔任，以有效區分董事會管理及本集團業務之日常管理職責。主席負責董事會管理及本集團策略發展，董事總經理負責本集團整體戰略實施及本集團的日常經營。

獨立非執行董事

獨立非執行董事向董事會提出獨立判斷。各獨立非執行董事根據上市規則第3.13條就本身的獨立性向本公司發出確認書。根據該等確認書，董事會認為於本年度內全體獨立非執行董事均符合上市規則第3.13條所述的資格。

委任及重選董事

董事之委任乃根據其資歷及經驗而決定，確保彼等有能履行職責及保障股權持有人權益。本公司會向每名新獲委任之董事作出全面正式介紹，以確保彼等了解本集團的業務及經營、彼等根據上市規則以及有關規管規定及標準守則所負的職務和責任。

守則A.4.1規定，非執行董事之委任應有指定任期，惟可膺選連任。本公司非執行董事及獨立非執行董事概無特定委任年期，故偏離守則A.4.1規定。然而，非執行董事及全體獨立非執行董事須遵照組織章程細則於本公司股東週年大會輪席退任。因此，董事會認為已採取充分措施確保本公司的企業管治慣例並無較守則之規定寬鬆。

Corporate Governance Report

企業管治報告

According to the provisions of the Articles of Association and the Listing Rules, any Director appointed by the Board to fill a casual vacancy shall hold office until the next following general meeting of the Company, and in the case of an addition to the existing Board, until the next following Annual General Meeting of the Company. Furthermore, each Director, including those appointed for a specific term or holding office as Chairman and/or Managing Director, are subject to retirement by rotation at least once every three years.

NOMINATION OF DIRECTORS

In March 2012, the Company has established the nomination committee which is responsible for the selection of individuals nominated as Director. The Board considers the experience, qualification, general market conditions and composition of the Board in selecting and recommending candidates as Directors of the Company.

Detailed information relating to educational, professional qualifications and relevant work experience are provided at the board meeting to approve the proposed appointment of new Directors. The criteria for selecting Directors are mainly based on the candidate's qualifications, experience, professional knowledge, ethics and integrity.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

In determining the remuneration of Directors and senior management, the Company took into account (i) prevailing market conditions; (ii) time commitment requirements; (iii) duties and responsibilities; (iv) contribution to the Group; (v) qualifications and (vi) experience, to ensure sufficient remuneration levels to attract and retain high caliber personnel without paying excessively.

按照組織章程細則之條文及上市規則，任何獲董事會委任填補臨時空缺之董事，其任期至本公司下屆股東大會為止，倘在新加入現有董事會情況下，其任期則至本公司下屆股東週年大會為止。此外，各董事（包括獲委任特定任期或擔任主席及／或董事總經理之董事）須至少每三年輪席退任一次。

董事提名

於二零一二年三月，本公司成立提名委員會，負責甄選提名為董事的人士。董事會於甄選及推薦本公司董事候選人時，會考慮經驗、資歷、整體市況及董事會組成結構。

有關教育、專業資格以及相關工作經驗的詳細資料會提呈董事會會議，以批准新董事的提議任命。甄選董事的標準主要以候選人的資格、經驗、專業知識、操守和誠信為基礎。

董事及高級管理層之薪酬

釐定董事及高級管理層之薪酬時，本公司考慮 (i) 現行市況；(ii) 所須時間承擔；(iii) 職責及責任；(iv) 對本集團之貢獻；(v) 資格；及 (vi) 經驗，以確保能以充足而非過高的薪酬水平吸引及留任高素質人才。

THE COMMITTEES

Audit Committee

The audit committee of the Company (the "Audit Committee") was established in 2001 and the Company adopted written terms of reference for the Audit Committee. In March 2012, the Board adopted a set of revised terms of reference of the Audit Committee. During the Year and up to the date of this report, the Audit Committee comprised of the following Independent Non-Executive Directors:

Mr. Chung Yuk Lun (*Chairman*)

Mr. Ho Tak Fun

Mr. Lam Man Sum, Albert

Mr. Liu Kwong Sang

The primary duties of the Audit Committee include, among other things, review and supervision of the financial reporting process and the Company's internal control policies and procedures. The Audit Committee also acts as the communication bridge between the Board and the external auditors in relation to the planning and scope of audit work. The appointment of members to the Audit Committee was based on members' breadth of experience in various commercial sectors and professional knowledge of financial reporting and general management.

The Audit Committee met twice during the Year to review interim and annual results of the Group and internal control issues. The attendance records of the meetings are shown below.

委員會

審核委員會

本公司審核委員會(「審核委員會」)於二零零一年成立，且本公司採用審核委員會之書面職權範圍。於二零一二年三月，董事會採納一套審核委員會之經修訂職權範圍。於本年度及截至本報告日期，審核委員會由以下獨立非執行董事組成：

鍾育麟先生(主席)

何德芬先生

林聞深先生

廖廣生先生

審核委員會之主要職責包括(其中包括)檢討及監察財務報告程序及本公司之內部監控政策和程序。審核委員會亦擔任董事會與外部核數師就核數工作策劃及範圍方面的溝通橋樑。審核委員會成員之委任，乃根據有關成員於各商界之廣泛經驗及對財務報告和一般管理之專業知識而釐定。

於本年度，審核委員會已舉行兩次會議，以審閱本集團的中期及年度業績以及內部監控問題。會議之出席紀錄載於下文。

Corporate Governance Report

企業管治報告

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") was established in 2005. In March 2012, the Board adopted a set of revised terms of reference of the Remuneration Committee which included changes in line with the new requirements of the Code. During the Year and up to the date of this report, the Remuneration Committee comprised of the following Independent Non-Executive Directors:

Mr. Chung Yuk Lun (*Chairman*)

Mr. Liu Kwong Sang

Mr. Lam Man Sum, Albert

Mr. Ho Tak Fun

The primary duties of the Remuneration Committee include, among other things, determining the policy for the remuneration of Executive Directors, assessing performance of Executive Directors and approving the terms of Executive Directors' service contracts. The Remuneration Committee review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

During the Year, the Remuneration Committee held two meetings. The attendance record of the meeting is shown below.

Nomination Committee

In compliance with Code A.5.1 of the Code effective on 1 April 2012, the Company established a nomination committee (the "Nomination Committee") in March 2012 with written terms of reference. During the Year and up to the date of this report, the Nomination Committee was comprised of five Directors:

Mr. Lam Man Sum, Albert (*Chairman*)

Mr. Chung Yuk Lun

Mr. Liu Kwong Sang

Mr. Ho Tak Fun

Ms. Chan Mee Sze (*appointed on 30 October 2013*)

Mr. Gary Drew Douglas (*resigned with effect from 1 November 2013*)

薪酬委員會

本公司薪酬委員會(「薪酬委員會」)於二零零五年成立。於二零一二年三月，董事會採納一套薪酬委員會之經修訂職權範圍，其中包含符合守則新規定之變動。於本年度及截至本報告日期，薪酬委員會由以下獨立非執行董事組成：

鍾育麟先生(主席)

廖廣生先生

林聞深先生

何德芬先生

薪酬委員會之主要職責包括(其中包括)決定執行董事之薪酬政策、評估執行董事之表現，以及批准執行董事之服務合約條款。薪酬委員會根據董事會之企業目標及方針審閱及批准高級管理人員的薪酬方案，以就個別執行董事及高級管理人員之薪酬待遇向董事會提出建議。

於本年度內，薪酬委員會已舉行兩次會議。會議之出席紀錄載於下文。

提名委員會

為符合於二零一二年四月一日起生效之守則第A.5.1條，本公司於二零一二年三月成立提名委員會(「提名委員會」)並書面界定其職權範圍。於本年度及截至本報告日期，提名委員會由五名董事組成：

林聞深先生(主席)

鍾育麟先生

廖廣生先生

何德芬先生

陳美思女士(於二零一三年十月三十日獲委任)

Gary Drew Douglas 先生

(於二零一三年十一月一日辭任)

The primary duties of the Nomination Committee include (i) reviewing the structure, size and composition of the Board; (ii) selection of individuals nominated for directorships; (iii) assess the independence of Independent Non-Executive Directors; and (iv) make recommendations to the Board.

During the Year, the Nomination Committee held two meetings. The attendance record of the meeting is shown below.

Attendance Record

The following table shows the attendance of Directors at meetings of the Audit Committee, Remuneration Committee and Nomination Committee during the Year:

Name of Directors 董事姓名		Attendance 出席情況		
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Chung Yuk Lun	鍾育麟	2/2	2/2	2/2
Liu Kwong Sang	廖廣生	2/2	2/2	2/2
Lam Man Sum, Albert	林聞深	2/2	2/2	2/2
Ho Tak Fun	何德芬	2/2	2/2	2/2
Chan Mee Sze (<i>appointed on 30 October 2013</i>)	陳美思 (於二零一三年 十月三十日獲委任)	N/A 不適用	N/A 不適用	0/0
Gary Drew Douglas (<i>resigned with effect from 1 November 2013</i>)	Gary Drew Douglas (於二零一三年十一月一日辭任)	N/A 不適用	N/A 不適用	2/2

提名委員會之主要職責包括 (i) 審閱董事會之架構、規模及組成；(ii) 甄選提名為董事的人士；(iii) 評估獨立非執行董事的獨立性；及 (iv) 向董事會提出建議。

於本年度內，提名委員會已舉行兩次會議。會議之出席紀錄載於下文。

出席紀錄

下表顯示本年度內董事於審核委員會、薪酬委員會及提名委員會會議之出席情況：

Corporate Governance Report

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INVESTOR RELATIONS AND COMMUNICATIONS

Company general meetings are valuable platform to allow the Board to communicate with shareholders and answer questions regarding proposed resolutions. Individual resolutions were stipulated at general meetings for each substantial issue and Board members are available to answer questions raised by shareholders. The attendance of each Director at the general meetings of the Company for the Year is set out below:

投資者關係及溝通

本公司股東週年大會為寶貴之平台，可讓董事會與股東溝通及回答有關所提呈決議案的問題。股東大會就各重大問題制定個別決議案，而董事會成員均會列席大會回答股東之提問。各董事於本年度出席本公司股東大會的情況載列如下：

Name of Directors 董事名稱		Attendance 出席情況
Executive Directors		
執行董事		
Wong Yin Sen (<i>Chairman</i>)	王彥宸(主席)	2/3
Chan Mee Sze (<i>Managing Director & Chief Executive Officer</i>)	陳美思(董事總經理兼行政總裁)	3/3
Lam Suk Ping	林叔平	3/3
Gary Drew Douglas (<i>resigned with effect from 1 November 2013</i>)	Gary Drew Douglas(於二零一三年十一月一日辭任)	2/3
Non-executive Director		
非執行董事		
Hon Lik (<i>re-designated as Non-executive Director with effect from 30 October 2013</i>)	韓力(於二零一三年十月三十日調任為非執行董事)	1/3
Independent Non-executive Directors		
獨立非執行董事		
Chung Yuk Lun	鍾育麟	3/3
Liu Kwong Sang	廖廣生	3/3
Lam Man Sum, Albert	林聞深	2/3
Ho Tak Fun	何德芬	3/3

Under the code provision of A.6.7 of the Code, all independent non-executive directors should attend general meetings of the Company and develop a balanced understanding of shareholders' view. For the Extraordinary General Meeting held on 3 January 2013, Mr. Lam Man Sum, Albert was unable to attend due to other business engagement.

根據守則第A.6.7之守則條文，全體獨立非執行董事應出席本公司股東大會，並對股東意見有平衡的了解。林聞深先生於二零一三年一月三日因須處理其他事務未能出席本公司股東特別大會。

In March 2012, the Board adopted a Shareholder's Communication Policy aiming to provide Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. Information of the Group was disseminated to Shareholders and investors as follows:

- Delivery of interim reports and annual reports to all shareholders of the Company and other interested parties;
- Announce interim results and annual results on the Stock Exchange's website and the Company's website; and issue and publication of other announcements and shareholders' circulars in accordance with the continuing disclosure obligation under the Listing Rules; and
- Price sensitive information is disclosed to the public by way of announcement as required by the Listing Rules.

Procedures for directing shareholders' enquiries to the Board

Shareholders may direct enquiries to the Board at any time. Such enquiries can be addressed to the Company Secretary by mail to the Company's principal office in Hong Kong at Room 1101, 11th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an Extraordinary General Meeting and putting forward proposals at shareholders' meetings

There are no provisions allowing shareholders to propose new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association. Shareholders who wish to move a resolution may request the Company to convene an Extraordinary General Meeting following the procedures set out below.

於二零一二年三月，董事會採納與股東溝通的政策，旨在使本公司股東及潛在投資者即時及適時獲得均衡及易於理解的本公司資料。本集團之資料亦會以下列方式發佈予股東及投資者：

- 向本公司全體股東及其他利益關係方發送中期報告及年報；
- 在聯交所網站及本公司網站公佈中期業績及年度業績，及按上市規則所規定之持續披露責任發表和刊發其他公告及股東通函；及
- 價格敏感資料乃按照上市規則之規定以公告方式向公眾披露。

向董事會傳達股東查詢之程序

股東可隨時直接向董事會進行查詢。該等查詢可郵寄至本公司主要辦事處（地址為香港北角馬寶道28號華匯中心11樓1101室），並註明公司秘書為收件人。

股東之權利

股東召開股東特別大會及於股東大會上提呈新決議案之程序

開曼群島公司法或組織章程細則並無條文批准股東於股東大會上提呈新決議案。股東如欲動議決議案，可循下文所載程序要求本公司召開股東特別大會。

Corporate Governance Report

企業管治報告

Pursuant to Article 58 of the Articles of Association, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an Extraordinary General Meeting to be called by the Board for the transaction of any business specified in such requisition.

If the requisition is in order, then the meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for proposing a person for election as a Director

Procedures for proposing a person for election as a Director, please refer to the procedures available on the Company's website at www.dragonite.com.hk.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for overseeing the preparation of the financial statements of the Group and believe these statements give a true and fair view of the Group's affairs and its results. The Directors are also responsible for the timely publication of financial statements of the Group and to ensure they are prepared in accordance with statutory requirements and applicable financial reporting standards. The Directors are also committed to making appropriate announcements in accordance with the requirements of the Listing Rules, and to disclose all information necessary for shareholders of the Company to assess the financial performance and other aspects of the Company.

根據本公司組織章程細則第58條，倘任何一名或多名股東於送達請求當日持有附本公司股東大會投票權之本公司繳足股本不少於十分之一，可隨時有權向本公司董事會或公司秘書發出書面請求，要求董事會召開股東特別大會，處理該請求中指明之任何事務。

倘請求屬恰當，則大會須於該請求送達後兩(2)個月內舉行。倘於請求送達後二十一(21)日內董事會未能召開會議，則請求人可自行以同樣方式召開大會，且因董事會未能召開大會而導致請求人產生的合理費用，本公司須退還請求人。

建議任何人士選舉董事之程序

有關建議任何人士選舉董事之程序，請參閱可於本公司網站www.dragonite.com.hk閱覽之程序。

問責及審核

董事確認彼等須負責監察本集團財務報表之編製，認為該等財務報表真確公允反映本集團的事務及業績。董事亦須負責及時刊發本集團財務報表，以確保財務報表乃根據法定要求及適用財務報告準則編製。董事亦致力按照上市規則之規定作出適當公佈，以披露本公司股東就評估本公司財務表現及其他事宜所須的一切資料。

Deloitte Touche Tohmatsu was appointed as the external auditor of the Group for the Year and will continue as such until the forthcoming Annual General Meeting of the Company. The annual consolidated financial statements of the Group for the Year have been audited by Deloitte Touche Tohmatsu. The auditors' responsibilities for the Group's financial statements are set out in the Independent Auditor's Report on pages 37 to 38 of the Company's 2013 Annual Report.

The Audit Committee is responsible for evaluating the external auditors of the Group, including but not limited to their independence and objectivity.

The fees of the external auditors of the Group for audit services amounted to HK\$1,700,000 and for non-audit services amounted to approximately HK\$300,500 for the Year.

INTERNAL CONTROL

The Board is responsible to ensure that an adequate system of internal control is maintained within the Group, and to review its effectiveness through the Audit Committee. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable, but not absolute assurance against misstatement or loss and to manage, but not to eliminate, risks of failure in achieving the Group's objectives. Practicable and effective control systems and procedures have been implemented by the Group to enhance internal control in an ongoing basis. The Board, through the Audit Committee, has conducted reviews of the effectiveness and the adequacy of the Group's system of internal control.

During the Year, based on the evaluations made by the Audit Committee, the Board was satisfied that nothing has come to its attention to cause the Board to believe that the system of internal control is inadequate; and there is an ongoing process to identify, evaluate and manage significant risks encountered by the Group.

德勤•關黃陳方會計師行於本年度獲委任為本集團外部核數師，任期至本公司應屆股東週年大會止。本集團於本年度之年度綜合財務報表已由德勤•關黃陳方會計師行審核。核數師對本集團財務報表之責任載於本公司二零一三年年報第37至38頁之獨立核數師報告。

審核委員會負責評估本集團之外部核數師，包括但不限於彼等之獨立性和客觀性。

本年度本集團之外部核數師有關核數服務及非核數服務之費用分別為1,700,000港元及約300,500港元。

內部監控

董事會負責確保本集團內部維持足夠之內部監控系統，及透過審核委員會對其有效性進行檢討。內部監控系統是專為應付本集團的具體需要及所須承受之風險而設，惟其性質使然，僅能提供有關錯誤陳述或損失之合理（並非絕對）保證，以及管理（並非消除）無法達致本集團目標之風險。本集團已實施實際有效的監控系統及程序，以持續加強內部監控。董事會（透過審核委員會）已就本集團內部監控系統之有效性和足夠性進行檢討。

於本年度根據審核委員會所作評估，董事會信納並無任何事宜將導致董事會相信內部監控系統乃不足夠，另有持續程序識別、評估及管理本集團所承受之重大風險。

Corporate Governance Report

企業管治報告

GOING CONCERN

The Directors confirm that, to the best of their knowledge, information and belief and having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cause significant doubt upon the Company's ability to continue as a going concern. The Board therefore continues to adopt the going concern approach in preparing the financial statements for the Year.

On Behalf of the Board
Dragonite International Limited

Chan Mee Sze

Managing Director

Hong Kong, 20 March 2014

持續經營

經作出一切合理查詢後所知、所悉及所信，董事確認並無任何有關事項或情況的重大不確定因素可能引致對本公司持續經營能力產生重大懷疑。因此，董事會仍然採用持續經營方法編製本年度財務報表。

代表董事會
叁龍國際有限公司

董事總經理

陳美思

香港，二零一四年三月二十日

Directors and Senior Management Profile

董事及高級管理層人員簡介

DIRECTORS

Executive Directors

Mr. Wong Yin Sen, aged 61, is one of the co-founders and currently the Chairman and President of the Group. Mr. Wong is familiar with commercial, political and social affairs in the People's Republic of China (the "PRC") and has over 28 years of experience managing PRC enterprises. After settling down in Hong Kong in 1992, he established and invested in the Group. Mr. Wong has accumulated abundant knowledge in the medical and health care product industry and has extensive experience in enterprise management.

Ms. Chan Mee Sze, aged 39, is the Managing Director, Chief Executive Officer and Company Secretary of the Company. Ms. Chan holds a Bachelor's Degree in Laws from University of London and a Master's Degree in Business Administration from University of Dundee. She is also a fellow member of The Hong Kong Institute of Company Secretaries with Practitioner's Endorsement and a fellow member of The Institute of Chartered Secretaries and Administrators. She has 15 years of experience in corporate administration and corporate finance.

Mr. Lam Suk Ping, aged 56, is an executive Director of the Company and he joined the Group in 2011 to oversee the accounts department. Mr. Lam holds a Master's Degree in Business Administration from the University of Hull and a Master's Degree in Corporate Governance from the Open University of Hong Kong. He has over 30 years of experience in auditing, finance and accounting, investment and business management. Prior to joining the Group, Mr. Lam was an executive director of Mascotte Holdings Limited, a company listed on the main board of the Stock Exchange during the period from 7 April 2008 to 27 April 2011. During 30 June 2011 to 20 October 2011, Mr. Lam was also an independent non-executive director of Radford Capital Investment Limited, a company listed on the main board of the Stock Exchange.

Non-executive Directors

Mr. Hon Lik, aged 58, is a senior pharmacist and one of the co-founders of the Group. Mr. Hon graduated from Liaoning College of Traditional Chinese Medicine in 1982 and began his career with Liaoning Academy of Traditional Chinese Medicine in the same year. Mr. Hon was promoted to the position of vice superintendent of Liaoning Academy of Traditional Chinese Medicine in 1990, and was responsible for the company's technology development. Mr. Hon has approximately 29 years of experience in the medical field and invented and patented the technology used in Chenlong Baoling Longevity Ginseng and electronic cigarette products.

董事

執行董事

王彥宸先生，61歲，本集團共同創辦人之一，目前亦為本集團主席及總裁。王先生稔熟中華人民共和國（「中國」）商業、政治及社會事務，於中國企業積逾28年商業管理經驗。於一九九二年定居香港後，成功投資創辦了本集團，積累了大量醫藥及保健品行業知識及企業管理經驗。

陳美思女士，39歲，為本公司董事總經理、行政總裁兼公司秘書。陳女士持有倫敦大學法律學士學位及University of Dundee工商管理碩士學位。彼亦為香港特許秘書公會資深會員，持有執業者認可證明，並為特許秘書及行政人員公會資深會員。陳女士於企業行政及企業財務方面擁有逾15年經驗。

林叔平先生，56歲，為本公司執行董事。彼於二零一一年加入本集團，監管會計部。林先生持有University of Hull工商管理碩士學位及香港公開大學企業管治碩士學位。彼擁有逾30年審計、金融及會計、投資及商業管理經驗。加入本集團前，林先生曾於二零零八年四月七日至二零一一年四月二十七日擔任馬斯葛集團有限公司（於聯交所主板上市的公司）的執行董事。林先生亦於二零一一年六月三十日至二零一一年十月二十日擔任萊福資本投資有限公司（一間於聯交所主板上市的公司）的獨立非執行董事。

非執行董事

韓力先生，58歲，高級藥劑師及本集團共同創辦人之一。韓先生於一九八二年畢業於遼寧中醫學院，同年開始於遼寧省中藥研究所工作。於一九九零年擢升為遼寧省中藥研究所副所長，主管該公司技術開發。韓先生於醫藥界積累約29年之豐富經驗，且為辰龍保齡參系列及電子煙產品所用專利技術之發明人。

Directors and Senior Management Profile

董事及高級管理層人員簡介

Independent non-executive Directors

Mr. Chung Yuk Lun, aged 53, is an independent non-executive Director of the Company. He is a fellow member of The Association of Chartered Certified Accountants, an associate member of The Hong Kong Institute of Certified Public Accountants and an Associate Chartered Accountants (England and Wales). Mr. Chung has over 23 years' experience in finance and project investment. He is currently an independent non-executive director of Heritage International Holdings Limited, Forefront Group Limited and Freeman Financial Corporation Limited, all of which are companies listed on the main board of the Stock Exchange. He was also the managing director and chief executive officer of Tack Fiori International Group Limited, an executive director of Radford Capital Investment Limited (currently known as Eagle Ride Investment Holdings Limited) and Ming Fung Jewellery Group Limited whose securities are listed on the main board of the Stock Exchange.

Mr. Liu Kwong Sang, aged 52, is an independent non-executive Director of the Company. He has been practising as a certified public accountant in Hong Kong with more than 20 years' experience. He graduated with honours from the Hong Kong Polytechnic University with a Bachelor's Degree in accountancy and obtained the Master's Degree in Business Administration from the University of Lincoln, the United Kingdom. Mr. Liu is an associate member of the Institute of Chartered Accountants in England and Wales, a fellow member of The Association of Chartered Certified Accountants, a fellow member of the Institute of Financial Accountants, the United Kingdom and a fellow member of the Institute of Public Accountants, Australia. He is also a fellow member of The Hong Kong Institute of Certified Public Accountants, a fellow member of the Taxation Institute of Hong Kong, a Certified Tax Adviser and a fellow member of the Society of Registered Financial Planners. Mr. Liu acts as an independent non-executive director of Polytec Asset Holdings Limited and China Railsmedia Corporation Limited, securities of both are listed on the main board of the Stock Exchange, and of abc Multiactive Ltd and TLT Lottotainment Group Limited, securities of both are listed on the GEM board of the Stock Exchange. He was also an independent non-executive director of Tack Fiori International Group Limited whose securities are listed on the main board of the Stock Exchange; and of China Media and Films Holdings Limited whose securities are listed on the GEM board of the Stock Exchange; and of Pacific CMA, Inc. whose securities were previously listed on the American Stock Exchange.

獨立非執行董事

鍾育麟先生，53歲，為本公司獨立非執行董事。彼為英國特許公認會計師公會資深會員、香港會計師公會會員以及英格蘭及威爾斯特許會計師公會會員。鍾先生於金融及項目投資方面擁有逾23年經驗。彼現為漢基控股有限公司、福方集團有限公司及民豐企業控股有限公司之獨立非執行董事，該等公司均為聯交所主板上市公司。彼亦曾為野馬國際集團有限公司之董事總經理及行政總裁、萊福資本投資有限公司(現稱鷹力投資控股有限公司)及民豐珠寶集團有限公司之執行董事，該等之證券於聯交所主板上市。

廖廣生先生，52歲，為本公司獨立非執行董事。彼為香港執業會計師，擁有超過20年經驗。廖先生畢業於香港理工大學，持有會計學士學位，並取得英國林肯大學之工商管理碩士學位。廖先生為英格蘭及威爾斯特許會計師公會之會員、英國特許公認會計師公會資深會員、英國財務會計師公會資深會員及Institute of Public Accountants, Australia資深會員。彼亦為香港會計師公會資深會員、香港稅務學會資深會員、香港註冊稅務師及註冊財務策劃師協會資深會員。廖先生擔任保利達資產控股有限公司及中國鐵聯傳媒有限公司(該等公司證券於聯交所主板上市)及辰罡科技有限公司及彩娛集團有限公司(該等公司證券於聯交所創業板上市)之獨立非執行董事。彼亦曾為野馬國際集團有限公司(其證券於聯交所主板上市)、中國傳媒影視控股有限公司(其證券於聯交所創業板上市)，及Pacific CMA, Inc.(其證券先前於美國證券交易所上市)之獨立非執行董事。

Directors and Senior Management Profile

董事及高級管理層人員簡介

Mr. Lam Man Sum, Albert, aged 58, is an independent non-executive Director of the Company. He is a fellow member of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants and member of the Hong Kong Securities Institute, Society of Chinese Accountants and Auditors, New Zealand Institute of Chartered Accountants, Taxation Institute of Hong Kong and Certified Tax Advisor. Mr. Lam holds a Bachelor's Degree in Arts (Economics) from the University of Manchester, United Kingdom. He is currently an independent non-executive director of Junefield Department Store Group Limited, the shares of which are listed on the Stock Exchange. He was the shareholder and director of Hopkins CPA Limited from 2007 to 2011 and the proprietor of Albert Lam & Co. CPA from 1993 to 2007.

Mr. Ho Tak Fun, aged 60, is an independent non-executive Director of the Company. He received a Bachelor's Degree in Business Administration, Marketing from The Chinese University of Hong Kong and a Master's Degree in Science, Information Systems from the Hong Kong Polytechnic University. Mr. Ho is a seasoned retail executive with profound experience in launching new businesses, strategic planning, business development and operations in both the PRC and Hong Kong retail markets. He also has extensive knowledge in marketing, merchandising, distribution and promotion of consumer products and mass merchandise. During the period from 5 August 2011 to 31 October 2011, Mr. Ho was an executive director of Tack Fiori International Group Limited, a company listed on the main board of the Stock Exchange.

林聞深先生，58歲，為本公司獨立非執行董事。彼為英國特許公認會計師公會及香港會計師公會資深會員以及香港證券學會、香港華人會計師公會、紐西蘭會計師公會、香港稅務學會會員註冊稅務師。林先生持有英國曼徹斯特大學經濟學文學士學位。彼一直擔任莊勝百貨集團有限公司之獨立非執行董事，該公司之股份於聯交所上市。彼於二零零七年至二零一一年期間為浩勤會計師事務所有限公司之股東及董事，並於一九九三年至二零零七年期間為林聞深會計師事務所之東主。

何德芬先生，60歲，為本公司獨立非執行董事。彼獲香港中文大學頒發工商管理學市場系學士學位及香港理工大學資訊系統理學碩士學位。何先生為資深零售業行政人員，於中國及香港零售市場之開創新業務、策略性規劃、業務發展及營運方面經驗豐富。彼亦於消費產品及大眾商品之市場推廣、採購、分銷及宣傳方面具有廣泛知識。二零一一年八月五日至二零一一年十月三十一日期間，何先生為野馬國際集團有限公司(一間於聯交所主板上市之公司)之執行董事。

Directors' Report

董事會報告

The directors of the Company present the annual report and the audited consolidated financial statements for the year ended 31 December 2013 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Company and its subsidiaries (collectively the "Group") for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 39.

The directors do not recommend the payment of a dividend for the Year.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements during the Year in the Company's share capital are set out in note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distributions to shareholders as at 31 December 2013 comprised the share premium, contributed surplus less accumulated losses with a net aggregate amount of approximately HK\$222,750,000 (2012: HK\$145,393,000).

本公司董事會謹此提呈截至二零一三年十二月三十一日止年度(「本年度」)之年報及經審核綜合財務報表。

主要業務

本公司為一家投資控股公司。本公司主要附屬公司之主要業務載於綜合財務報表附註1。

業績及股息

本公司及其附屬公司(統稱「本集團」)本年度之業績載於第39頁之綜合損益及其他全面收益表。

董事現不建議派付本年度股息。

物業、廠房及設備

本集團於本年度的物業、廠房及設備之變動詳情載於綜合財務報表附註17。

股本

本公司之股本於本年度之變動詳情載於綜合財務報表附註31。

本公司之可分派儲備

於二零一三年十二月三十一日，本公司可供分派予股東之儲備包括股份溢價、繳入盈餘減去累積虧損之總計淨額約222,750,000港元(二零一二年：145,393,000港元)。

DIRECTORS

The directors of the Company during the Year and up to the date of this report were:

Executive Directors:

Mr. Wong Yin Sen

Ms. Chan Mee Sze

Mr. Lam Suk Ping

Mr. Gary Drew Douglas

(resigned with effect from 1 November 2013)

Non-executive Director:

Mr. Hon Lik

(re-designated as Non-executive Director with effect from 30 October 2013)

Independent Non-executive Directors:

Mr. Chung Yuk Lun

Mr. Liu Kwong Sang

Mr. Lam Man Sum, Albert

Mr. Ho Tak Fun

In accordance with Article 87 of the Company's Articles of Association, Messrs. Wong Yin Sen, Hon Lik, and Chung Yuk Lun shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The non-executive directors have no specific term of office but are subject to retirement by rotation, and being eligible, offer themselves for re-election, in accordance with the Company's Articles of Association.

董事

本公司於本年度及截至本報告日期之董事為：

執行董事：

王彥宸先生

陳美思女士

林叔平先生

Gary Drew Douglas 先生

(於二零一三年十一月一日辭任)

非執行董事：

韓力先生

(於二零一三年十月三十日調任為非執行董事)

獨立非執行董事：

鍾育麟先生

廖廣生先生

林聞深先生

何德芬先生

根據本公司組織章程細則第87條，王彥宸先生、韓力先生及鍾育麟先生須輪值退任，惟符合資格在應屆股東週年大會膺選連任。

非執行董事並無設定任期，惟根據本公司組織章程細則之規定須輪值退任，惟符合資格膺選連任。

Directors' Report

董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 31 December 2013, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debt securities of the Company or any of its subsidiaries or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (i) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

董事服務合約

將在應屆股東週年大會上被提名候選連任之董事，概無訂立不可於一年內由本集團終止而無須作出賠償(法定賠償除外)之服務合約。

董事及主要行政人員於股份及相關股份中之權益及短倉

於二零一三年十二月三十一日，本公司董事及主要行政人員於本公司或其任何附屬公司或相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有須(i)根據證券及期貨條例第XV部而須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及短倉(包括根據證券及期貨條例有關規定擁有或視作擁有之權益及短倉);或(ii)須載入根據證券及期貨條例第352條之規定所存置之登記冊內之權益及短倉;或(iii)根據聯交所證券上市規則(「上市規則」)附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)而須知會本公司及聯交所之權益及短倉載列如下：

Directors' Report 董事會報告

Long positions in ordinary shares and underlying shares of the Company as at 31 December 2013:

於二零一三年十二月三十一日，本公司普通股及相關股份中的長倉載列如下：

Name of Director	Capacity	Number of issued ordinary shares of the Company 本公司已 發行股份數目	Approximate percentage of the issued share capital of the Company 本公司已發行 股本之概約百分比
董事姓名	身份		
Mr. Wong Yin Sen 王彥宸先生	Interest of controlled corporation (Note) 受控制法團權益 (附註)	1,672,650	0.79%
Mr. Hon Lik 韓力先生	Interest of controlled corporation (Note) 受控制法團權益 (附註)	1,672,650	0.79%

Note: These represent the interests in the 1,672,650 shares of the Company directly held by Absolute Target Limited which is controlled as to 46.25%, 42.5% and 11.25% by Mr. Wong Yin Sen, Mr. Hon Lik and Mr. Wong Hei Lin respectively.

附註：由Absolute Target Limited直接持有的本公司1,672,650股之權益。王彥宸先生、韓力先生及王希年先生分別擁有Absolute Target Limited 46.25%、42.5%及11.25%權益。

Save as disclosed above, as at 31 December 2013, none of the directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debt securities of the Company or any of its subsidiaries or associated corporations that are required to be recorded pursuant to section 352 of the SFO, or otherwise notified to the Company or the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一三年十二月三十一日，概無任何本公司董事及主要行政人員於本公司或其任何附屬公司或相聯法團的股份、相關股份及債券中擁有須根據證券及期貨條例第352條之規定登記之權益或短倉或須根據標準守則知會本公司或聯交所之權益或短倉。

Directors' Report

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY

Save as disclosed in note 32 to the financial statements headed "Share Based Payments", at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any associated corporations, and none of the directors of the Company, or their spouses or children under age of 18, had any right to subscribe for the shares or debt securities of the Company or had exercised any such right during the Year.

DIRECTORS' INTEREST IN CONTRACTS

There was no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

董事購買本公司股份或債券之權利

除財務報表附註32「以股份為基礎之付款」所披露者外，於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事透過收購本公司或任何相聯法團之股份或債券（包括公司債券）而獲得利益，且於本年度內，本公司董事或彼等配偶或十八歲以下子女並無認購本公司股份或債券的權利，亦無行使任何權利。

董事於合約之權益

於本年度末或本年度任何時間，本公司、其控股公司、附屬公司或其同系附屬公司概無訂立任何本公司董事於其中直接或間接擁有重大利益關係之重大合約。

SUBSTANTIAL SHAREHOLDERS

So far as is known to directors of the Company, as at 31 December 2013, the persons or companies (other than directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to the Company under Part XV of the SFO, or which were recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the ordinary shares of the Company as at 31 December 2013:

Name 名稱	Capacity 身份	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比
Unity Investments Holdings Limited 合一投資控股有限公司	Interest of controlled corporation (Note) 受控制法團權益 (附註)	20,020,000	9.45%

Note: These shares are held by Great Panorama International Limited which is wholly-owned subsidiary of Unity Investments Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited.

主要股東

就本公司董事所知，於二零一三年十二月三十一日，於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部向本公司披露，或須載入本公司根據證券及期貨條例第336條之規定存置之主要股東登記冊的權益或短倉的人士或公司(除本公司董事或主要行政人員外)載列如下：

於二零一三年十二月三十一日，本公司普通股的長倉載列如下：

附註：該等股份由合一投資控股有限公司（一間於聯交所上市之公司）之全資附屬公司Great Panorama International Limited持有。

Directors' Report

董事會報告

Save as disclosed above, as at 31 December 2013, no person, other than the directors of the Company, whose interests are set out herein this report, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

At an extraordinary general meeting of the Company held on 17 December 2012, an ordinary resolution was duly passed to adopt a new share option scheme. The old share option scheme adopted by the Company on 30 May 2003 was terminated upon passing of the ordinary resolution to adopt the new share option scheme.

Details and the movement of the share option scheme of the Company are disclosed in "Share-based Payments" in note 32 to the consolidated financial statements.

CONVERTIBLE SECURITIES, OPTIONS OR OTHER SIMILAR RIGHTS

Movements in share option scheme during the Year are set out in note 32 to the consolidated financial statements. The Company has no outstanding convertible securities, options or similar rights in issue as at 31 December 2013.

BORROWINGS

Details of the interest-bearing borrowings of the Group are set out in note 30 to the consolidated financial statements.

RETIREMENT SCHEME

The Group provides a defined contribution retirement scheme under the Mandatory Provident Fund Scheme (the "Scheme") in Hong Kong. Under the Scheme, employer and employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$25,000 and a minimum level of relevant income of HK\$7,100 (HK\$6,500 for the period from January 2013 to October 2013) for the employees' contribution.

除上文所披露者外，於二零一三年十二月三十一日，概無任何人士（除於本報告中載有其權益的本公司董事外）於本公司股份或相關股份中擁有須根據證券及期貨條例第336條登記之權益或短倉。

購股權計劃

在本公司於二零一二年十二月十七日舉行之股東特別大會上，正式通過一項普通決議案以採納新購股權計劃。本公司於二零零三年五月三十日採納之舊購股權計劃已於通過普通決議案以採納新購股權計劃時終止。

本公司購股權計劃之詳情及變動於綜合財務報表附註32「以股份為基礎之付款」中披露。

可換股證券、購股權或其他同類權利

本年度的購股權計劃變動載於綜合財務報表附註32。於二零一三年十二月三十一日，本公司並無尚未行使的可換股證券、購股權或同類權利。

借貸

本集團的計息借貸詳情載於綜合財務報表附註30。

退休計劃

本集團根據香港強制性公積金計劃（「強積金計劃」）提供定額供款退休計劃。根據強積金計劃，僱主及僱員均須按僱員相關收入的5%向強積金計劃供款，惟僱員供款的相關每月收入最高及最低限額分別為25,000港元及7,100港元（二零一三年一月至二零一三年十月為6,500港元）。

MANAGEMENT CONTRACTS

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

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the remuneration committee of the Company (the "Remuneration Committee") on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance, time, commitment, duties and responsibilities, contribution to the Group, comparable market statistics and prevailing marketing practice and trends.

PRE-EMPTIVE RIGHTS

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

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, the largest supplier of the Group by itself and together with the next four suppliers accounted for about 31.81% and 51.29%, respectively, of the Group's purchases.

During the Year, the five largest customers of the Group accounted for less than 75% of the Group's turnover.

At no time during the Year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors own more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers.

管理合約

本年度內並沒有訂立或存在有關管理本公司及本集團整體或任何重大部分業務之合約。

獨立非執行董事的獨立性

本公司已從各獨立非執行董事接獲根據上市規則第3.13條確認其獨立性之年度確認書，並認為所有獨立非執行董事均為獨立。

薪酬政策

本公司薪酬委員會(「薪酬委員會」)按本集團僱員之功績、資歷及勝任度釐定其薪酬政策。

薪酬委員會視乎本公司之營運業績、個人表現及董事之年期、承諾及職務、對集團之貢獻及可作比較之市場統計數字，及當前市場慣例及趨勢建議本公司董事之薪酬。

優先購買權

根據本公司組織章程細則或開曼群島法例，當中並無載列優先購買權條文，規定本公司按比例基準向其現有股東建議發售新股。

主要供應商及客戶

於本年度，本集團最大供應商連同另外四名最大供應商分別佔本集團總採購額約31.81%及51.29%。

於本年度，本集團五大客戶佔本集團營業額不足75%。

於本年度內，本公司各董事、董事之聯繫人士或股東(據董事所知擁有本公司股本超過5%者)，概無於本集團五大供應商擁有任何權益。

Directors' Report

董事會報告

RELATED PARTY TRANSACTION

The related party transaction set out in note 37 to the consolidated financial statements did not fall within the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

DONATION

During the Year, the Group donated HK\$880,000 to support charitable activity.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

AUDITOR

The consolidated financial statements of the Company for each of the three years ended 31 December 2013 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Dragonite International Limited

Wong Yin Sen
Chairman

20 March 2014

關連人士交易

綜合財務報表附註37所載之關連人士交易並非上市規則第十四A章「關連交易」或「持續關連交易」之定義範圍內。

捐款

於本年度內，本集團捐款880,000港元支持慈善活動。

購買、出售或贖回證券

於本年度內，本公司或其任何附屬公司亦無購買、出售或贖回本公司任何上市證券。

足夠公眾持股量

於本報告日期，基於本公司所得之公開資料及就董事所知，本公司一直維持上市規則規定之充足公眾持股量。

核數師

本公司截至二零一三年十二月三十一日止三個年度各年的綜合財務報表均由德勤•關黃陳方會計師行審核。本公司將於即將舉行之股東週年大會上提呈續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會
叁龍國際有限公司

主席
王彥宸

二零一四年三月二十日

Deloitte. 德勤

TO THE SHAREHOLDERS OF DRAGONITE INTERNATIONAL LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Dragonite International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 143, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

致：參龍國際有限公司股東
(於開曼群島註冊成立之有限公司)

本行已完成審核載於第39頁至第143頁參龍國際有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）綜合財務報表，其中包括於二零一三年十二月三十一日的綜合財務狀況表，及截至該日止年度之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，以及重大會計政策概要及其他說明性資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責遵照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披露規定，編製及真實而公平地列報綜合財務報表，及制定董事認為編製並無重大錯誤陳述（不論是否因欺詐或錯誤引起）的綜合財務報表所必要的內部監控。

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發表意見，並僅向整體股東報告，除此以外，按我們協定的委聘條款，本報告並無其他用途。我們不會就本報告的內容向任何其他人士承擔或負上任何責任。我們已根據香港會計師公會頒佈的香港審核準則進行審核。該等準則規定我們須遵守職業道德規範計劃及進行審核，以合理確定此等綜合財務報表有否存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

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

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

20 March 2014

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實公平列報的綜合財務報表相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的成效發表意見。審計亦包括評價董事所採用會計政策是否合適及所作會計估計是否合理，以及評價綜合財務報表的整體列報方式。

我們相信，我們已取得充分恰當的審核憑證，為我們的審核意見提供了基礎。

意見

我們認為，按照香港財務報告準則編製的綜合財務報表真實公平地反映 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溢利和現金流量，並已按照香港公司條例的披露規定妥善編製。

德勤•關黃陳方會計師行
執業會計師
香港

二零一四年三月二十日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		NOTES 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (restated) (經重列)
Continuing operations	持續經營業務			
Turnover	營業額			
Sales of goods	銷售貨品		20,195	17,787
Cost of goods sold	銷貨成本		<u>(12,678)</u>	<u>(12,015)</u>
			7,517	5,772
Dividend income	股息收入		655	161
Rental income	租賃收入		4,920	4,680
Interest income from loans receivable	應收貸款之利息收入		1,660	300
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動		<u>169,772</u>	<u>(11,104)</u>
			184,524	(191)
Other income	其他收入		3,754	1,493
Other gains and losses	其他盈虧	8	(31,790)	7,115
Distribution costs	經銷費用		(1,830)	(1,247)
Administrative expenses	行政支出		(25,326)	(27,007)
Other expenses	其他支出		(6,715)	(13,858)
Finance costs	財務費用	9	<u>(853)</u>	<u>(1,255)</u>
Profit (loss) before tax	稅前溢利(虧損)		121,764	(34,950)
Income tax expense	所得稅支出	10	<u>(1,147)</u>	<u>(2,299)</u>
Profit (loss) for the year from continuing operations	本年度持續經營業務溢利(虧損)	11	120,617	(37,249)
Discontinued operation	已終止經營業務			
Profit (loss) for the year from discontinued operation	本年度已終止經營業務溢利(虧損)	12	<u>447,547</u>	<u>(28,831)</u>
Profit (loss) for the year	本年度溢利(虧損)		<u>568,164</u>	<u>(66,080)</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		NOTES	2013	2012
		附註	二零一三年	二零一二年
			HK\$'000	HK\$'000
			千港元	千港元
				(restated)
				(經重列)
Other comprehensive income for the year:	本年度其他全面收入：			
Items that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益之項目：			
Exchange differences arising on translation of foreign operation	換算外國業務產生之匯兌差額		4,281	1,169
Total comprehensive income (expense) for the year	本年度全面收入(支出)總額		<u>572,445</u>	<u>(64,911)</u>
Earnings (loss) per share	每股盈利(虧損)			
From continuing and discontinued operations	來自持續經營及已終止經營業務			
Basic and diluted	基本及攤薄	16	<u>2.78港元</u>	<u>(0.64)港元</u>
From continuing operations	來自持續經營業務			
Basic and diluted	基本及攤薄	16	<u>0.59港元</u>	<u>(0.36)港元</u>

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2013 於二零一三年十二月三十一日

		NOTES	2013	2012
		附註	二零一三年	二零一二年
			HK\$'000	HK\$'000
			千港元	千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	29,499	27,652
Investment property	投資物業	18	140,000	175,600
Deferred consideration	遞延代價	25	61,573	—
Prepaid lease payments	預付租賃款項	19	2,627	2,622
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備所付按金		3,339	—
			<u>237,038</u>	<u>205,874</u>
Current assets	流動資產			
Inventories	存貨	20	4,889	8,555
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	21	599,317	129,828
Trade receivables	應收貿易賬項	22	2,165	1,764
Loans receivable	應收貸款	23	90,474	—
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項	24	7,001	14,006
Deferred consideration	遞延代價	25	104,871	—
Prepaid lease payments	預付租賃款項	19	82	82
Bank balances and cash	銀行結餘及現金	26	37,614	34,881
			<u>846,413</u>	<u>189,116</u>
Current liabilities	流動負債			
Trade payables	應付貿易賬項	27	2,869	6,096
Accruals and other payables	應計款項及其他應付賬項	28	33,911	34,397
Derivative financial instruments	衍生金融工具	29	19,220	17,332
Borrowings	借款	30	—	25,676
Taxation payable	應付稅項		41,577	1,044
			<u>97,577</u>	<u>84,545</u>
Net current assets	流動資產淨值		<u>748,836</u>	<u>104,571</u>
NET ASSETS	資產淨值		<u>985,874</u>	<u>310,445</u>

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2013 於二零一三年十二月三十一日

		NOTES	2013	2012
		附註	二零一三年	二零一二年
			HK\$'000	HK\$'000
			千港元	千港元
Capital and reserves	資本及儲備			
Share capital	股本	31	2,120	1,060
Reserves	儲備		983,754	309,385
TOTAL EQUITY	權益總額		985,874	310,445

The consolidated financial statements on pages 39 to 143 were approved and authorised for issue by the Board of Directors on 20 March 2014 and are signed on its behalf by:

第39至143頁之綜合財務報表於二零一四年三月二十日獲董事會批准及授權刊發，並由下列董事代表簽署：

DIRECTOR
董事

DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share premium		Shareholders' contribution	Translation reserve	Share option reserve	Non-distributable reserves	Merger reserves	Special reserves	(Accumulated losses) retained earnings	Attributable to owners of the Company
		Share capital	Share account	Shareholders' contribution	Translation reserve	Share option reserve	Non-distributable reserves	Merger reserves	Special reserves	(Accumulated losses) retained earnings	Attributable to owners of the Company
		股本	溢價賬	股東出資	匯兌儲備	購股權儲備	非供分派儲備	合併儲備	特別儲備	保留盈利	應佔權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note a)			(note b)	(note d)	(note c)		
				(附註a)			(附註b)	(附註d)	(附註c)		
At 1 January 2012	於二零一二年一月一日	271,731	1,433,173	21,780	93,991	8,716	24,737	(1,016,738)	3,142	(604,680)	235,852
Loss for the year	本年度虧損	—	—	—	—	—	—	—	—	(66,080)	(66,080)
Other comprehensive income for the year	本年度其他全面收入	—	—	—	1,169	—	—	—	—	—	1,169
Total comprehensive income (expense) for the year	本年度全面收入(支出)總額	—	—	—	1,169	—	—	—	—	(66,080)	(64,911)
First Capital Reorganisation (note e)	第一次資本重組(附註e)	(266,296)	(1,433,173)	—	—	—	—	—	—	1,699,469	—
Issue of new shares upon placing	於配售後發行新股	3,261	18,260	—	—	—	—	—	—	—	21,521
Issue of new shares upon exercise of share options	於行使購股權後發行新股	1,630	11,460	—	—	(1,678)	—	—	—	—	11,412
Issue of new shares upon rights issue	於供股後發行新股	10,869	97,823	—	—	—	—	—	—	—	108,692
Second Capital Reorganisation (note f)	第二次資本重組(附註f)	(20,135)	—	—	—	—	—	—	—	20,135	—
Transaction costs attributable to issue of shares	發行股份產生之交易費用	—	(3,799)	—	—	—	—	—	—	—	(3,799)
Recognition of equity-settled share-based payments	確認以權益結算並以股份為基礎之付款	—	—	—	—	1,678	—	—	—	—	1,678
At 31 December 2012	於二零一二年十二月三十一日	1,060	123,744	21,780	95,160	8,716	24,737	(1,016,738)	3,142	1,048,844	310,445
Profit for the year	本年度溢利	—	—	—	—	—	—	—	—	568,164	568,164
Other comprehensive income for the year	本年度其他全面收入	—	—	—	4,281	—	—	—	—	—	4,281
Total comprehensive income for the year	本年度全面收入總額	—	—	—	4,281	—	—	—	—	568,164	572,445
Issue of new shares upon rights issue	於供股後發行新股	1,060	104,915	—	—	—	—	—	—	—	105,975
Transaction costs attributable to issue of shares	發行股份產生之交易費用	—	(2,991)	—	—	—	—	—	—	—	(2,991)
Transfer of translation reserve to retained earnings upon disposal of subsidiaries	於出售附屬公司後將匯兌儲備轉至保留盈利	—	—	—	(13,902)	—	—	—	—	13,902	—
Transfer upon lapse of share options	購股權失效後轉撥	—	—	—	—	(8,716)	—	—	—	8,716	—
At 31 December 2013	於二零一三年十二月三十一日	2,120	225,668	21,780	85,539	—	24,737	(1,016,738)	3,142	1,639,626	985,874

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Notes:

- (a) Shareholders' contribution represents the amounts contributed by shareholders of Tre 29 Investment (Holdings) Limited (formerly known as "Ruyan Investment (Holdings) Limited") ("Tre 29") during the year ended 31 December 2007.
- (b) The non-distributable reserve represents statutory reserves appropriated from profit after tax of the Company's subsidiary in The People's Republic of China ("PRC") under the PRC laws and regulations.
- (c) The special reserve of the Group represents reserve arising pursuant to group reorganisation on the basis that the group reorganisation had been effected on 1 January 2000.
- (d) The merger reserve represents (i) the share capital of Tre 29 (ii) the carrying amount of equity interest in Tre 29 held by the non-controlling parties and (iii) the fair value of the considerations paid for acquisition of Tre 29 during the year ended 31 December 2007.
- (e) Pursuant to special resolution passed on 23 December 2011 and the approval by the court in the Cayman Islands on 9 March 2012, the entire amount standing to the credit of the share premium account of the Company upon the completion to First Capital Reorganisation (as defined in note 31) on 19 March 2012 is cancelled and transferred to the accumulated losses of the Company.
- (f) Pursuant to special resolution passed on 6 August 2012 and the approval by the court in the Cayman Islands on 26 October 2012, the credit arising from the reduction in share capital is transferred to accumulated losses of the Company upon the completion of Second Capital Reorganisation (as defined in note 31) on 31 October 2012.

附註：

- (a) 股東出資指截至二零零七年十二月三十一日止年度Tre 29 Investment (Holdings) Limited (前稱為「Ruyan Investment (Holdings) Limited」) (「Tre 29」) 之股東出資金額。
- (b) 非供分派儲備指本公司之中華人民共和國 (「中國」) 附屬公司根據中國法律及法規從除稅後溢利中撥出之法定儲備。
- (c) 本集團之特別儲備指集團重組於二零零零年一月一日生效時因集團重組產生之儲備。
- (d) 合併儲備指(i) Tre 29股本；(ii)無控制權人士持有之Tre 29股權之賬面值及(iii)截至二零零七年十二月三十一日止年度就收購Tre 29支付代價之公平值。
- (e) 根據於二零一一年十二月二十三日通過之特別決議案並經開曼群島法院於二零一二年三月九日批准，首次資本重組 (定義見附註31) 於二零一二年三月十九日完成後本公司股份溢價賬之全部進賬金額將被註銷並轉撥至本公司累計虧損。
- (f) 根據二零一二年八月六日通過之特別決議案並經開曼群島法院於二零一二年十月二十六日批准，於第二次資本重組 (定義見附註31) 於二零一二年十月三十一日完成後，股本削減所得進賬已轉撥作本公司累計虧損。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	NOTES 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
OPERATING ACTIVITIES 經營活動			
Profit (loss) before tax	除稅前溢利(虧損)	609,628	(63,781)
Adjustments for:	就以下項目作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,918	3,135
Amortisation of prepaid lease payments	預付租賃款項攤銷	84	90
Allowance for inventory obsolescence	滯銷存貨撥備	5,794	4,839
Allowance for bad and doubtful debts	呆壞賬撥備	380	1,842
Impairment loss recognised in respect of other receivables	就其他應收賬項 確認減值虧損	1,118	—
Impairment loss recognised in respect of loans receivable	就應收貸款 確認減值虧損	—	10,000
Share-based payment expenses	以股份為基礎付款之支出	—	1,678
Finance costs	財務費用	853	1,255
Change in fair value of derivative financial instruments	衍生金融工具之公平值變動	1,888	11,643
Change in fair value of financial assets designated at fair value through profit or loss	指定按公平值計入損益之金融 資產之公平值變動	—	(10,495)
Bank interest income	銀行利息收入	(50)	(9)
Effective interest income on deferred consideration	遞延代價之實際利息收入	(3,625)	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	58	15
Gain on disposal of Assets	出售資產之收益	(550,319)	—
Gain on disposal of subsidiaries	出售附屬公司之收益	(6,078)	—
Change in fair value of investment property	投資物業之公平值變動	35,600	(30,600)

Consolidated Statement of Cash Flows

綜合現金流量表

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

	NOTES 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	98,249	(70,388)
Increase in inventories	存貨增加	(1,842)	(4,930)
(Increase) decrease in trade receivables	應收貿易賬項(增加)減少	(722)	567
Decrease (increase) in deposits, prepayments and other receivable	按金、預付款項及其他應收賬項減少(增加)	5,673	(7,147)
Increase in loans receivable	應收貸款增加	(90,474)	(10,000)
Increase in held-for-trading investments	持作買賣用途之投資增加	(469,489)	(24,604)
Decrease in trade payables	應付貿易賬項減少	(1,393)	(193)
Increase in accruals and other payables	應計款項及其他應付賬項增加	3,584	641
Cash used in operations	經營所用現金	(456,414)	(116,054)
Bank interest received	已收銀行利息	50	9
PRC income tax paid	已繳中國所得稅	(931)	(1,179)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(457,295)	(117,224)
INVESTING ACTIVITIES	投資活動		
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	6	85
Proceeds on disposal of financial assets designated at fair value through profit or loss	出售指定按公平值計入損益之金融資產所得款項	—	29,925
Purchase of property, plant and equipment	購入物業、廠房及設備	(3,899)	(4,948)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備所付按金	(3,254)	—
Proceeds in disposal of assets	出售資產之所得款項	25 387,500	—
Disposal of subsidiaries	出售附屬公司	33 (95)	—
NET CASH FROM INVESTING ACTIVITIES	投資活動所得現金淨額	380,258	25,062

Consolidated Statement of Cash Flows

綜合現金流量表

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

	NOTES 附註	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
New borrowings raised	新造借款	—	50,000
Interest paid on borrowings	借款已付利息	(853)	(1,255)
Repayment of borrowings	償還借款	(25,676)	(116,666)
Issue of new shares	發行新股	105,975	141,625
Expenses of issue of shares	發行股份之開支	(2,991)	(3,799)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	76,455	69,905
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 減少淨額	(582)	(22,257)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	34,881	55,970
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	3,315	1,168
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	年終之現金及現金等值項目 即銀行結餘及現金	37,614	34,881

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

I. GENERAL

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 registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in production and sales of a series of health care products, pharmaceutical products, securities trading and investments, property investment and money lending in Hong Kong. During the year ended 31 December 2013, the Company ceased the operation of production and sales of atomizing cigarettes upon disposal of Assets (as defined in note 12). Details of the discontinued operation are disclosed in note 12.

The functional currency of the Company is Hong Kong dollars ("HK\$"). For the purposes of presenting the consolidated financial statements, the Group adopted HK\$ as its presentation currency for the convenience of the readers. The directors consider HK\$ can provide more meaningful information to the Company's shareholders.

I. 一般資料

本公司於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處地址及主要營業地點已於本年報之簡介中披露。

本公司為一家投資控股公司，其附屬公司之主要業務為生產及銷售一系列保健產品、醫藥產品及證券買賣及投資、在香港進行物業投資以及貸款。於截至二零一三年十二月三十一日止年度，本公司於出售該等資產（定義見附註12）後不再經營生產及銷售霧化煙。已終止經營業務之詳情於附註12披露。

本公司之功能貨幣為港元（「港元」）。就呈列綜合財務報表而言，為方便讀者閱覽，本集團採用港元作為其呈列貨幣。董事認為港元可為本公司股東提供更有意義之資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

In the current year, the Group has applied the following new and revised standards, amendments and interpretation (new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKFRSs

香港財務報告準則之修訂

Amendments to HKFRS 7

香港財務報告準則第7號之修訂

Amendments to HKFRS 10,

HKFRS 11 and HKFRS 12

香港財務報告準則第10號、

香港財務報告準則第11號及

香港財務報告準則第12號之修訂

HKFRS 10

香港財務報告準則第10號

HKFRS 11

香港財務報告準則第11號

HKFRS 12

香港財務報告準則第12號

HKFRS 13

香港財務報告準則第13號

HKAS 19 (as revised in 2011)

香港會計準則第19號 (二零一一年經修訂)

HKAS 27 (as revised in 2011)

香港會計準則第27號 (二零一一年經修訂)

HKAS 28 (as revised in 2011)

香港會計準則第28號 (二零一一年經修訂)

Amendments to HKAS 1

香港會計準則第1號之修訂

HK(IFRIC) - INT 20

香港 (國際財務報告詮釋委員會) - 詮釋第20號 地表礦生產階段之剝離成本

Except as described below, the adoption of the new and revised HKFRSs has had no material impact on the consolidated financial statements of the Group for the current or prior accounting periods.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團應用下列由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂準則、修訂本及詮釋(「新訂及經修訂香港財務報告準則」)。

Annual improvements to HKFRSs 2009 - 2011 cycle

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

Disclosures - Offsetting financial assets and financial liabilities

披露 - 抵銷金融資產及金融負債

Consolidated financial statements, joint arrangements

and disclosure of interests in other entities: Transition guidance

綜合財務報表、合營安排及披露於其他實體之權益：過渡性指引

Consolidated financial statements

綜合財務報表

Joint arrangements

合營安排

Disclosure of interests in other entities

披露於其他實體之權益

Fair value measurement

公平值計量

Employee benefits

僱員福利

Separate financial statements

獨立財務報表

Investments in associates and joint ventures

於聯營公司及合營企業之投資

Presentation of items of other comprehensive income

呈列其他全面收入項目

Stripping costs in the production phase of a surface mine

地表礦生產階段之剝離成本

除下述者外，採用新訂及經修訂香港財務報告準則對本集團現時及過往會計期間之綜合財務報表並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and HK(SIC) INT-12 “Consolidation - special purpose entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

HKFRS 12 Disclosure of interests in other entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has not had any impact on the disclosures in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

應用香港財務報告準則第10號之影響

香港財務報告準則第10號取代香港會計準則第27號「綜合及獨立財務報表」內有關處理綜合財務報表之部份及香港(常設詮釋委員會)詮釋第12號「綜合－特殊目的實體」。香港財務報告準則第10號改變控制權之定義，致令投資者在以下情況下擁有被投資公司之控制權：(a) 其有權控制被投資公司；(b) 其因參與被投資公司而對可變回報承擔風險或享有權利；及(c) 能夠運用其權力以影響其回報。該等三項標準須同時滿足，投資者方會擁有對被投資公司之控制權。在此之前，控制權被界定為有權規管實體之財務及經營政策，藉以自其業務中獲取利益。香港財務報告準則第10號已納入額外指引，以解釋投資者於何時對被投資公司擁有控制權。

由於應用香港財務報告準則第10號，本集團已變更其有關釐定那間被投資公司受本集團控制之會計政策。

應用香港財務報告準則第10號並無改變本集團於二零一三年一月一日有關參與被投資公司之任何綜合結論。

香港財務報告準則第12號披露於其他實體之權益

香港財務報告準則第12號為新披露準則，適用於在附屬公司、合營安排、聯營公司及／或未被合併結構實體中持有權益之實體。一般而言，應用香港財務報告準則第12號並未對於綜合財務報表作出之披露有任何影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period (please see notes 6 and 18 for the 2013 disclosures). Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第13號公平值計量

本集團於本年度首次採納香港財務報告準則第13號。香港財務報告準則第13號確立對公平值計量及披露公平值計量之單一指引。香港財務報告準則第13號之範圍廣泛：香港財務報告準則第13號之公平值計量規定適用於其他香港財務報告準則規定或允許公平值計量及有關公平值計量披露之金融工具項目及非金融工具項目，惟少數例外情況除外。香港財務報告準則第13號將資產之公平值界定為在現時市況下於計量日期在主要(或最有利)市場所進行之有序交易中出售資產已收取或轉讓負債已支付之價格。非金融資產公平值之計量則參考市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。根據香港財務報告準則第13號，公平值為退出價，而不論該價格是否直接可觀察或使用另一估值方法估計得出。香港財務報告準則第13號亦包括廣泛披露規定。

香港財務報告準則第13號須追溯應用。根據香港財務報告準則第13號之過渡條文，本集團並無就二零一二年比較期間作出香港財務報告準則第13號所規定之任何新披露(有關二零一三年之披露資料請參閱附註6及18)。除額外披露外，應用香港財務報告準則第13號並無對綜合財務報表中確認之金額構成任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 “Presentation of items of other comprehensive income”. Upon the adoption of the amendments to HKAS 1, the Group’s “statement of comprehensive income” is renamed as the “statement of profit or loss and other comprehensive income”. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第1號之修訂呈列其他全面收入項目

本集團已應用香港會計準則第1號之修訂「呈列其他全面收入項目」。採納香港會計準則第1號之修訂後，本集團之「全面收益表」更名為「損益及其他全面收益表」。此外，香港會計準則第1號之修訂規定須於其他全面收益中作出額外披露，致使其他全面收益項目分為兩類：(a) 其後不得重新分類至損益之項目；及 (b) 倘符合特定條件，可於其後重新分類至損益之項目。其他全面收益項目之所得稅亦須按相同基礎分配—有關修訂並未變更以除稅前或除稅後基礎呈列其他全面收益項目之選擇。有關修訂已予追溯應用，而呈列其他全面收入項目亦作出修改，以反映是項變動。除上述呈列變動外，應用香港會計準則第1號之修訂並無對損益、其他全面收入及全面收入總額造成任何影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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|---|---|
| <p>2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)</p> <p>Amendments to HKAS 1 Presentation of items of other comprehensive income (Continued)</p> <p>The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective:</p> | <p>2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)</p> <p>香港會計準則第1號之修訂呈列其他全面收入項目(續)</p> <p>本集團並無提早採用下列已頒佈但尚未生效之新訂或經修訂香港財務報告準則：</p> |
|---|---|

<p>Amendments to HKFRS 9 and HKFRS7 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</p> <p>Amendments to HKFRS 10, HKFRS 12 and HKAS 27 香港財務報告準則第10號、 香港財務報告準則第12號及 香港會計準則第27號之修訂</p> <p>HKFRS 9 香港財務報告準則第9號</p> <p>Amendments to HKAS 19 香港會計準則第19號之修訂</p> <p>Amendments to HKAS 32 香港會計準則第32號之修訂</p> <p>Amendments to HKAS 36 香港會計準則第36號之修訂</p> <p>Amendments to HKAS 39 香港會計準則第39號之修訂</p> <p>Amendments to HKFRSs 香港財務報告準則之修訂</p> <p>Amendments to HKFRSs 香港財務報告準則之修訂</p> <p>HK(IFRIC) - INT 21 香港(國際財務報告詮釋委員會)－詮釋第21號</p>	<p>Mandatory effective date of HKFRS 9 and transition disclosures³ 香港財務報告準則第9號之強制生效日期及過渡性披露³</p> <p>Investment entities¹ 投資實體¹</p> <p>Financial instruments³ 金融工具³</p> <p>Defined benefit plans: Employees contributions² 界定福利計劃：僱員供款²</p> <p>Offsetting financial assets and financial liabilities¹ 抵銷金融資產及金融負債¹</p> <p>Recoverable amount disclosures for non-financial assets¹ 非金融資產之可收回金額披露¹</p> <p>Novation of derivatives and continuation of hedge accounting¹ 衍生工具更替及持續進行對沖會計處理¹</p> <p>Annual improvement to HKFRSs 2010-2012 cycle⁴ 香港財務報告準則二零一零年至二零一二年週期之年度改進⁴</p> <p>Annual improvement to HKFRSs 2011-2013 cycle² 香港財務報告準則二零一一年至二零一三年週期之年度改進²</p> <p>Levies¹ 徵費¹</p>
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| <p>1 Effective for accounting periods beginning on or after 1 January 2014.</p> <p>2 Effective for accounting periods beginning on or after 1 July 2014.</p> <p>3 Available for application - the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.</p> <p>4 Effective for accounting periods beginning on or after 1 July 2014, with limited exceptions.</p> | <p>1 於二零一四年一月一日或之後開始之會計期間生效。</p> <p>2 於二零一四年七月一日或之後開始之會計期間生效。</p> <p>3 可予應用－將於香港財務報告準則第9號之未落實階段完成後釐定強制生效日期。</p> <p>4 於二零一四年七月一日或之後開始之會計期間生效，惟有限之例外情況除外。</p> |
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Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具

香港財務報告準則第9號於二零零九年頒佈，引進有關金融資產分類和計量的新要求。香港財務報告準則第9號其後於二零一零年修訂，載入有關分類及計量金融負債及取消確認的規定，並於二零一三年進一步修訂以載入有關對沖會計法的新要求。

根據香港財務報告準則第9號，所有屬香港會計準則第39號「金融工具：確認及計量」範疇內的已確認金融資產，其後均按攤銷成本或公平值計量。其中，按商業模式持有而目的為收取合約現金流量的債務投資，以及僅為支付本金及未償還本金利息的合約現金流量的債務投資，一般均於其後報告期末按攤銷成本計量。所有其他債務投資及股本投資均於其後會計期結束時按公平值計量。此外，根據香港財務報告準則第9號，公司有不可撤回的選擇權把股本投資(非持有作交易用途)隨後的公平值變動呈列於其他全面收益內，一般只有股息收入於損益確認。

就指定為按公平值計入損益的金融負債之計量而言，香港財務報告準則第9號規定因金融負債信貸風險有變而導致其公平值變動的款額乃於其他全面收益呈列，惟於其他全面收益確認該負債信貸風險變動的影響會產生或增加損益的會計錯配則除外。因金融負債信貸風險變動而導致金融負債公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為按公平值計入損益的金融負債的全部公平值變動款額均於損益呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 9 Financial instruments (Continued)

Based on the Group's financial instruments as at 31 December 2013, the application of HKFRS 9 will have no material impact on the consolidated financial statements.

Amendments to HKAS 36 Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company anticipate that the application of these amendments to HKAS 36 may result in more disclosures on the Group's consolidated financial statements in respect of the Group's property, plant and equipment for which an impairment loss has been recognised if the recoverable amount is determined based on fair value less costs of disposal.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

根據本集團於二零一三年十二月三十一日的金融工具，應用香港財務報告準則第9號不會對綜合財務報表造成重大影響。

香港會計準則第36號之修訂非金融資產之可收回金額披露

倘獲分配商譽或具有無限使用年期之其他無形資產的相關現金產生單位(「現金產生單位」)並無出現減值或減值撥回，香港會計準則第36號之修訂取消就有關現金產生單位可收回金額作出披露之規定。此外，當資產或現金產生單位之可收回金額乃按照其公平值減出售成本釐定時，該等修訂引入有關公平值層級、主要假設及所用估值方法之額外披露規定。

本公司董事預期應用香港會計準則第36號之該等修訂可能會導致須對本集團綜合財務報表內本集團之物業、廠房及設備作出更廣泛披露，而倘可收回金額以公平值減出售成本釐定，則上述項目已確認減值虧損。

本公司董事預期，應用其他新訂及經修訂香港財務報告準則不會對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment property, which are measured at fair values, as explained in the accounting policies set out below.

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

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

3. 重大會計政策

綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例所規定的相關披露事項。

如下文所載會計政策所解釋，除若干按公平值列賬之金融工具及投資物業以外，綜合財務報表乃根據歷史成本法編製。

歷史成本一般以交換貨品及服務時所給予代價之公平值為基準。

公平值是指市場參與者之間在計量日期進行有序交易中出售一項資產所收取之價格或轉移一項負債所支付之價格，無論該價格是直接觀察到的結果或採用另一估值方法估計得出。在估計資產或負債之公平值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮之該等特徵。在該等綜合財務報表中計量及／或披露之公平值均在此基礎上予以釐定，惟香港財務報告準則第2號範圍內以股份為基礎付款交易、香港會計準則第17號範圍內之租賃交易、以及與公平值類似但並非公平值的計量(例如，香港會計準則第2號之可變現淨值或香港會計準則第36號之使用價值)除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Basis of consolidation

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

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

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

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

3. 重大會計政策 (續)

此外，就財務報告而言，公平值計量根據公平值計量參數之可觀察程度及公平值計量參數對其整體之重要性，分類為第一級、第二級或第三級，詳情如下：

- 第一級參數為實體於計量日期可以取得相同資產或負債於活躍市場之報價(未經調整)；
- 第二級參數為就資產或負債直接或間接可觀察之參數(第一級內包括之報價除外)；及
- 第三級參數為資產或負債之無法觀察參數。

主要會計政策如下：

綜合賬目之基準

綜合財務報表包括本公司及本公司控制之實體(附屬公司)之財務報表。取得控制權是指本公司：

- 有權控制被投資公司；
- 因參與被投資公司而對可變回報承擔風險或享有權利；及
- 能夠運用其對被投資公司之權力以影響其回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制被投資公司。

當本集團取得對附屬公司之控制權，便將該附屬公司綜合入賬；當本集團失去對附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，本年度收購或出售附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. 重大會計政策 (續)

損益及其他全面收益各項目均歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

於必要時調整附屬公司之財務報表，使其會計政策符合本集團其他成員公司所使用者。

集團內各公司間之交易、結餘、收入及開支均於綜合賬目時抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts, sales related taxes and returns.

Revenue from sale of goods is recognised when the goods are delivered and title has passed at which time all the following conditions are satisfied:

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

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

Rental income is recognised, on a straight-line basis, over the terms of the respective leases.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

3. 重大會計政策 (續)

收益確認

收益按已收或應收代價之公平值計量，指在日常業務過程中所出售貨品之應收金額(經扣除折扣、銷售相關稅項及退貨)。

銷售貨物之收益於交付貨物及轉讓所有權並於下列所有條件達成時確認：

- 本集團已向買方轉讓貨物擁有權之重大風險及回報；
- 本集團並無對售出貨品保留一般與擁有權相關之持續管理參與，亦無保留售出貨物之實際控制權；
- 收入金額能可靠計量；
- 與交易有關之經濟利益很有可能流入本集團；及
- 就交易所產生或將產生之成本能可靠計量。

金融資產之利息收入當經濟效益可能會流入本集團及收入金額能可靠計量時確認。金融資產之利息收入乃以時間基準按未償還本金及相關實際利率累計，而實際利率為於金融資產之預期期限內將估計日後現金收入準確折現至初步確認時該資產賬面淨值之利率。

租金收入按直線法於相關租期內確認。

投資股息收入於本集團收取款項的權利建立時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Research and development expenditure

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

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

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

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

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

3. 重大會計政策 (續)

研究與開發支出

研究活動支出在其發生期間確認為開支。

開發活動(或是內部工程開發階段)所形成的內部產生無形資產，僅在以下所有條件達成時方予確認：

- 完成該無形資產以供使用或出售在技術上可行；
- 有意完成該無形資產並使用或出售；
- 有能力使用或出售該無形資產；
- 該無形資產如何產生很可能的未來經濟利益；
- 有足夠的技術、財務及其他資源來完成其發展，並使用和出售該無形資產；及
- 能夠可靠計量開發期間該無形資產應佔的支出。

於初步確認的內部產生的無形資產數額為無形資產自首次符合上述確認標準當日起所產生的支出總和。當無內部產生的無形資產可確認時，開發支出於產生期間計入損益。

初步確認後，內部產生的無形資產如同獨立收購的無形資產按成本減累計攤銷及累計減值虧損(如有)計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

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

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

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

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

3. 重大會計政策 (續)

物業、廠房及設備

物業、廠房及設備(包括持作生產，或提供產品或服務或作行政用途之樓宇)以成本減其後累計折舊及其後累計減值虧損(如有)列賬。

折舊乃以直線法按估計可使用年期撇銷物業、廠房及設備項目成本減其殘值計算。估計可使用年期、殘值及折舊方法於各報告期末檢討，而任何估計變動的影響按相應基準入賬。

興建中作生產、供應或行政用途之物業按成本減任何已確認之減值虧損列賬。成本包括專業費用及根據本集團之會計政策撥充資本之借貸成本(就合資格資產而言)。有關物業一經完成及於可作擬定用途時被分類至物業、廠房及設備之適當類別。該等資產按與其他物業資產相同的基準，於可作擬定用途時開始折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時解除確認。出售或報廢物業、廠房及設備項目產生之任何收益或虧損，按該資產之銷售所得款項與其賬面值之差額計算，於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

3. 重大會計政策 (續)

投資物業

投資物業指持有以賺取租金及／或作資本增值的物業。投資物業包括持作日後未確定用途的土地，視為持作資本增值。

投資物業初步按成本計量，包括任何直接應佔支出。初步確認後，投資物業按公平值計量。投資物業公平值變動產生的收益或虧損於產生期間計入損益。

投資物業於出售，或當投資物業永久不再使用，且預期其出售不會產生未來經濟利益時取消確認。該物業取消確認產生的任何盈虧(按該資產出售所得款項淨值與其賬面值之間的差額計算)於取消確認該項目的期間計入損益。

租賃

凡租約條款將擁有權之絕大部分風險及回報轉讓予承租人之租賃，均分類為融資租賃。所有其他租約則分類為經營租賃。

本集團作為出租人

經營租賃的租賃收入在相關租期內按直線法於損益確認。

本集團作為承租人

經營租賃款項於租期內按直線法確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

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.

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

Foreign currencies

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

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

3. 重大會計政策 (續)

租賃(續)

租賃土地及樓宇

當租賃包含土地及樓宇部分，本集團會按各部分擁有權之絕大部分風險及回報是否已轉移至本集團來評估各部分應分類為融資租賃還是經營租賃，惟倘兩個部分均明顯為經營租賃除外，在此情況下整項租賃分類為經營租賃。具體來說，最低租賃款項(包括任何一次過預付款)乃按租賃開始時土地及樓宇部分之租賃權益的相對公平值比例在兩個部分間分配。

如若租賃款項能可靠地分配，入賬為經營租賃之租賃土地權益在綜合財務狀況表呈列為「預付租賃款項」，並於租期內按直線法攤銷。

外幣

於編製各個別集團實體之財務報表時，計值貨幣並非實體功能貨幣(外幣)之交易，按交易日期之匯率換算確認。於報告期末，以外幣列值之貨幣項目按該日之匯率重新換算。以外幣列值按公平值入賬之非貨幣項目按釐定公平值當日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目則不會重新換算。

結算及重新換算貨幣項目所產生之匯兌差額，於產生期間在損益確認。因重新換算按公平值入賬之非貨幣項目產生之匯兌差額計入該期間損益內，惟重新換算有關盈虧直接在其他全面收益確認之非貨幣項目所產生之差額除外，於此情況下，匯兌差額亦直接在其他全面收益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. On disposal of subsidiaries which are not foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company is transferred to retained earnings.

Borrowing costs

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

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

Retirement benefits costs

Payments to defined contribution retirement benefits schemes and state-managed retirement benefit scheme are recognised as expenses when employees have rendered service entitling them to the contributions.

3. 重大會計政策 (續)

外幣(續)

為呈列綜合財務報表，本集團業務的資產及負債均以報告期末現行匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目則以本年度平均匯率予以換算，惟匯率於期間大幅波動而須使用交易日之匯率的情況則除外。產生之匯兌差額(如有)於其他全面收益確認及並於權益之匯兌儲備累計。

在出售海外業務(即出售本集團所持海外業務的全部權益)時，關於本公司擁有人應佔該業務並累計至權益的所有匯兌差額重新分類至損益。在出售非海外業務之附屬公司時，關於本公司擁有人應佔該業務並累計至權益的所有匯兌差額轉撥至保留盈利。

借貸成本

收購、建設或生產合資格資產(即需很長一段時間才能達到擬定用途或出售的資產)直接有關的借貸成本作為該等資產的成本，直至該等資產大體上可作擬定用途或出售時為止。

其他所有借貸成本均於產生期間在損益確認。

退休福利成本

界定供款退休福利計劃及國家管理退休福利計劃之付款，於僱員提供服務而可享有供款時確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

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

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

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

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

3. 重大會計政策 (續)

稅項

所得稅開支指現時應付稅項與遞延稅項之和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與損益所呈溢利不同，此乃由於其他年度應課稅或可扣稅收入或開支項目及從未課稅或扣稅之項目所致。本集團本期稅項負債按於報告期末已頒佈或具體頒佈之稅率計算。

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基間之暫時差額確認。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產一般於可能有應課稅溢利而動用可扣減暫時差額時予以確認。倘由商譽或初次確認不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)產生暫時差額，有關資產及負債不予確認。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額撥回及暫時差額有可能不會於可見將來撥回之情況除外。與該等投資相關之可扣減暫時差額產生之遞延稅項資產僅在有足夠應課稅溢利可供動用暫時差額利益，並預期會在可見未來撥回之情況下，方會確認。

於報告期末檢討遞延稅項資產的賬面值，並在不再可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時，相應扣減該賬面值。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

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

Inventories

Inventories comprise raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Costs of inventories are calculated using the weighted average method.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重大會計政策 (續)

稅項(續)

遞延稅項資產及負債按照於報告期末已頒佈或實質頒佈之稅率(及稅法)，以預計於償還負債或變現資產之期間適用之稅率計算。

遞延稅項負債及資產之計量反映於報告期末本集團預期收回資產或償還負債賬面值之方式之稅務後果。

就計量使用公平值模式計量之投資物業之遞延稅項負債或遞延稅項資產而言，有關物業之賬面值乃推斷為透過出售收回(除非此推斷被駁回)。當投資物業可折舊及並且其相關的業務模式是隨着時間的流逝通過使用而非出售該投資物業所包含之絕大部分經濟利益時，則此推斷被駁回。倘此推斷被駁回，有關投資物業之遞延稅項根據上述載於香港會計準則第12號之一般準則(即根據如何收回投資物業之預期方式)計量。

即期及遞延稅項於損益確認，惟倘稅項有關在其他全面收益或直接在權益確認之項目，則即期及遞延稅項亦分別於其他全面收益或直接於權益確認。

存貨

存貨包括原材料，在製品及製成品，按成本或可變現淨值兩者之較低者列賬。

存貨成本使用加權平均法計算。

可變現淨值指存貨之估計售價減所有估計完工成本及進行銷售所需成本。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

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

Financial assets

Financial assets are classified into financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

3. 重大會計政策 (續)

金融工具

當集團實體成為工具訂約條文之訂約方時，金融資產及金融負債於綜合財務狀況表確認。

金融資產及金融負債初步按公平值計算。因收購或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）而直接應佔之交易成本於初步確認時按適用情況加入或扣自該項金融資產或金融負債之公平值。因收購按公平值計入損益之金融資產或金融負債而直接應佔之交易成本當即於損益確認。

金融資產

金融資產分為按公平值計入損益（「按公平值計入損益」）之金融資產以及貸款及應收賬項。分類視乎金融資產的性質及目的而定，並於初步確認時釐定。金融資產之所有定期買賣按交易日基準確認及取消確認。定期買賣指規定在市場規例或慣例設定之時間內交付資產的金融資產買賣。

實際利率法

實際利率法是在相關期間內計算金融資產的攤銷成本以及分配利息收入的方法。實際利率乃將估計日後現金收入（包括構成實際利率不可缺少的一部分的已付或已收所有費用及點數、交易成本以及其他溢價或折讓）按金融資產的預期使用年期，或（倘合適）較短期間精確折現至初步確認時的賬面淨值的利率。

債務工具的利息收入按實際利率基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at FVTPL has financial assets held-for-trading on initial recognition.

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss. The net gain or loss recognised in profit or loss excludes dividend and interest earned on the financial assets.

Loans and receivables

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

3. 重大會計政策 (續)

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產

按公平值計入損益之金融資產為於首次確認時持作買賣用途之金融資產。

倘金融資產：

- 購入之主要目的為於近期銷售；或
- 屬於本集團合併管理的金融工具確定組合的一部分及具有最近實際短期獲利模式；或
- 為未被指定的衍生工具及可有效作為對沖工具，則該金融資產歸類為持作買賣用途。

按公平值計入損益之金融資產以公平值列賬，重新計量產生的任何盈虧直接於損益確認。於損益確認的盈虧淨額不包括金融資產賺取的股息及利息。

貸款及應收賬項

貸款及應收賬項指於活躍市場並無報價而具有固定或可釐定款項之非衍生金融資產。首次確認後，貸款及應收賬項(包括遞延代價、應收貿易賬項、應收貸款、其他應收賬項與銀行結餘及現金)乃利用實際利率法按攤銷成本扣除任何已識別減值虧損列賬(見下文有關貸款及應收賬項之減值虧損之會計政策)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of loans and receivables

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

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period from 60 to 270 days, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

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

3. 重大會計政策 (續)

金融工具(續)

貸款及應收賬項之減值

貸款及應收賬項會於報告期末評定有否減值跡象。當有客觀證據顯示估計未來現金流量因於初步確認後發生之一項或多項事件而受到影響時，貸款及應收賬項即視為已減值。

對於貸款及應收賬項，減值之客觀證據包括：

- 發行人或交易對手出現重大財務困難；或
- 違約，如拖欠利息或本金；或
- 借款人有可能破產或進行財務重組。

對於若干類別貸款及應收賬項，比如應收貿易賬項，不會單個評估減值的資產另外整體評估減值。應收賬項組合減值之客觀證據包括本集團過往收款經驗、組合中逾期60至270天平均信用期之滯延付款數量增加及與拖欠應收賬項有關之全國或本地經濟環境可觀察變化。

減值虧損數額為資產之賬面值與估計未來現金流量按金融資產初始實際利率折讓之現值之差額。

除應收貿易賬項通過計提壞賬準備減少賬面值外，所有貸款及應收賬項之賬面值直接按減值虧損減少。壞賬準備賬面值之變動於損益確認。當應收賬項視為不可收回時，則於壞賬準備撇銷。其後收回先前撇銷之款項計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of loans and receivables (Continued)

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

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

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

Rights issued by the Company for issuing a fixed number of the Company's equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights pro rata to all of its existing owners of ordinary shareholders of the Company.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

3. 重大會計政策 (續)

金融工具(續)

貸款及應收賬項之減值虧損(續)

倘減值虧損數額於後續期間減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益撥回，惟該資產於減值撥回當日之賬面值不得超過未確認減值情況下應有之攤銷成本。

金融負債及股本工具

集團實體發行之金融負債及股本工具，乃根據合約安排之實際內容及金融負債及股本工具之定義分類為金融負債或股本工具。

股本工具

股本工具乃證明扣除集團所有負債後的集團資產剩餘權益之任何合約。

本公司發行之股本工具，按已收所得款項減直接發行成本入賬。

倘本公司向本公司普通股股東之全體現有擁有人按比例提呈權利，藉以用任何貨幣計算之固定金額發行本公司特定數目之股本工具，則由本公司發行之權利屬於股本工具。

實際利率法

實際利率法是在相關期間內計算金融負債的攤銷成本以及分配利息支出的方法。實際利率乃將估計日後現金付款(包括構成實際利率不可缺少的一部分的已付或已收所有費用及點數、交易成本以及其他溢價或折讓)按金融負債的預期使用年期，或(倘合適)較短期間精確折現至初步確認時的賬面淨值的利率。

利息支出按實際利率基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Other financial liabilities

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

Embedded derivatives

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts (the debt component) and deemed as held-for-trading when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value through profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策 (續)

金融工具(續)

金融負債及股本工具(續)

衍生金融工具

衍生工具初步按於衍生工具合約訂立當日之公平值確認，其後於報告期末以其公平值重新計量。所得收益或虧損即時於損益確認。

其他金融負債

其他金融負債(包括應付貿易賬項、應計款項及其他應付款項及借貸)，其後以實際利率法按攤銷成本計算。

嵌入式衍生工具

嵌入非衍生工具主合同之衍生工具獨立於有關主合約(債項部分)，倘嵌入式衍生工具之經濟特質及風險與該等主合約並無密切關連及合併合約並非按公平值計入損益計量，則視為持作買賣用途之衍生工具。

解除確認

僅當收取資產現金流量之合約權利屆滿時，本集團方會解除確認金融資產。

於解除確認金融資產時，該項資產賬面值與已收及應收代價與其他全面收益確認之累計損益的總和間的差額於損益確認。

金融負債則於有關合約指定之債務解除、註銷或屆滿時解除確認。解除確認之金融負債之賬面值與已付及應付代價間的差額於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible assets

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

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss.

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

3. 重大會計政策 (續)

有形資產之減值虧損

於報告期末，本集團檢討有形資產之賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘出現任何該等跡象，將估計資產之可收回金額以釐定減值虧損(如有)之程度。倘無法估計個別資產之可收回金額，則本集團估計該資產所屬賺取現金單位之可收回金額。倘可以確定一個合理及一致之分配基礎，總部資產亦分配至單個賺取現金單位，若不能分配至單個賺取現金單位，則將總部資產按可確定之合理及一致之基準分配至最小賺取現金單位組別。

可收回金額乃公平值減銷售成本與使用價值兩者中之較高者。在評估使用價值時，估計未來現金流量將使用稅前折現率折現至其現值，該折現率反映目前市場估量之資金時間值及有關該資產估計未來現金流量未經調整之特定風險。

倘估計一項資產(或現金產生單位)之可收回金額低於其賬面值，則將該項資產(或該現金產生單位)之賬面值減少至其可收回金額。

減值虧損即時於損益確認。

倘減值虧損其後撥回，則資產(或現金產生單位)之賬面值增至經修訂估計可收回金額，惟增加後之賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減值虧損所釐定之賬面值。減值虧損撥回即時於損益確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees and others providing similar services as employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

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

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are lapsed after the vesting date or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

3. 重大會計政策 (續)

以股份為基礎付款交易

以權益結算並以股份為基礎付款交易

授予僱員及提供與僱員類似服務的其他人士之購股權

所獲取服務之公平值乃參照獲授購股權於授出日期之公平值而釐定，並於歸屬期按直線基準列支，而權益(購股權儲備)亦相應增加。

本集團於報告期末修訂對預期最終會歸屬之購股權數目之估計。修訂估計之影響(如有)於損益內確認以使累計開支反映修訂估計，並對購股權儲備作相應調整。

倘購股權獲行使，原先於購股權儲備內確認之款項將轉撥至股份溢價。倘購股權於歸屬日期後失效或於屆滿日期仍未行使，原先於購股權儲備內確認之款項將轉撥至保留盈利。

4. 主要不確定估計來源

於應用附註3所述本集團會計政策時，本公司之董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及視為相關之其他因素作出。實際結果可能與該等估計有異。

估計及相關假設會持續檢討。倘會計估計之修訂僅影響修訂估計之期間，則於該期間確認，倘修訂影響當前及未來期間，則於修訂期間及未來期間確認。

下列為報告期末有關日後事件之關鍵假設以及其他主要不確定估計來源，該等估計及假設或會導致須對下一財政年度之資產及負債的賬面值作出重大調整。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Fair value of derivative financial instruments

As described in note 29, the directors of the Company use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The derivative financial instruments are valued using the Black Scholes Option Pricing Model that incorporated mainly unobservable market data and involved uncertainty in estimates used by management in the assumption. The Black Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices of comparable listed companies and equity value of Apex Corporate Investments Limited ("Chinese Medical Clinic"). Changes in subjective input assumptions can materially affect the fair value estimate. The carrying amounts of the financial derivatives are set out in note 29.

Allowances for inventories

The management of the Group reviews an aging analysis at the end of the reporting period and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production or sale. The management estimates the net realisable value for such finished goods and work-in-progress based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of the reporting period and makes allowance for obsolete items. If the market condition was to deteriorate, resulting in a lower net realisable value for such finished goods and work-in-progress, additional allowances may be required.

As at 31 December 2013, the carrying amount of inventories is approximately HK\$4,889,000 (net of allowance for obsolescence inventories of approximately HK\$215,674,000) (2012: carrying amount of approximately HK\$8,555,000, net of allowance for obsolescence inventories of approximately HK\$362,401,000) of which the allowance of HK\$156,576,000 (2012: HK\$292,202,000) relating to the products of atomizing cigarettes operation which have been fully provided.

4. 主要不確定估計來源(續)

衍生金融工具之公平值

如附註29所述，本公司董事就並無於活躍市場報價之金融工具選取合適估值方法時須作出判斷。所採用估值技術乃市場估值師普遍採納者。衍生金融工具使用柏立克－舒爾斯期權定價模式估值，當中主要包括不可觀察市場數據並涉及管理層作出假設時所採用估計不確定因素。柏立克－舒爾斯期權定價模式須輸入相當主觀之假設(包括可比較上市公司的股價波幅及Apex Corporate Investments Limited(「中醫診所」)之資本值)。所輸入主觀假設的變更會重大影響公平值估計。金融衍生工具之賬面值載於附註29。

存貨撥備

本集團管理層於報告期末檢討賬齡分析並對確認為不再適合生產或銷售之過時及滯銷存貨作出撥備。管理層估計該等製成品及半成品之可變現淨值主要根據最近期發票價格及目前市況釐定。本集團於報告期末對每種產品進行盤點，並對過時存貨作出撥備。倘市況轉差導致該等製成品及半成品之可變現淨值下降，則或須作出額外撥備。

於二零一三年十二月三十一日，扣除滯銷存貨撥備約215,674,000港元後，存貨之賬面值約4,889,000港元(二零一二年：扣除滯銷存貨撥備約362,401,000港元後，賬面值約8,555,000港元)，當中撥備156,576,000港元(二零一二年：292,202,000港元)與已作出全數撥備之霧化煙經營產品有關。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include the borrowings disclosed in note 30 and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

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

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

5. 資本風險管理

本集團管理其資本，以確保本集團可持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本結構包括債項(包括於附註30披露之借款)及本公司權益持有人之應佔權益(包括已發行股本及儲備)。

本公司董事定期檢討資本結構，董事檢討時考慮資本成本及各類別資本相關風險。本集團將根據董事之意見透過支付股息、發行新股及購回股份以及新增債務或贖回現有債務而平衡其整體資本結構。

6. 金融工具

金融工具之分類

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產		
– Held-for-trading investments	– 持作交易用途之投資	599,317	129,828
Loans and receivables (including cash and cash equivalents)	貸款及應收賬項 (包括現金及現金等值項目)	298,705	44,459
Financial liabilities	金融負債		
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債		
– Derivative financial instruments	– 衍生金融工具	19,220	17,332
Amortised cost	攤銷成本	26,388	59,533

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, trade receivables, loans receivable, deferred consideration, other receivables, bank balances and cash, trade payables, accruals and other payables, borrowings and derivative financial instruments. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. 金融工具(續)

財務風險管理目的及政策

本集團之主要金融工具包括按公平值計入損益之金融資產、應收貿易賬項、應收貸款、遞延代價、其他應收款項、銀行結餘及現金、應付貿易賬項、應計款項及其他應付款項、借款及衍生金融工具。金融工具詳情於相關附註披露。與該等金融工具相關之風險包括市場風險(利率風險、貨幣風險與其他價格風險)、信貸風險及流動資金風險。有關減低該等風險之政策載列如下。管理層管理及監控該等風險，以確保及時與有效地採取適當措施。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

Currency risk

Certain bank balances and deferred consideration of the Group are denominated in foreign currencies other than the functional currency of respective group companies, which expose the Group to foreign currency risk. As at 31 December 2013, bank balances of respective group entities denominated in foreign currency were immaterial. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The carrying amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

6. 金融工具(續)

財務風險管理目的及政策(續)

市場風險

貨幣風險

本集團之若干銀行結餘及遞延代價乃以外幣(而非各集團公司的功能貨幣)計值,讓本集團承受貨幣風險。於二零一三年十二月三十一日,由於有關集團實體以外幣計值之銀行結餘並不重大,故本集團並無外幣對沖政策。然而,管理層監管外匯風險,並於需要時考慮對沖重大外幣風險。於報告日期,本集團以外幣計值之貨幣資產之賬面值如下:

		2013 二零一三年 HK\$'000 千港元
Bank balances	銀行結餘	
United States Dollars ("US\$") against Renminbi ("RMB")	美元(「美元」)兌人民幣(「人民幣」)	11,939
Deferred consideration	遞延代價	
US\$ against HK\$	美元兌港元	166,444

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

Since the exchange rate of HK\$ is pegged with US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates. Therefore, the following sensitivity analysis does not include the effect between US\$ and HK\$.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency of respective group entities against RMB and all other variables were held constant. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in post-tax profit where the relevant foreign currency strengthens 5% against the functional currency of respective group entities. For a 5% weakening of the relevant foreign currency of the respective group entities against the relevant foreign currency, there would be an equal and opposite impact on the result for the year.

Increase in post-tax profit for the year US\$ against RMB	本年度除稅後溢利增加 美元兌人民幣
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In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

6. 金融工具(續)

財務風險管理目的及政策(續)

市場風險(續)

貨幣風險(續)

敏感度分析

由於港元與美元匯率掛鈎，本集團預期美元兌港元匯率不會有任何重大變動。因此，以下敏感度分析並未載入美元與港元之間的影響。

下表載列本集團對有關集團實體之功能貨幣兌人民幣上升及下跌5%(所有其他變量保持不變)之敏感度詳情。所採用5%之敏感度比率乃代表管理層對外幣匯率可能合理變動之評估。下文正數數字反映有關外幣兌有關集團實體之功能貨幣升值5%時，除稅後溢利之增加。各集團實體之有關外幣兌有關外幣貶值5%時，對本年度業績將構成等值之相反影響。

2013
二零一三年
HK\$'000
千港元

448

管理層認為，由於年末風險並不反映本年度之風險，故敏感度分析並不代表內在外匯風險。

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綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances.

The Group is exposed to fair value interest rate risk in relation to the fixed-rate loan receivables as at 31 December 2013 and fixed-rate borrowings as at 31 December 2012 through the impact of market interest rate changes on interest bearing loan receivables or borrowings.

The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The management considers that the Group's exposure to cash flow interest rate risk on variable-rate bank balances as a result of the change of market interest rate is insignificant due to its short-term maturity and thus no sensitivity analysis is prepared for interest rate risk.

Other price risk

The Group is exposed to price risk in respect of:

- the Call Option and Put Option (as defined and set out in note 29) in relation to acquisition of entire equity interests in Chinese Medical Clinic, which engaged in the Chinese medical clinic operation in Hong Kong.
- held-for-trading investments in equity securities listed in the respective stock exchange.

6. 金融工具(續)

財務風險管理目的及政策(續)

市場風險(續)

利率風險

本集團承受浮息銀行結餘的現金流量利率風險。

本集團透過市場利率變動對計息應收貸款或借款之影響而就二零一三年十二月三十一日之定息應收貸款及二零一二年十二月三十一日之定息借款承受公平值利率風險。

本集團目前概無利率對沖政策。然而，管理層於需要時將考慮對沖重大利率風險。

敏感度分析

管理層認為本集團因市場利率變動而面對的浮息銀行結餘現金流量利率風險由於到期日短而並不重大，故未對利率風險作敏感度分析。

其他價格風險

本集團面對以下項目的價格風險：

- 有關收購於香港經營中醫診所業務的中醫診所全部股權之認購期權及認沽期權(定義見附註29)。
- 就於各證券交易所上市的股本證券而持作交易用途之投資。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks on the Group's held-for-trading investments at the end of the reporting period. If the prices of the respective equity instruments had been 5% (2012: 5%) higher/lower, post-tax profit for the year ended 31 December 2013 would increase/decrease by HK\$29,966,000 (2012: post-tax loss would decrease/increase HK\$6,491,000) as a result of the changes in fair value of held-for-trading investments.

The sensitivity analysis of Call option and Put option are disclosed under heading of fair value measurement of financial instruments of this note.

The management would manage its exposure arising from these investments by closely monitoring the performance of respective listed equity security and market conditions. The management would consider diversifying the portfolio of these investments as they consider appropriate.

Credit risk

As at 31 December 2013 and 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets including trade receivables, loans receivable and other receivable as stated in the consolidated statement of financial position.

6. 金融工具(續)

財務風險管理目的及政策(續)

市場風險(續)

其他價格風險(續)

敏感度分析

以下的敏感度分析乃根據報告期末本集團持作交易用途之投資的股價風險釐定。倘股本工具價格分別上升/下降5% (二零一二年: 5%)，持作交易用途之投資之公平值變動將導致截至二零一三年十二月三十一日止年度的除稅後溢利增加/減少29,966,000港元(二零一二年: 除稅後虧損將減少/增加6,491,000港元)。

認購期權及認沽期權之敏感度分析於本附註金融工具之公平值計量披露。

管理層將透過密切監督各上市股本證券之表現及市況，管控由該等投資引致之風險。管理層將在認為適當時考慮分散該等投資組合。

信貸風險

於二零一三年及二零一二年十二月三十一日，本集團所面臨因交易對手未能履行彼等之責任而將導致財務虧損的最大信貸風險，乃源自綜合財務狀況表所示有關已確認金融資產(包括應收貿易賬項、應收貸款及其他應收賬項)之賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and loans receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 December 2013, the Group has concentration risk on deferred consideration of HK\$166,444,000. The counterparty is a company incorporated in the Netherlands, which is a wholly-owned subsidiary of an entity with its shares listed on the London Stock Exchange. The directors of the Company reviewed the public announcements and financial information of the listed company in order to assess their credit quality. The directors of the Company consider the default in payment upon maturity to be low. In this regard, the directors of the Company considered that the Group's credit risk was significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group does not have any other significant concentration of credit risk as trade receivables consist of a large number of customers.

Liquidity risk

The Group manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents secured adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensure compliance with loan covenants.

6. 金融工具(續)

財務風險管理目的及政策(續)

信貸風險(續)

為將信貸風險減至最低，本集團管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控措施，以確保採取後續措施收回逾期未付債務。此外，本集團於報告期末檢討每項個別貿易債務及應收貸款之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團信貸風險已大幅降低。

於二零一三年十二月三十一日，本集團就遞延代價166,444,000港元承受集中風險。交易對手為一間於荷蘭註冊成立之公司，為一間股份於倫敦證券交易所上市實體之全資附屬公司。本公司董事檢討該上市公司之公佈及財務資料以評估彼等的信貸質素。本公司董事認為拖欠到期款項的機會較低。就此而言，本公司董事認為本集團信貸風險已大幅降低。

由於交易對手為獲國際信貸評級機構給予高信貸評級之銀行，故流動資金之信貸風險有限。

本集團並無任何其他重大集中信貸風險，原因為應收貿易賬項包括大量客戶。

流動資金風險

本集團通過監管及將現金及現金等值項目維持於管理層認為充足的水平管理流動資金風險，以為本集團提供營運資金及減低現金流量波動之影響。管理層監管銀行借款的動用情況並確保遵守貸款契諾。

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綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause as at 31 December 2012 are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

Liquidity risk tables

		Weighted	On	Total	Carrying
		average	demand or	undiscounted	amount at
		interest rate	less than	cash flows	31.12.2013
		加權平均	於要求時或	未貼現現金	於二零一三年
		利率	一個月以下	流量總額	十二月
		%	HK\$'000	HK\$'000	三十一日
		厘	千港元	千港元	之賬面值
			HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元
2013	二零一三年				
Non-derivative financial liabilities	非衍生金融負債				
Trade payables	應付貿易賬項	—	2,767	102	2,869
Accruals and other payables	應計款項及其他應付款項	—	14,158	9,361	23,519
			16,925	9,463	26,388

6. 金融工具(續)

財務風險管理目的及政策(續)

信貸風險(續)

下表詳細載列根據本集團可能被要求還款之最早日期計算的非衍生金融負債的合約剩餘期限。具體而言，於二零一二年十二月三十一日附有於要求時償還條款之銀行借款於最早時間計入，而不考慮銀行選擇行使彼等權利的可能。其他金融負債之到期日根據協定還款期釐定。利息及主要現金流量均載於該表。

流動資金風險表

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綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk tables (Continued)

6. 金融工具(續)

財務風險管理目的及政策(續)

流動資金風險(續)

流動資金風險表(續)

		Weighted	On		Total	Carrying
		average	demand or	1 - 3	undiscounted	amount at
		interest rate	less than	months	cash flows	於二零一二年
		加權平均	於要求時或	一至	未貼現現金	十二月
		利率	一個月以下	三個月	流量總額	之賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		厘	千港元	千港元	千港元	千港元
2012	二零一二年					
Non-derivative financial liabilities	非衍生金融負債					
Trade payables	應付貿易賬項	—	4,681	1,415	6,096	6,096
Accruals and other payables	應計款項及其他應付款項	—	15,024	12,537	27,561	27,561
Fixed-rate bank borrowings	定息銀行借款	附註(1)	25,676	—	25,676	25,676
			45,381	13,952	59,333	59,333

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk tables (Continued)

Note:

- (1) Fixed-rate bank borrowings carry interest at 3.25% per annum as at 31 December 2012 is used in the maturity analysis.

Bank borrowing with a repayment on demand clause as at 31 December 2012 is included in the "on demand or within 1 month" time band in the above maturity analysis. The carrying amount of the bank borrowing amounted to approximately HK\$25,676,000 as at 31 December 2012. Taking into account the Group's financial position and asset pledged to the bank, the directors of the Company did not believe that it was probable that the bank would exercise its discretionary rights to demand immediate payment. As at 31 December 2012, the directors of the Company believed that such bank borrowing would be repaid within 12 years after the reporting date in accordance with the scheduled repayment dates set out in the loan agreement. The aggregate principal and interest cash outflows amounted to approximately HK\$31,198,000 as at 31 December 2012. The bank repayment schedule based on the scheduled repayment dates as per following:

		2012 二零一二年 HK\$'000 千港元
Within one year	一年內	2,530
In the second to fifth year	二至五年內	10,118
More than five year	五年以上	18,550
		31,198

During the year ended 31 December 2013, the bank borrowing was fully repaid.

6. 金融工具(續)

財務風險管理目的及政策(續)

流動資金風險(續)

流動資金風險表(續)

附註：

- (1) 於二零一二年十二月三十一日按年利率3.25%計息之定息銀行借款乃用於到期日分析中。

於二零一二年十二月三十一日附有於要求時償還條款之銀行借款於上述到期日分析計入「於要求時或一個月以下」之時間組別內。於二零一二年十二月三十一日，該等銀行借款的賬面值約為25,676,000港元。經考慮本集團的財務狀況及抵押予銀行的資產後，本公司董事相信銀行不會行使酌情權要求即時支付款項。於二零一二年十二月三十一日，本公司董事相信該等銀行借款將根據貸款協議所載之計劃還款日期於報告日期後12年內償還。於二零一二年十二月三十一日，本金總額及利息現金流出約為31,198,000港元。基於計劃還款日期之銀行還款計劃如下：

於截至二零一三年十二月三十一日止年度，銀行借款已獲悉數償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities 金融資產／金融負債	Fair value as at 31.12.2013 於二零一三年 十二月三十一日 之公平值	Fair value hierarchy 公平值級別	Valuation technique(s) and key input(s) 估值方法及主要參數	Significant unobservable input(s) 重大無法觀察參數
Financial assets at fair value through profit or loss 按公平值計入損益之金融資產	Listed equity securities – HK\$599,317,000 上市股本證券 — 599,317,000港元	Level 1 第一級	Quoted bid prices in an active market 於活躍市場之買入報價	N/A 不適用
Derivative financial instruments 衍生金融工具	Liabilities – HK\$19,220,000 負債— 19,220,000港元	Level 3 第三級	Black Scholes Option Pricing Model with the key input of equity value, expected volatility, expected life, risk-free rate and dividend yield 柏立克—舒爾斯期權定價模式主要參數為資本值、預期波幅、預期年期、無風險利率及股息收益率	Equity value of 5,780,000 (note) 資本值5,780,000 (附註)

Note: An increase in equity value used in isolation would result in increase in fair value measurement of the derivative financial instruments, and vice versa. A 10% increase/decrease in equity value holding all other variables constant would increase/decrease the carrying amount of derivative financial instruments by HK\$578,000.

There were no transfers between Level 1 and 2 and into or out of Level 3 during both years.

6. 金融工具(續)

金融工具之公平值計量

本附註提供有關本集團如何釐定多項金融資產及金融負債之公平值之資料

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值

本集團部份金融資產及金融負債於各呈報期末按公平值計量。下表提供有關如何釐定該等金融資產及金融負債之公平值(特別是所使用之估值方法及參數)之資料。

附註：僅資本值增加將會導致衍生金融工具之公平值計量增加，反之亦然。在所有其他變量保持不變之情況下，資本值增加／減少10%將導致衍生金融工具之賬面值增加／減少578,000港元。

於兩個年度，第一級與第二級之間並無轉移及並無轉入第三級或由第三級轉出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial assets (liabilities)

		Call option/ Put option 認購期權/ 認沽期權 HK\$'000 千港元	Investment in convertible instruments 投資 可換股工具 HK\$'000 千港元
At 1 January 2012	於二零一二年一月一日	(5,689)	19,430
Gain in profit or loss	損益之收益	—	10,495
Disposal	出售	—	(29,925)
Unrealised loss in profit or loss	損益之未實現虧損	(11,643)	—
At 31 December 2012	於二零一二年十二月三十一日	(17,332)	—
Purchase	購入	—	20,000
Disposal	出售	—	(19,900)
Realised loss in profit or loss	損益之已實現虧損	—	(100)
Unrealised loss in profit or loss	損益之未實現虧損	(1,888)	—
At 31 December 2013	於二零一三年十二月三十一日	(19,220)	—

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis.

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

6. 金融工具(續)

金融工具之公平值計量(續)

金融資產(負債)之第三級公平值計量之對賬

並非按經常性基準以公平值計量之本集團金融資產及金融負債之公平值。

本集團管理層使用折現現金流分析法，估計其按攤銷成本計量之金融資產及金融負債之公平值。

本集團管理層認為，在綜合財務狀況表中以攤銷成本列賬之金融資產及金融負債之賬面值，與其公平值相若。

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綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial assets (liabilities) (Continued)

Fair value measurement and valuation process

The chief financial officer of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level I inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The chief financial officer works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Chief financial officer reports to executive directors semi-annually to explain the cause of fluctuations in the fair value of the assets.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of derivative financial instruments. Note 29 provides detailed information about the valuation techniques, inputs and assumptions used in the determination of the fair value of derivative financial instruments.

6. 金融工具(續)

金融工具之公平值計量(續)

金融資產(負債)之第三級公平值計量之對賬(續)

公平值計量及估值程序

本公司之財務總監負責釐定公平值計量適用之估值方法及參數。

在估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第一級之參數之情況下，本集團委聘第三方估值師進行估值。財務總監與合資格外聘估值師緊密合作，以設立模式適用之估值方法及參數。財務總監每半年向執行董事進行匯報，解釋資產公平值波動之原因。

本集團使用估值方法(包括並非基於可觀察市場數據之參數)以估計衍生金融工具之公平值。附註29提供有關釐定衍生金融工具公平值所用之估值方法、參數及假設之詳細資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. SEGMENT INFORMATION

The Group's executive directors are the chief operation decision makers as they collectively make strategic decisions towards the Group's operations based on nature of business.

The Group's reportable and operating segments under HKFRS 8 are therefore as follows:

- (a) health care products, which are mainly represented by ginseng products
- (b) pharmaceutical products, which are mainly represented by licensed medicines
- (c) securities trading and investments
- (d) property investment in Hong Kong
- (e) money lending

During the year ended 31 December 2013, operation regarding the atomizing cigarettes was discontinued due to the disposal of certain Group's Assets (details as set out in note 12).

The segment information reported below does not include any amounts for the discontinued operation, which are disclosed in note 12.

7. 分類資料

由於本集團執行董事共同根據業務性質對本集團營運作出策略決定，故彼等為主要經營決策者。

本集團根據香港財務報告準則第8號之呈報及經營分類如下：

- (a) 保健產品，主要為人參產品
- (b) 醫藥產品，主要為持牌藥物
- (c) 證券交易及投資
- (d) 於香港之物業投資
- (e) 貸款

於截至二零一三年十二月三十一日止年度，有關霧化煙之經營因出售若干本集團該等資產而已被終止（詳情載於附註12）。

下文報告之分類資料並不包括已終止經營業務之任何金額（於附註12披露）。

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綜合財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Segment turnover and results

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

For the year ended 31 December 2013

7. 分類資料(續)

分類營業額及業績

以下為按呈報及經營分類之本集團營業額及業績之分析。

截至二零一三年十二月三十一日止年度

		Health care products	Pharmaceutical products	Securities trading and investments	Property investment in Hong Kong	Money lending	Consolidated
		保健產品	醫藥產品	證券交易及投資	於香港之物業投資	貸款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Continuing operations	持續經營業務						
Segment turnover	分類營業額						
Sales of goods	銷售貨品	762	19,433	—	—	—	20,195
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動	—	—	169,772	—	—	169,772
Dividend income	股息收入	—	—	655	—	—	655
Rental income	租賃收入	—	—	—	4,920	—	4,920
Interest income from loans receivable	應收貸款之利息收入	—	—	—	—	1,660	1,660
		762	19,433	170,427	4,920	1,660	197,202
Segment (loss) profit	分類(虧損)溢利	(2,553)	1,606	170,362	(32,223)	760	137,952
Other income	其他收入						3,754
Change in fair value of derivative financial instruments	衍生金融工具之公平值變動						(1,888)
Unallocated corporate expenses	未分配公司支出						(24,132)
Gain on disposal of subsidiaries	出售附屬公司之收益						6,078
Profit before taxation (continuing operations)	稅前溢利 (持續經營業務)						121,764

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綜合財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Segment turnover and results (Continued)

For the year ended 31 December 2012 (restated)

7. 分類資料(續)

分類營業額及業績(續)

截至二零一二年十二月三十一日止年度
(經重列)

		Health care products 保健產品	Pharmaceutical products 醫藥產品	Securities trading and investments 證券交易及投資	Property investment in Hong Kong 於香港之物業投資	Money lending 貸款	Consolidated 合計
		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 千港元
Continuing operations	持續經營業務						
Segment turnover	分類營業額						
Sales of goods	銷售貨品	—	17,787	—	—	—	17,787
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動	—	—	(11,104)	—	—	(11,104)
Dividend income	股息收入	—	—	161	—	—	161
Rental income	租賃收入	—	—	—	4,680	—	4,680
Interest income from loans receivable	應收貸款之利息收入	—	—	—	—	300	300
		—	17,787	(10,943)	4,680	300	11,824
Segment (loss) profit	分類(虧損)溢利	(2,212)	395	(9,673)	33,174	(9,720)	11,964
Other income	其他收入						211
Change in fair value of derivative financial instruments	衍生金融工具之公平值變動						(11,643)
Share-based payment expenses	以股份為基礎付款之支出						(1,678)
Unallocated corporate expenses	未分配公司支出						(33,413)
Finance costs	財務費用						(391)
Loss before taxation (continuing operations)	稅前虧損(持續經營業務)						(34,950)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Segment turnover and results (Continued)

Segment turnover from continuing operations includes proceeds from sales of goods, dividend income, rental income and interest income from loans receivable. In addition, the chief operation decision makers also consider change in fair value of financial assets at fair value through profit or loss (excluding derivative financial instruments) as segment turnover.

Segment (loss) profit represents the loss from/profit earned by each segment without allocation of certain other income, change in fair value of derivative financial instruments, gain on disposal of subsidiaries, share-based payment expenses, unallocated corporate expenses and finance costs on other borrowings. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

7. 分類資料(續)

分類營業額及業績(續)

持續經營業務之分類營業額包括銷售貨品所得款項、股息收入、租賃收入、及應收貸款之利息收入。此外，主要經營決策者亦認為按公平值計入損益之金融資產（不包括衍生金融工具）之公平值變動為分類營業額。

分類（虧損）溢利指各分類產生之虧損／所賺取之溢利，不計及分配若干其他收入、衍生金融工具之公平值變動、出售附屬公司之收益、以股份為基礎付款之支出、未分配公司支出及其他借款之財務費用。此乃向主要營運決策者呈報之計量方式，以便分配資源及評估表現。

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綜合財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

As at 31 December 2013

7. 分類資料(續)

分類資產及負債

以下為按呈報及經營分類之本集團資產及負債之分析：

於二零一三年十二月三十一日

		Health care products 保健產品	Pharmaceutical products 醫藥產品	Securities trading and investments 證券交易及投資	Property investment in Hong Kong 於香港之物業投資	Money lending 貸款	Consolidated 合計
		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 千港元
ASSETS	資產						
Segment assets	分類資產	26,164	16,391	601,320	141,141	90,474	875,490
Deferred consideration	遞延代價						166,444
Property, plant and equipment	物業、廠房及設備						2,052
Other receivables	其他應收款項						1,851
Bank balances and cash	銀行結餘及現金						37,614
Consolidated total assets	綜合資產總額						1,083,451
LIABILITIES	負債						
Segment liabilities	分類負債	4,084	15,161	—	820	—	20,065
Derivative financial instruments	衍生金融工具						19,220
Other payables	其他應付款項						16,715
Taxation payable	應付稅項						41,577
Consolidated total liabilities	綜合負債總額						97,577

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綜合財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

As at 31 December 2012 (restated)

ASSETS	資產	Health care products	Pharmaceutical products	Securities trading and investments	Property investment in Hong Kong	Money lending	Consolidated
		保健產品	醫藥產品	證券交易及投資	於香港之物業投資	貸款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分類資產	26,743	14,965	134,483	176,054	—	352,245
Assets relating to discontinued operation	與已終止經營業務有關之資產						5,986
Other receivables	其他應收款項						1,878
Bank balances and cash	銀行結餘及現金						34,881
Consolidated total assets	綜合資產總額						394,990
LIABILITIES	負債						
Segment liabilities	分類負債	8,039	11,471	—	26,500	—	46,010
Liabilities relating to discontinued operation	與已終止經營業務有關之負債						12,686
Derivative financial instruments	衍生金融工具						17,332
Other payables	其他應付款項						7,473
Taxation payable	應付稅項						1,044
Consolidated total liabilities	綜合負債總額						84,545

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable and operating segments, other than certain property, plant and equipment, certain other receivables, deferred consideration and bank balances and cash.
- all liabilities are allocated to reportable and operating segments, other than derivative financial instruments, certain other payables and taxation payable.

7. 分類資料(續)

分類資產及負債(續)

於二零一二年十二月三十一日 (經重列)

ASSETS	資產	Health care products	Pharmaceutical products	Securities trading and investments	Property investment in Hong Kong	Money lending	Consolidated
		保健產品	醫藥產品	證券交易及投資	於香港之物業投資	貸款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分類資產	26,743	14,965	134,483	176,054	—	352,245
Assets relating to discontinued operation	與已終止經營業務有關之資產						5,986
Other receivables	其他應收款項						1,878
Bank balances and cash	銀行結餘及現金						34,881
Consolidated total assets	綜合資產總額						394,990
LIABILITIES	負債						
Segment liabilities	分類負債	8,039	11,471	—	26,500	—	46,010
Liabilities relating to discontinued operation	與已終止經營業務有關之負債						12,686
Derivative financial instruments	衍生金融工具						17,332
Other payables	其他應付款項						7,473
Taxation payable	應付稅項						1,044
Consolidated total liabilities	綜合負債總額						84,545

為監控分類之間之分類表現及資源分配：

- 所有資產分配至呈報及經營分類，惟若干物業、廠房及設備、若干其他應收款項、遞延代價以及銀行結餘及現金除外。
- 所有負債分配至呈報及經營分類，惟衍生金融工具、若干其他應付款項及應付稅項除外。

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

7. SEGMENT INFORMATION (Continued)

Other segment information

Amounts included in measure of segment profit or loss or segment assets:

For the year ended 31 December 2013

7. 分類資料(續)

其他分類資料

包括於計量分類溢利或虧損或分類資產之款項：

截至二零一三年十二月三十一日止年度

		Health care products	Pharmaceutical products	Securities trading and investments	Property investment in Hong Kong	Money lending	Unallocated	Consolidated
		保健產品	醫藥產品	證券交易及投資	於香港之物業投資	貸款	未分配	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Continuing operations	持續經營業務							
Addition to property, plant and equipment	物業、廠房及設備添置	234	3,657	—	—	—	—	3,891
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,054	395	—	17	—	292	2,758
Amortisation of prepaid lease payments	預付租賃款項之攤銷	84	—	—	—	—	—	84
Change in fair value of investment property	投資物業公平值變動	—	—	—	35,600	—	—	35,600
Allowance for obsolescence inventory	滯銷存貨之撥備	—	2,461	—	—	—	—	2,461
Allowance for bad and doubtful debts	呆壞賬撥備	—	380	—	—	—	—	380
Finance costs	財務費用	—	—	—	853	—	—	853

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綜合財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2012 (restated)

7. 分類資料(續)

其他分類資料(續)

截至二零一二年十二月三十一日止年度
(經重列)

	Health care products 保健產品	Pharmaceutical products 醫藥產品	Securities trading and investments 證券交易及投資	Property investment in Hong Kong 於香港之物業投資	Money lending 貸款	Unallocated 未分配	Consolidated 合計
	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 千港元	HK\$'000 千港元
Continuing operations	持續經營業務						
Addition to property, plant and equipment	物業、廠房及設備添置						
	3,661	630	—	104	—	—	4,395
Depreciation of property, plant and equipment	物業、廠房及設備折舊						
	1,764	723	—	2	—	292	2,781
Amortisation of prepaid lease payments	預付租賃款項之攤銷						
	90	—	—	—	—	—	90
Change in fair value of investment property	投資物業公平值變動						
	—	—	—	(30,600)	—	—	(30,600)
Allowance for obsolescence inventory	滯銷存貨之撥備						
	830	1,009	—	—	—	—	1,839
Allowance for bad and doubtful debts	呆壞賬撥備						
	—	1,842	—	—	—	—	1,842
Impairment loss recognised in respect of loans receivable	就應收貸款確認減值虧損						
	—	—	—	—	10,000	—	10,000
Finance costs	財務費用						
	—	—	—	864	—	391	1,255

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綜合財務報表附註

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

7. SEGMENT INFORMATION (Continued)

Turnover from continuing operations on major products

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Health care products	保健產品	762	—
Pharmaceutical products	醫藥產品	19,433	17,787
		20,195	17,787

Information about major customers

There is no single customer contributing over 10% of total sales from continuing operations of the Group for the year ended 31 December 2013 and 2012.

Geographical information

The Group's non-current assets by geographical location of the assets (excluding financial assets) are detailed below:

7. 分類資料(續)

來自主要產品持續經營業務之營業額

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Health care products	保健產品	762	—
Pharmaceutical products	醫藥產品	19,433	17,787
		20,195	17,787

關於主要客戶之資料

截至二零一三年及二零一二年十二月三十一日止年度，概無單一客戶佔本集團持續經營業務總銷售額逾10%。

地理資料

本集團以資產地理位置分析之非流動資產（除金融資產）之資料詳情如下：

		Non-current assets 非流動資產	
		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
PRC	中國	35,465	30,274
Hong Kong	香港	140,000	175,600
		175,465	205,874

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

8. OTHER GAINS AND LOSSES

8. 其他盈虧

		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
			(restated)
			(經重列)
Continuing operations	持續經營業務		
Change in fair value of derivative financial instruments	衍生金融工具之公平值變動	(1,888)	(11,643)
Change in fair value of investment property	投資物業之公平值變動	(35,600)	30,600
Allowance for bad and doubtful debts	呆壞賬撥備	(380)	(1,842)
Impairment loss in respect of loans receivable (note)	就應收貸款確認減值虧損(附註)	—	(10,000)
Gain on disposal of subsidiaries (note 33)	出售附屬公司之收益(附註33)	6,078	—
		(31,790)	7,115

Note: Impairment loss of HK\$10,000,000 was recognised during the year ended 31 December 2012 as the counterparty had placed under bankruptcy.

附註：由於交易對手破產，10,000,000港元之減值虧損已於截至二零一二年十二月三十一日止年度確認。

9. FINANCE COSTS

9. 財務費用

		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operations	持續經營業務		
The finance costs represent interests on:	財務費用指以下各項之利息：		
— bank borrowing wholly repayable more than five years	— 須於五年後悉數償還之銀行借款	853	864
— other borrowing wholly repayable within five years	— 須於五年內悉數償還之其他借款	—	391
		853	1,255

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

10. INCOME TAX EXPENSE

10. 所得稅開支

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Continuing operations	持續經營業務		
PRC Enterprise Income Tax	中國企業所得稅	1,147	711
Underprovision in prior year	過往年度撥備不足	—	1,588
		1,147	2,299

No Hong Kong Profits Tax is payable by the Company or its subsidiaries operated in Hong Kong since they had no assessable profit for both years.

本公司或其於香港經營之附屬公司於兩個年度並無任何應課稅溢利，故並無任何應付之香港利得稅。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之所得稅率為25%。

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綜合財務報表附註

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

10. INCOME TAX EXPENSE (Continued)

The income tax purpose can be reconciled to the profit (loss) before taxation from continuing operations per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支(續)

所得稅與綜合損益及其他全面收益表之持續經營業務之稅前溢利(虧損)對賬如下：

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (restated) (經重列)
Profit (loss) before taxation from continuing operations 來自持續經營業務之稅前溢利(虧損)	121,764	(34,950)
Tax at PRC income tax rate of 25% 按中國所得稅率 25% 計算之稅項	30,441	(8,738)
Tax effect of expenses not deductible for tax purpose 不可扣稅之支出對稅項之影響	9,372	1,036
Tax effect of incomes not taxable for tax purpose 毋須課稅之收入對稅項之影響	(7,447)	(7,168)
Tax effect of tax losses not recognised 未確認稅項虧損對稅項之影響	5,640	12,786
Tax effect of deductible temporary difference not recognised 未確認可扣減暫時性差額對稅項之影響	710	2,795
Utilisation of tax losses previously not recognised 動用先前未確認之稅項虧損	(474)	—
Utilisation of deductible temporary difference previously not recognised 動用先前未確認之可扣減暫時性差額	(37,095)	—
Underprovision in prior years 過往年度撥備不足	—	1,588
Income tax expense from continuing operations 來自持續經營業務之所得稅開支	1,147	2,299

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綜合財務報表附註

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

10. INCOME TAX EXPENSE (Continued)

At the end of the reporting period, the Group has deductible temporary difference on allowance for doubtful debts on trade receivables and other receivables, allowance for obsolescence inventories and impairment loss in respect of property, plant and equipment of HK\$329,498,000 (2012: HK\$582,032,000) and unrealised losses on held-for-trading investments of HK\$1,771,000 (2012: HK\$150,150,000) which is carried forward indefinitely. No deferred tax asset has been recognised in relation to such deductible temporary differences as the directors of the Company is not certain when taxable profit will be available and the deductible temporary differences can be utilised.

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK\$452,809,000 (2012: HK\$505,587,000) available for offset against future profits. No provision of deferred taxation has been recognised in respect of the tax losses due to unpredictability of future profit streams.

The expiry of unused tax losses was as follows:

		As at 31 December	
		於十二月三十一日	
		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
Year 2013	二零一三年	—	80,030
Year 2014	二零一四年	31,624	67,903
Year 2015	二零一五年	26,179	48,770
Year 2016	二零一六年	15,706	16,145
Year 2017	二零一七年	9,905	9,917
Year 2018	二零一八年	7,075	—
		90,489	222,765

Other tax losses may be carried forward indefinitely.

10. 所得稅開支(續)

於報告期末，本集團就應收貿易賬項及其他應收賬項之呆賬撥備、滯銷存貨撥備、及有關物業、廠房及設備之無限期結轉減值虧損有可扣減暫時性差額329,498,000港元(二零一二年：582,032,000港元)及持作買賣用途之投資未實現虧損1,771,000港元(二零一二年：150,150,000港元)。由於本公司董事不確定何時有應課稅溢利能用作抵銷可扣減暫時性差額，故並無就該等可扣減暫時性差額確認遞延稅項資產。

於報告期末，本集團估計有未使用稅項虧損約452,809,000港元(二零一二年：505,587,000港元)可供抵銷未來溢利。由於未來溢利難以預測，故並無就稅項虧損確認遞延稅項撥備。

未使用稅項虧損之屆滿時間如下：

其他稅項虧損可無限期結轉。

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

II. PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

II. 本年度持續經營業務溢利(虧損)

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元 (restated) (經重列)
Profit (loss) for the year from continuing operations has been arrived at after charging (crediting):	本年度持續經營業務溢利(虧損)已扣除(計入)下列項目：		
Staff costs	員工開支		
Directors' emoluments (note 13)	董事酬金(附註13)		
– fees and other emoluments	– 袍金及其他酬金	4,858	4,915
Other staff costs	其他員工開支		
– salaries, allowances and bonus	– 薪金、津貼及花紅	5,678	5,583
– share-based payment expenses (note ii)	– 以股份為基礎付款之開支(附註ii)	—	1,678
– retirement benefits scheme contributions	– 退休福利計劃供款	1,197	680
		11,733	12,856
Amortisation of prepaid lease payments	預付租賃款項之攤銷	84	90
Cost of inventories recognised as an expense (note i)	確認為開支之存貨成本(附註i)	12,678	12,015
Auditor's remuneration	核數師酬金	1,700	1,650
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,758	2,781
Operating lease rentals in respect of land and buildings	土地及樓宇經營租約租賃款項	4,419	4,273
Research expenses (included in other expenses)	研究開支(包括在其他開支內)	—	1,047
Interest income from bank balances (included in other income)	銀行結餘之利息收入(包括在其他收入內)	(50)	(9)
Effective interest income from deferred consideration (included in other income)	遞延代價之實際利息收入(包括在其他收入內)	(3,625)	—
Gross rental income from investment property	投資物業之總租賃收入	(4,920)	(4,680)
Less: direct operating expenses from investment property that generate rental income for the year	減：產生本年度租賃收入之投資物業之直接運營開支		
		313	309
		(4,607)	(4,371)
Legal and professional expenses (included in other expenses)	法律及專業費用(包括在其他開支內)	6,715	11,133

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

11. PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

(Continued)

Notes:

- (i) An allowance for obsolescence inventories of HK\$2,461,000 (2012: HK\$1,839,000) included in the cost of inventories recognised as an expense which representing certain slow-moving raw materials and finished goods regarding pharmaceutical products (2012: health care products and pharmaceutical products).
- (ii) The share-based payment expenses of HK\$1,678,000 granted to eligible participants during the year ended 31 December 2012 were related to the Group's trading securities business.

12. DISCONTINUED OPERATION

On 14 August 2013, the Group signed an asset sale agreement with an independent third party and the Group agreed to sell the business intellectual property rights (primarily including copyright, patents, database rights and rights in trademarks, designs, know-how, domain names and confidential information of the Group's atomizing cigarettes business) together with the benefit of claims regarding the business intellectual property rights and the records and other documents relating to the above (collectively known as "Assets") at a consideration of US\$75,000,000 (equivalent to approximately HK\$581,250,000) (details as set out in note 25). This disposal is completed on 23 October 2013. Based on the terms of the asset sale agreement, the Group has undertaken that the Group will not engage in atomizing cigarettes business after the completion of disposal for a period of three years. In view of this, the directors of the Company considered that atomizing cigarettes business is discontinued since the completion of disposal of Assets.

11. 本年度持續經營業務溢利(虧損) (續)

附註：

- (i) 滯銷存貨撥備2,461,000港元(二零一二年：1,839,000港元)計入確認為開支之存貨成本，即有關醫藥產品(二零一二年：保健產品及醫藥產品)之若干滯銷原材料及製成品。
- (ii) 截至二零一二年十二月三十一日止年度，以股份為基礎付款之開支1,678,000港元乃授予合資格參與者，與本集團之證券買賣業務有關。

12. 已終止經營業務

於二零一三年八月十四日，本集團與一名獨立第三方簽署一項資產銷售協議，而本集團同意出售業務知識產權(主要包括本集團霧化煙業務之版權、專利、數據庫權利及商標、設計、專有知識、域名及機密資料權利)連同有關業務知識產權之索償利益以及與上文有關之記錄及其他文件(統稱「該等資產」)，代價為75,000,000美元(相當於約581,250,000港元)(詳情載於附註25)。該出售事項於二零一三年十月二十三日完成。根據資產銷售協議之條款，本集團承諾其於出售事項完成後三年期間不會從事霧化煙業務。就此，本公司董事認為霧化煙業務自該等資產出售完成後已終止。

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

12. DISCONTINUED OPERATION (Continued)

The results of and profit (loss) for the year from the discontinued operation for the year ended 31 December 2013 and 2012 are analysed as follows:

12. 已終止經營業務(續)

截至二零一三年及二零一二年十二月三十一日止年度已終止經營業務之本年度業績及溢利(虧損)分析如下：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Turnover	營業額	4,990	2,540
Cost of goods sold	銷貨成本	(5,624)	(3,900)
Other income	其他收入	45	1,950
Other gains and losses	其他盈虧	(1,176)	(15)
Distribution costs	經銷費用	(16,495)	(16,114)
Travelling expenses in relation to disposal of Assets	與出售該等資產有關之差旅支出	(11,065)	—
Directors' bonus	董事花紅	(15,504)	—
Administrative expenses	行政支出	(6,618)	(4,179)
Gain on disposal of Assets (Note 1)	出售該等資產之收益(附註1)	550,319	—
Other expenses	其他支出	(11,008)	(9,113)
Profit (loss) before taxation	稅前溢利(虧損)	487,864	(28,831)
Income tax expense (Note 2)	所得稅支出(附註2)	(40,317)	—
Profit (loss) for the year	本年度溢利(虧損)	447,547	(28,831)
Profit (loss) for the year from discontinued operation	已終止經營業務之本年度溢利(虧損)	447,547	(28,831)

Notes:

- (1) All the costs of the Assets are already expensed off in previous years and no related costs of Assets are capitalised in the consolidated statement of financial position of the Group before and at the completion date of disposal. Thus, the gain on the disposal of Assets consists of the first instalment on the consideration of US\$50 million (approximately HK\$387,500,000) and fair value of consideration receivable of approximately HK\$162,819,000 (as disclosed in note 25).
- (2) Amount represented the estimated profit tax arising from the sales of Assets in respective countries in which the Group has registered the business intellectual property rights.

附註：

- (1) 該等資產之所有成本均已於過往年度支銷，且該等資產並無相關成本於本集團出售事項完成日期之前及截至該日之綜合財務狀況表內擴充資本。因此，出售該等資產之收益包括首次分期付款代價50,000,000美元（約387,500,000港元）及應收代價公平值約162,819,000港元（披露於附註25）。
- (2) 金額指因出售該等資產（本集團已就此註冊業務知識產權）而於各個國家產生之估計利得稅。

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12. DISCONTINUED OPERATION (Continued)

Profit (loss) for the year from discontinued operation included the following:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Directors' bonus	董事花紅	15,504	—
Staff costs	員工開支		
– salaries, allowances and bonus	– 薪金、津貼及花紅	4,930	4,631
– retirement benefits scheme contributions	– 退休福利計劃供款	365	262
		5,295	4,893
Cost of inventories recognised as an expense (note)	確認為開支之存貨成本(附註)	5,624	3,900
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	160	354
Operating lease rentals in respect of land and buildings	土地及樓宇營業租約租賃款項	1,687	1,828
Impairment loss in respect of other receivables	其他應收款項之減值虧損	1,118	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	58	15
Research expenses	研發開支	8	160
Legal and professional expenses	法律及專業費用	11,000	8,953

Note: Included in the cost of inventories recognised as expense for the year ended 31 December 2013 is an allowance for obsolescence inventories of HK\$3,333,000 (2012: HK\$3,000,000).

During the year ended 31 December 2013, the atomising cigarettes operations paid HK\$11,615,000 (2012: HK\$16,924,000) in respect of the Group's net operating cash flows, paid HK\$2,600,000 (2012: HK\$12,694,000) in respect of investing activities and contributed HK\$16,177,000 (2012: HK\$22,786,000) in respect of financing activities.

12. 已終止經營業務(續)

已終止經營業務之本年度溢利(虧損)包括以下各項：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Directors' bonus	董事花紅	15,504	—
Staff costs	員工開支		
– salaries, allowances and bonus	– 薪金、津貼及花紅	4,930	4,631
– retirement benefits scheme contributions	– 退休福利計劃供款	365	262
		5,295	4,893
Cost of inventories recognised as an expense (note)	確認為開支之存貨成本(附註)	5,624	3,900
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	160	354
Operating lease rentals in respect of land and buildings	土地及樓宇營業租約租賃款項	1,687	1,828
Impairment loss in respect of other receivables	其他應收款項之減值虧損	1,118	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	58	15
Research expenses	研發開支	8	160
Legal and professional expenses	法律及專業費用	11,000	8,953

附註： 滯銷存貨撥備3,333,000港元(二零一二年：3,000,000港元)於截至二零一三年十二月三十一日止年度計入確認為開支之存貨成本。

於截至二零一三年十二月三十一日止年度，霧化煙經營業務已就本集團之經營現金流量淨額支付11,615,000港元(二零一二年：16,924,000港元)、就投資活動支付2,600,000港元(二零一二年：12,694,000港元)並就融資活動貢獻16,177,000港元(二零一二年：22,786,000港元)。

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the nine (2012: ten) directors and chief executive were as follows:

13. 董事及主要行政人員酬金

已付或應付九名(二零一二年：十名)董事及主要行政人員之薪酬如下：

		Gary	Wong	Hon	Chan	Lam	Chung	Lam	Liu	Ho	Total
		Drew	Yin Sen	Lik	Mee Sze	Suk Ping	Yuk Lun	Man Sum,	Kwong	Tak	2013
		Douglas	王彥宸	韓力	陳美思	林叔平	鍾育麟	Albert	Sang	Fun	二零一三年
								林聞深	廖廣生	何德芬	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note a)	(note b)								
		(附註a)	(附註b)								
Fees	袍金	—	—	40	—	—	240	240	240	240	1,000
Other emoluments	其他酬金										
Salaries	薪金	700	780	650	900	720	—	—	—	—	3,750
Bonus (note c)	花紅 (附註c)	—	7,752	7,752	—	—	—	—	—	—	15,504
Retirement benefit scheme	退休福利計劃										
		12	15	15	15	15	12	12	—	12	108
Other allowances	其他津貼	—	—	—	—	—	—	—	—	—	—
		712	8,547	8,457	915	735	252	252	240	252	20,362

Notes:

- (a) Mr. Gary Drew Douglas resigned as executive director with effect from 1 November 2013.
- (b) Mr. Wong Yin Sen is also the chief executive of the Company and his remuneration disclosed above included those for services rendered by him as chief executive.
- (c) The bonus is determined having regard to the directors' contributions in completion of disposal of Assets during the year ended 31 December 2013.

附註：

- (a) Gary Drew Douglas先生於二零一三年十一月一日辭任執行董事。
- (b) 王彥宸先生亦為本公司之主要行政人員，上文所披露之其薪酬包括就其作為主要行政人員提供服務之薪酬。
- (c) 花紅乃考慮董事於截至二零一三年十二月三十一日止年度對完成該等資產出售事項作出之貢獻後釐定。

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

13. 董事及主要行政人員酬金(續)

	Gary Drew Douglas	Wong Yin Sen 王彥宸	Hon Lik 韓力	Chan Mee Sze 陳美思	Lam Suk Ping 林叔平	Chung Yuk Lun 鍾育麟	Lam Man Sum, Albert 林聞深	Pang Hong 龐鴻	Liu Kwong Sang 廖廣生	Ho Tak Fun 何德芬	Total 二零一二年 總計
	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 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
		(note a) (附註a)						(note b) (附註b)			
Fees 袍金	—	—	—	—	—	210	210	38	210	210	878
Other emoluments 其他酬金											
Salaries 薪金	840	735	780	899	690	—	—	—	—	—	3,944
Retirement benefit scheme 退休福利計劃	4	14	14	14	14	11	11	—	—	11	93
Other allowances 其他津貼	—	—	—	—	—	—	—	—	—	—	—
	844	749	794	913	704	221	221	38	210	221	4,915

Notes:

(a) Mr. Wong Yin Sen is also the chief executive of the Company during the year ended 31 December 2012 and his remuneration disclosed above included those for services rendered by him as chief executive.

(b) Mr. Pang Hong resigned as independent non-executive director on 29 February 2012.

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

附註：

(a) 截至二零一二年十二月三十一日止年度，王彥宸先生亦為本公司之主要行政人員，上文所披露之其薪酬包括就其作為主要行政人員提供服務之薪酬。

(b) 龐鴻先生於二零一二年二月二十九日辭任獨立非執行董事。

年內，本集團並無向任何董事支付酬金，作為加入或於加入本集團時之獎勵或離職賠償。年內，並無董事放棄任何酬金。

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14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2012: four) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining individual for the year ended 31 December 2013 were as follows:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,020	1,020
Contributions to retirement benefits schemes	退休福利計劃供款	15	14
		1,035	1,034

His emoluments were within the following band:

		2013 二零一三年 No. of employees 僱員數目	2012 二零一二年 No. of employees 僱員數目
HK\$1,000,000 to HK\$1,500,000	1,000,000 港元至 1,500,000 港元	1	1

15. DIVIDENDS

No dividend was paid or proposed for both years, nor has any dividend been proposed since the end of the reporting period.

14. 僱員酬金

本集團內享有最高酬金之五位人士，其中四位(二零一二年：四位)為本公司董事。彼等之酬金已列入上述附註13之披露資料。截至二零一三年十二月三十一日止年度，餘下一位人士之酬金如下：

其薪酬處於以下組別：

15. 股息

過去兩年並無派付或建議派付股息，自報告期末以來亦無建議派付任何股息。

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16. EARNINGS (LOSS) PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

Earnings (loss)

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share (profit (loss) for the year attributable to owners of the Company)	568,164	(66,080)

Number of shares

	2013 二零一三年 '000 千股	2012 二零一二年 '000 千股
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	204,445	102,700

The weighted average number of ordinary shares for the purposes of basic and diluted earnings per share has been adjusted for the rights issue on 7 February 2013.

The computation of diluted earnings per share for the year ended 31 December 2013 did not assume the exercise of the Company's outstanding share options during the year as the exercise price of those options was higher than the average market price for shares for that year.

The computation of diluted loss per share for the year ended 31 December 2012 does not assume the conversion of the Company's share options since their assumed conversion would result in a decrease in loss per share.

16. 每股盈利(虧損)

持續經營及已終止經營業務

本公司擁有人應佔每股基本及攤薄盈利(虧損)乃按下列數據計算：

盈利(虧損)

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
就計算每股基本及攤薄盈利(虧損)之盈利(虧損)(本公司擁有人應佔年內溢利(虧損))	568,164	(66,080)

股份數目

	2013 二零一三年 '000 千股	2012 二零一二年 '000 千股
就計算每股基本及攤薄盈利之普通股加權平均數已就於二零一三年二月七日之供股而進行調整。	204,445	102,700

就計算每股基本及攤薄盈利之普通股加權平均數已就於二零一三年二月七日之供股而進行調整。

計算截至二零一三年十二月三十一日止年度之每股攤薄盈利並無假設本公司之未行使購股權於年內獲行使，因為該等購股權之行使價高於該年度之股份平均市場價格。

計算截至二零一二年十二月三十一日止年度每股攤薄虧損並無假設本公司之購股權已獲轉換，因為假設購股權已獲轉換會導致每股虧損減少。

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16. EARNINGS (LOSS) PER SHARE (Continued)

From continuing operations

The calculation of the basic and diluted earnings (loss) per share from continuing operations attributable to owners of the Company is based on the following data:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Earnings (loss) are calculated as follows:	盈利（虧損）之計算如下：		
Profit (loss) for the year attributable to the owners of the Company	本公司擁有人應佔年內溢利（虧損）	568,164	(66,080)
Less: (profit) loss for the year from discontinued operation	減：已終止經營業務年內（溢利）虧損	(447,547)	28,831
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share from continuing operations	就計算持續經營業務每股基本及攤薄盈利（虧損）之盈利（虧損）	120,617	(37,249)

The denominators used are the same as those detailed above for basic and diluted earnings (loss) per share.

From discontinued operation

Basic and diluted earnings (loss) per share from discontinued operation is HK\$2.19 per share (2012: HK\$0.28 per share), based on the profit for the year from discontinued operation of HK\$447,547,000 (2012: loss of HK\$28,831,000) and the denominators detailed above for basic and diluted earnings (loss) per share.

16. 每股盈利（虧損）（續）

來自持續經營業務

計算本公司擁有人應佔持續經營業務之每股基本及攤薄盈利（虧損）乃以下列數據為基礎：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Earnings (loss) are calculated as follows:	盈利（虧損）之計算如下：		
Profit (loss) for the year attributable to the owners of the Company	本公司擁有人應佔年內溢利（虧損）	568,164	(66,080)
Less: (profit) loss for the year from discontinued operation	減：已終止經營業務年內（溢利）虧損	(447,547)	28,831
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share from continuing operations	就計算持續經營業務每股基本及攤薄盈利（虧損）之盈利（虧損）	120,617	(37,249)

所使用分母與上文就每股基本及攤薄盈利（虧損）所述之分母相同。

來自已終止經營業務

根據已終止經營業務的年度溢利 447,547,000 港元（二零一二年：28,831,000 港元虧損）及以上就每股基本及攤薄盈利（虧損）詳述之分母，已終止經營業務之每股基本及攤薄盈利（虧損）為每股 2.19 港元（二零一二年：每股 0.28 港元）。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Construction in progress 在建工程	Buildings 樓宇	Leasehold improvement 租賃物業 裝修	Plant and machinery 廠房及 機器	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles 汽車	Total 總額
		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 千港元	HK\$'000 千港元
COST	成本							
At 1 January 2012	於二零一二年一月一日	—	35,998	4,832	59,172	7,035	7,584	114,621
Exchange adjustments	匯兌調整	7	194	16	324	32	41	614
Additions	添置	2,646	—	—	1,524	227	551	4,948
Disposals	出售	—	—	—	—	—	(220)	(220)
At 31 December 2012	於二零一二年十二月三十一日	2,653	36,192	4,848	61,020	7,294	7,956	119,963
Exchange adjustments	匯兌調整	75	1,146	146	658	78	256	2,359
Transfer	轉撥	(2,822)	2,822	—	—	—	—	—
Additions	添置	1,975	—	—	1,792	132	—	3,899
Disposals	出售	—	—	—	—	—	(116)	(116)
Disposal of subsidiaries	出售附屬公司	—	—	—	(42,641)	(3,923)	(200)	(46,764)
At 31 December 2013	於二零一三年十二月三十一日	1,881	40,160	4,994	20,829	3,581	7,896	79,341
DEPRECIATION AND IMPAIRMENT LOSSES	折舊及減值虧損							
At 1 January 2012	於二零一二年一月一日	—	15,718	4,366	56,519	6,551	5,668	88,822
Exchange adjustments	匯兌調整	—	90	16	305	32	31	474
Provided for the year	年內撥備	—	1,765	139	650	190	391	3,135
Eliminated on disposals	出售時抵銷	—	—	—	—	—	(120)	(120)
At 31 December 2012	於二零一二年十二月三十一日	—	17,573	4,521	57,474	6,773	5,970	92,311
Exchange adjustments	匯兌調整	—	620	98	451	64	196	1,429
Provided for the year	年內撥備	—	1,838	187	477	220	196	2,918
Eliminated on disposals	出售時抵銷	—	—	—	—	—	(52)	(52)
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	—	—	—	(42,641)	(3,923)	(200)	(46,764)
At 31 December 2013	於二零一三年十二月三十一日	—	20,031	4,806	15,761	3,134	6,110	49,842
NET BOOK VALUES	賬面值							
At 31 December 2013	於二零一三年十二月三十一日	1,881	20,129	188	5,068	447	1,786	29,499
At 31 December 2012	於二零一二年十二月三十一日	2,653	18,619	327	3,546	521	1,986	27,652

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Buildings	Over the shorter of the terms of the lease or 50 years
Leasehold improvement	Over the shorter of the terms of the lease or 50 years
Plant and machinery	9% - 20%
Furniture, fixtures and equipment	18% - 20%
Motor vehicles	9% - 20%

17. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)以直線法按以下年率計算折舊：

樓宇	於租約年期或五十年之較短者
租賃物業裝修	於租約年期或五十年之較短者
廠房及機器	9%至20%
傢俬、裝置及設備	18%至20%
汽車	9%至20%

18. INVESTMENT PROPERTY

18. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2012	於二零一二年一月一日	145,000
Fair value changes recognised to profit or loss	於損益確認之公平值變動	30,600
At 1 January 2013	於二零一三年一月一日	175,600
Fair value changes recognised to profit or loss	於損益確認之公平值變動	(35,600)
At 31 December 2013	於二零一三年十二月三十一日	140,000
Unrealised gain on property revaluation included in profit or loss for the year ended 31 December 2013 (included in other gains and losses)	截至二零一三年十二月三十一日止年度計入損益(計入其他盈虧)之物業重估未實現收益	(35,600)

The fair value of the Group's investment property at both years has been arrived at on the basis of a valuation carried out on that date by Assets Appraisal Limited (2012: Grant Sherman Appraisal Limited), independent qualified professional valuers not connected with the Group.

The fair value were determined based on market comparison approach assuming sales of the property interest in its existing state and making references to comparable market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property as available in the relevant market. There has been no change from the valuation technique used in the prior year.

本集團於兩個年度投資物業之公平值乃根據與本集團概無關連之獨立合資格專業估值師資產評值顧問有限公司(二零一二年：中證評估有限公司)基於截至該日之估值而作出。

公平值乃基於市場比較法，假設在其現況下出售物業權益，並參照類似物業可資比較之市場可觀察交易而釐定，且作出調整以反映有關市場可供出售之標的物業之狀況及位置。這與上一年度所用估計方法並無變動。

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18. INVESTMENT PROPERTY (Continued)

In estimating the fair value of the investment property, the highest and best use of the properties is their current use. At the end of the reporting period, the chief financial officer works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs into the model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the management of the Group.

There were no transfers into or out of Level 3 during both years.

Information about fair value measurements using significant unobservable input

The following table shows the valuation techniques used in the determination of fair values for investment properties and unobservable inputs used in the valuation models.

Investment Properties held	Fair value hierarchy	Valuation Techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
所持投資物業	公平值級別	估值方法	無法觀察參數	無法觀察參數與公平值之關係
As at 31 December 2013 於二零一三年十二月三十一日				
Properties in Hong Kong	Level 3	Direct comparison method based on market observable transaction of comparable properties and adjusted to reflect the conditions and locations of the subject properties	Location adjustment on buildings adopting a discount rate of approximately 10%	The lower discount on location adjustment, the higher the fair value
香港物業	第三級	直接比較法建基於可資比較物業之可觀察市場交易，並作出調整以反映目標物業之狀況及位置	樓宇位置調整以折現率約10%	位置調整折現越低，公平值越高
The key unobservable input is: (1) location adjustment				
主要無法觀察參數為： (1) 位置調整				

18. 投資物業(續)

在估計投資物業之公平值時，物業之最高及最佳用途為目前用途。於報告期末，財務總監與合資格外聘估值師緊密合作，以設立模式適用之估值方法及參數。倘資產之公平值出現重大變動時，會向本集團管理層匯報波動之原因。

於兩個年度，第三級並無轉入或轉出。

有關使用重大無法觀察參數之公平值計量

下表顯示用於釐定投資物業公平值時使用之估值方法以及估值模型所用之無法觀察參數。

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18. INVESTMENT PROPERTY (Continued)

The Group's investment property is held under medium-term leases in Hong Kong. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment property.

As at 31 December 2012, the Group has pledged this investment property to secure general banking facilities granted to the Group. The pledge on investment property is released upon early settlement of borrowings during the year ended 31 December 2013.

19. PREPAID LEASE PAYMENTS

The prepaid lease payments comprise:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Leasehold land outside Hong Kong:	香港以外之租賃土地：		
Medium-term lease	中期租約	2,709	2,704
Analysed for reporting purposes as:	就呈報目的分析：		
Current portion	即期部分	82	82
Non-current portion	非即期部分	2,627	2,622
		2,709	2,704

The leasehold land is amortised on a straight-line basis over the remaining term of the lease.

18. 投資物業(續)

本集團之投資物業位於香港及按中期租約持有。本集團用作賺取租金或作資本增值用途而持有之經營租約物業權益使用公平值模式計量，並歸類及入賬列作投資物業。

於二零一二年十二月三十一日，本集團已抵押該投資物業作為授予本集團的一般銀行融資之擔保。於截至二零一三年十二月三十一日止年度，投資物業之抵押於借款提早結清後獲解除。

19. 預付租賃款項

預付租賃款項包括：

租賃土地於租約剩餘年期以直線法攤銷。

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20. INVENTORIES

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Raw materials	原料	2,121	5,735
Work in progress	在製品	—	354
Finished goods	製成品	2,768	2,466
		4,889	8,555

As at 31 December 2013, the carrying amount of inventories is approximately HK\$4,889,000 (net of allowance for obsolescence inventories of approximately HK\$215,674,000) (2012: carrying amount of approximately HK\$8,555,000, net of allowance for obsolescence inventories of approximately HK\$362,401,000).

20. 存貨

於二零一三年十二月三十一日，扣除滯銷存貨撥備約215,674,000港元後，存貨之賬面值約4,889,000港元(二零一二年：扣除滯銷存貨撥備約362,401,000港元後，賬面值約8,555,000港元)。

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Financial assets at fair value through profit or loss comprise:	按公平值計入損益之金融資產包括：		
Held-for-trading investments	持作交易用途之投資	599,317	129,828

Held-for-trading investments comprise of equity securities listed in Hong Kong and their fair values are based on quoted market bid price.

Net realised gain of approximately HK\$21,394,000 (2012: HK\$262,000) on disposal of held-for-trading investments is included in change in fair value of financial assets at fair value through profit or loss.

21. 按公平值計入損益之金融資產

持作交易用途之投資包括於香港上市之股本證券，彼等之公平值乃基於市場所報買入價釐定。

出售持作交易用途之投資之實現收益淨額約21,394,000港元(二零一二年：262,000港元)計入按公平值計入損益之金融資產之公平值變動內。

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22. TRADE RECEIVABLES

		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	應收貿易賬項	64,089	150,000
Less: Allowance for doubtful debts	減：呆賬撥備	(61,924)	(148,236)
		2,165	1,764

The Group allows an average credit period from 60 to 270 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

本集團容許其貿易客戶有平均60至270日之信貸期。以下為於報告期末根據接近各收益確認日期之發票日期呈列應收貿易賬項(扣除呆賬撥備)之賬齡分析：

		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
0 to 60 days	0至60日	1,955	1,195
61 to 90 days	61至90日	175	100
91 to 180 days	91至180日	25	343
181 to 270 days	181至270日	10	126
		2,165	1,764

The Group has policy of allowance for bad and doubtful debts which is based on the evaluation of collectability and age of accounts and on management's judgement including credit worthiness and past collection history of each customer.

本集團設有一套呆壞賬撥備政策，該政策乃根據對可收回性及賬齡進行之評估以及根據管理層之判斷(包括每位客戶之信用及過往收賬記錄)而制訂。

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly.

於接納任何新客戶前，本集團評估客戶之信貸質素及釐定客戶信貸上限。本集團定期審閱給予客戶之信貸限額。

The receivables with a carrying amount of HK\$2,165,000 (2012: HK\$1,764,000) which are neither past due nor impaired at the end of the reporting date for which the Group believes that the amounts are considered recoverable because the receivables are related to a number of independent customers that have good repayment records with the Group.

賬面值為2,165,000港元(二零一二年：1,764,000港元)之應收款項於報告日期未既未逾期亦未減值，本集團相信可收回該款項，原因是應收款項來自若干獨立客戶，該等客戶於本集團擁有良好還款紀錄。

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22. TRADE RECEIVABLES (Continued)

In determining the recoverability of the trade receivables, the Group considers any changes in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Accordingly, the directors of the Company believe that there is no further credit provision required in excess of the allowance for bad and doubtful debts.

Movement in the allowance for doubtful debts

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	148,236	145,608
Impairment losses recognised	已確認減值虧損	380	1,842
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(89,958)	—
Exchange adjustments	匯兌調整	3,266	786
Balance at end of the year	年終結餘	61,924	148,236

Included in the allowance for doubtful debts are individually impaired trade receivables, which were either in the severe financial difficulties or overdue for a long period time. The Group has made full allowance on these receivables and considered that they are generally not recoverable.

22. 應收貿易賬項(續)

於釐定應收貿易賬項之可收回性時，本集團考慮應收貿易賬項自首次獲授信貸當日至報告期末之任何信貸質素變化。因此，本公司董事認為，除呆壞賬撥備以外，毋須作出其他信貸撥備。

呆賬撥備之變動

呆賬撥備包括個別正遭遇嚴重財務困難或逾期甚久之已減值應收貿易賬項。本集團已就該等應收款項悉數撥備，並認為該等款項一般不能收回。

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23. LOANS RECEIVABLE

23. 應收貸款

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Unsecured fixed-rate loans receivable	無抵押定息應收貸款	90,474	—

The loans receivable had contractual maturity dates between 2 months to 4 months as at 31 December 2013.

於二零一三年十二月三十一日，應收貸款之合約到期日在2個月至4個月之間。

The Group has policy for allowance of bad and doubtful debts which is based on the evaluation of collectability and aging analysis of accounts and on management's judgment, including the current creditworthiness and the past collection history of each client.

本集團根據賬目之可收回性評估、賬齡分析以及管理層判斷(包括每名客戶之現時信譽及過往收款記錄)，設有呆壞賬政策。

In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, the directors of the Company believe that there is no further credit provision required. There is no loans receivable which was past due but not impaired at the end of reporting period for which the Group believes that the amounts are considered recoverable as the creditworthiness and the past collection history of each client are satisfactory.

於釐定應收貸款之可收回性時，本集團考慮自信貸首次授出日期至報告期末應收貸款信貸質素之任何變動。因此，本公司董事相信毋須作出進一步信貸撥備。於報告期末並無應收貸款已逾期惟尚未減值，原因是每名客戶之信譽及過往收款記錄令人滿意，故本集團認為該等金額屬可收回。

The average interest rate for the fixed-rate loans receivable was ranging from 5% to 12% per annum.

定息應收貸款之平均年利率介乎5%至12%。

During the year ended 31 December 2012, the Group had granted unsecured loans receivable to independent third parties, maturing with 1 month and bearing interest of 12% per annum. There was no outstanding loans receivable as at 31 December 2012.

於截至二零一二年十二月三十一日止年度，本集團向獨立第三方授出無抵押應收貸款，期限為一個月，以年利率12%計息。於二零一二年十二月三十一日並無未收回之應收貸款。

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24. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Other deposits	其他按金	1,611	1,222
Deposits for legal and professional services	法律及專業服務按金	1,268	1,268
Prepayments to suppliers	供應商預付款項	2,086	3,525
Other prepayments	其他預付款項	28	177
Receivables from financial institutions (note)	金融機構應收款項(附註)	2,003	7,109
Other receivables	其他應收款項	5	705
		7,001	14,006

Note: Amount represents the funds deposits to financial institutions for securities trading purpose.

24. 按金、預付款項及其他應收款項

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
		7,001	14,006

附註：該款項指為證券交易目的而寄存於金融機構之資金。

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Other receivables	其他應收款項	16,638	36,833
Less: Allowance	減：撥備	(16,633)	(36,128)
Other receivables (net of provision)	其他應收款項(扣除撥備)	5	705

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24. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

24. 按金、預付款項及其他應收款項 (續)

Movement in the allowance for bad and doubtful debts for other receivables

其他應收賬項之呆壞賬撥備之變動

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	36,128	35,934
Impairment losses recognised	確認減值虧損	1,118	—
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	(20,650)	—
Exchange adjustments	匯兌調整	37	194
Balance at end of the year	年末結餘	16,633	36,128

Included in the allowance for doubtful debts are individually impaired other receivables, which were either in the severe financial difficulties or overdue for a long period time. The Group has made full allowance on these other receivables and considered that they are generally not recoverable.

呆賬撥備包括個別已減值之遭遇嚴重財務困難或逾期甚久之其他應收賬項。本集團已就該等其他應收賬項悉數撥備，並認為該等款項一般不能收回。

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25. DEFERRED CONSIDERATION

As disclosed in note 12, the Group has disposed the Assets at a consideration of US\$75 million (equivalent to approximately HK\$581,250,000). The consideration of US\$50 million (equivalent to approximately HK\$387,500,000) has been received during the year ended 31 December 2013. Based on the asset sale agreement, the consideration receivables of US\$15 million (approximately HK\$116,250,000) and US\$10 million (approximately HK\$77,500,000) will be received on the first and second anniversary of the completion date respectively. The details of fair value on consideration receivable at initial recognition are disclosed as below:

		Effective interest rate per annum 實際年利率	Fair value at initial recognition 首次確認 之公平值 HK\$'000 千港元
Due first anniversary of the completion date of disposal of Assets	於出售該等資產完成 日期後第一週年到期	13.31%	102,595
Due second anniversary of the completion date of disposal of Assets	於出售該等資產完成 日期後第二週年到期	13.41%	60,224
			162,819
			193,750

During the year ended 31 December 2013, an effective interest income on deferred consideration of HK\$3,625,000 (2012: nil) are recognised to profit or loss.

25. 遞延代價

如附註12所披露，本集團已按75,000,000美元(相當於約581,250,000港元)之代價出售該等資產。50,000,000美元(相當於約387,500,000港元)之代價已於截至二零一三年十二月三十一日止年度收取。根據資產銷售協議，15,000,000美元(相當於約116,250,000港元)及10,000,000美元(相當於約77,500,000港元)之應收代價將分別於完成日期後第一及第二週年收取。應收代價於首次確認之公平值詳情披露如下：

於截至二零一三年十二月三十一日止年度，遞延代價之實際利息收入3,625,000港元(二零一二年：零)於損益確認。

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26. BANK BALANCES AND CASH

At 31 December 2013, there were bank balances and cash denominated in RMB which is not freely convertible into other currencies amounting to approximately HK\$14,012,000 (2012: HK\$5,513,000) and carry interest at market rates which range from 0.001% to 0.36% (2012: 0.001% to 0.36%) per annum. Other bank balances and cash are denominated in Hong Kong dollars which carry interest at market rates which range from 0.01% to 0.06% (2012: 0.01% to 0.06%) per annum.

At 31 December 2013, bank balances of approximately HK\$11,939,000 are denominated in USD, which are not denominated in the functional currency of the respective group entities.

27. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 30 - 60 days.

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

26. 銀行結餘及現金

於二零一三年十二月三十一日，以人民幣計值，不可自由兌換為其他貨幣之銀行結餘及現金約為14,012,000港元(二零一二年：5,513,000港元)，按市場年利率介乎0.001%至0.36%(二零一二年：0.001%至0.36%)計息。其他銀行結餘及現金以港元計值，按市場年利率介乎0.01%至0.06%(二零一二年：0.01%至0.06%)計息。

於二零一三年十二月三十一日，約11,939,000港元之銀行結餘以美元計值，而非以相關集團實體之功能貨幣計值。

27. 應付貿易賬項

應付貿易賬項主要包括貿易採購之未償還金額。貿易採購之一般信貸期為30至60日。

以下為於報告期末根據發票日期呈列應付貿易賬項之賬齡分析：

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
0 to 30 days	0至30日	61	474
31 to 60 days	31至60日	—	874
61 to 90 days	61至90日	—	41
Over 90 days but less than 1 year	90日以上但不到一年	41	26
Over 1 year	一年以上	2,767	4,681
		2,869	6,096

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28. ACCRUALS AND OTHER PAYABLES

		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
Other payables	其他應付賬項	2,414	6,509
Accruals	應計款項	7,703	11,566
Value Added Tax payable	應付增值稅	6,713	9,686
Receipts from the purchaser of Assets (Note)	來自該等資產買方之收款(附註)	6,689	—
Deposits received from customers	已收客戶按金	7,619	3,458
Deposits received from distributors	已收經銷商按金	2,773	3,178
		33,911	34,397

Note: During the year ended 31 December 2013, US\$1 million (equivalent to approximately HK\$7,750,000) was deposited to the Group by the purchaser of Assets for reimbursement of all costs (i.e. disbursements and stamp duty) in connection with the disposal of Assets. As at 31 December 2013, approximately HK\$6,689,000 was yet to be utilized. On the first anniversary of the completion date of disposal of Assets, the entire unutilized amount will be refunded to the purchaser of Assets.

28. 應計款項及其他應付賬項

附註：於截至二零一三年十二月三十一日止年度，該等資產之買方墊付1,000,000美元(相當於約7,750,000港元)予本集團，以償付與出售該等資產相關之所有成本(即墊付款及印花稅)。於二零一三年十二月三十一日，約6,689,000港元尚待動用。於出售該等資產完成日期後第一週年，全部未動用金額將退還予該等資產之買方。

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29. DERIVATIVE FINANCIAL INSTRUMENTS

29. 衍生金融工具

		2013	2012
		二零一三年	二零一二年
		HK\$'000	HK\$'000
		千港元	千港元
Call Option/Put Option	認購期權/ 認沽期權	19,220	17,332

The terms of the option agreement are that (i) the independent third party (the "Vendor") granted a call option to Nation Wealth Holdings Limited ("NWHL"), a wholly-owned subsidiary of the Group, to require the Vendor to sell entire equity interest in Chinese Medical Clinic ("Option Shares") and to assign the shareholders loans of Chinese Medical Clinic ("Option Shareholders Loans") to NWHL (collectively known as "Call Option"); and (ii) NWHL granted a put option to the Vendor to require NWHL to purchase the Option Shares and Option Shareholders Loans (collectively known as "Put Option"). Chinese Medical Clinic is currently wholly-owned subsidiary of the Vendor.

期權協議的條款為(i)獨立第三方(「賣方」)向本集團全資附屬公司Nation Wealth Holdings Limited(「NWHL」)授出認購期權，可要求賣方向NWHL出售中醫診所的全部股權(「期權股份」)並轉讓中醫診所的股東貸款(「期權股東貸款」)(統稱「認購期權」)；及(ii) NWHL向賣方授出認沽期權，可要求NWHL購買期權股份及期權股東貸款(統稱「認沽期權」)。中醫診所現為賣方的全資附屬公司。

The Call Option and Put Option are exercisable within 5 years from the 8 August 2011 conditional upon the completion of the Vendor's contribution of an interest free loan or by way of equity of HK\$25 million to Chinese Medical Clinic. As at 31 December 2013 and 2012, the Vendor's interest free loan to Chinese Medical Clinic is less than HK\$25 million and both Call Option and Put Option are not exercisable as at 31 December 2013 and 2012. The option exercise price is determined with the following conditions:

認購期權及認沽期權可於二零一一年八月八日起計5年內行使，惟須待賣方向中醫診所注入25,000,000港元不計息貸款或以股本形式注入該金額完成後方可作實。截至二零一三年及二零一二年十二月三十一日，賣方向中醫診所注入的不計息貸款不足25,000,000港元，因此截至二零一三年及二零一二年十二月三十一日認購期權及認沽期權均不可行使。期權行使價按以下情況釐定：

- if Chinese Medical Clinic's audited results for the year ending 31 March 2012 or any accounting period subsequent thereto has not been released and issued, the option exercise price will be HK\$25,000,000; and
 - if Chinese Medical Clinic's audited results for the year ending 31 March 2012 or any accounting period subsequent thereto has been released and issued,
- 倘中醫診所截至二零一二年三月三十一日止年度或其後之任何會計期間之經審核業績尚未公佈及發出，則期權行使價將為25,000,000港元；及
 - 倘中醫診所截至二零一二年三月三十一日止年度或其後之任何會計期間之經審核業績已公佈及發出，

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29. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

- in the case of the exercise of the Call Option, the option exercise price will be the higher of HK\$25 million; or (ii) the lower of 10 times earnings before interest, taxes, depreciation and amortisation ("EBITDA") or HK\$75 million; and
- in the case of the exercise of the Put Option, the option exercise price will be the higher of: (i) HK\$25 million; or (ii) the lower of 5 times EBITDA or HK\$75 million.

The option exercise price of both Call Option and Put Option is finalised as HK\$25 million during the year ended 31 December 2013 based on the option agreement.

29. 衍生金融工具(續)

- 行使認購期權時，期權行使價將為以下較高者：
(i) 25,000,000 港元；或(ii) 除息稅折舊及攤銷前盈利（「EBITDA」）之10倍或75,000,000 港元（較低者）；及
- 行使認沽期權時，期權行使價將為以下較高者：
(i) 25,000,000 港元；或(ii) EBITDA之5倍或75,000,000 港元（較低者）。

根據期權協議，截至二零一三年十二月三十一日止年度，認購期權及認沽期權之期權行使價均定為25,000,000港元。

		HK\$'000 千港元
At 1 January 2012	於二零一二年一月一日	(5,689)
Change in fair value	公平值變動	(11,643)
At 31 December 2012	於二零一二年十二月三十一日	(17,332)
Change in fair value	公平值變動	(1,888)
At 31 December 2013	於二零一三年十二月三十一日	(19,220)

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29. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The fair value of Call Option and Put Option are calculated using the Black Scholes Option Pricing Model at 31 December 2012 and 2013. The inputs into the model were as follows:

		Call Option and Put Option 認購期權及認沽期權	
		As at 31 December 2013 於二零一三年 十二月三十一日	As at 31 December 2012 於二零一二年 十二月三十一日
Exercise price	行使價	HK\$25,000,000港元	HK\$25,000,000港元
Equity value (note a)	資本值(附註 a)	HK\$5,780,000港元	HK\$7,668,000港元
Expected volatility (note b)	預期波幅(附註 b)	25.26%	30.81%
Expected life (note c)	預期年期(附註 c)	2.6 years年	3.6 years年
Risk-free rate (note d)	無風險利率(附註 d)	0.53%	0.21%
Dividend yield	股息收益率	0%	0%

Notes:

- (a) The equity value is determined based on the net assets value of Chinese Medical Clinic as at the end of the reporting period.
- (b) Expected volatility for options is based on historical daily price movements of comparable listed companies in the same industry over a historical period of 2.6 years (2012: 3.6 years).
- (c) Expected life was the expected remaining life of the Call Option and the Put Option.
- (d) The risk-free rate is determined by reference to the yield of Hong Kong Exchange Fund Notes.

During the year ended 31 December 2013, a loss of HK\$1,888,000 (2012: HK\$11,643,000) was recognised in respect of the changes in fair values of derivative financial instruments.

29. 衍生金融工具(續)

認購期權及認沽期權的公平值於二零一二年及二零一三年十二月三十一日採用柏立克-舒爾斯期權定價模式計算。輸入模式之參數如下：

		Call Option and Put Option 認購期權及認沽期權	
		As at 31 December 2013 於二零一三年 十二月三十一日	As at 31 December 2012 於二零一二年 十二月三十一日
Exercise price	行使價	HK\$25,000,000港元	HK\$25,000,000港元
Equity value (note a)	資本值(附註 a)	HK\$5,780,000港元	HK\$7,668,000港元
Expected volatility (note b)	預期波幅(附註 b)	25.26%	30.81%
Expected life (note c)	預期年期(附註 c)	2.6 years年	3.6 years年
Risk-free rate (note d)	無風險利率(附註 d)	0.53%	0.21%
Dividend yield	股息收益率	0%	0%

附註：

- (a) 資本值根據中醫診所於報告期末的資產淨值釐定。
- (b) 期權的預期波幅根據過往2.6年(二零一二年：3.6年)同行業可比較上市公司的過往每日股價波動釐定。
- (c) 預期年期為認購期權及認沽期權之預期餘下年期。
- (d) 無風險利率乃參考香港外匯基金票據孳息釐定。

截至二零一三年十二月三十一日止年度，就衍生金融工具公平值變動確認虧損1,888,000港元(二零一二年：11,643,000港元)。

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

30. BORROWINGS

30. 借款

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Secured bank borrowing	有抵押銀行借款	—	25,676
Carrying amount of bank borrowing that is not repayable within one year from the end of the reporting period but contains a repayment on demand clause (shown under current liabilities)	毋須於報告期末起一年內償還但包含於要求時償還條款之銀行借款賬面值(列入流動負債)	—	23,971
Carrying amount of bank borrowing that is repayable within one year and contains a repayment on demand clause	須於一年內償還且包含於要求時償還條款之銀行借款賬面值	—	1,705
		—	25,676
Amounts due within one year shown under current liabilities	列作流動負債之一年內到期金額	—	(25,676)
		—	—
Borrowings comprise:	借款包括：		
Fixed-rate borrowing	定息借款	—	25,676

At as 31 December 2012, bank borrowing amounting to approximately HK\$25,676,000 is fixed-rate borrowing which carries interest at 3.25% per annum. The balance was secured by investment property of the Group as set out in note 18. During the year ended 31 December 2013, the borrowings was early repaid and the charge on secured investment property was released upon settlement of borrowings.

於二零一二年十二月三十一日，銀行借款約25,676,000港元為定息借款，按3.25%之年利率計息。該結餘由附註18所載本集團投資物業作抵押。於截至二零一三年十二月三十一日止年度，借款獲提早償還而已抵押投資物業之押記於借款結清後獲解除。

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31. SHARE CAPITAL

31. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 (2012: HK\$0.01) each	每股面值0.01 港元 (二零一二年：0.01 港元)之普通股		
Authorised:	法定：		
At 1 January 2012	於二零一二年一月一日	10,000,000	1,000,000
Increase in authorised share capital (note i)	法定股本增加(附註 i)	90,000,000	—
At 31 December 2012 and 31 December 2013	於二零一二年十二月三十一日 及二零一三年十二月三十一日	100,000,000	1,000,000
Issued:	已發行：		
At 1 January 2012	於二零一二年一月一日	2,717,307	271,731
First Capital Reorganisation (note ii)	首次資本化發行(附註 ii)	(2,173,845)	(266,296)
Rights issue (note iii)	供股(附註 iii)	1,086,923	10,869
Issue of placing shares (note iv)	發行配售股份(附註 iv)	326,077	3,261
Exercise of share options (note v)	行使購股權(附註 v)	163,038	1,630
Second Capital Reorganisation (note vi)	第二次資本化發行(附註 vi)	(2,013,525)	(20,135)
At 31 December 2012	於二零一二年十二月三十一日	105,975	1,060
Rights issue (note vii)	供股(附註 vii)	105,975	1,060
At 31 December 2013	於二零一三年十二月三十一日	211,950	2,120

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

31. SHARE CAPITAL (Continued)

Notes:

- (i) Pursuant to special resolution passed on 23 December 2011, each of the Company's authorised but unissued shares of par value HK\$0.10 each were subdivided into ten shares of par value of HK\$0.01 each ("Share Subdivision"). The Share Subdivision is effective on 19 March 2012, the authorised share capital of the Company was divided into 100,000,000,000 shares of HK\$0.01 each. Details of Share Subdivision are disclosed in the circular issued by the Company on 30 November 2011.
- (ii) Pursuant to special resolution passed on 23 December 2011, the Company's every 5 issued and unissued shares of par value of HK\$0.10 each are consolidated into 1 consolidated share of par value of HK\$0.50 each. Immediately following share consolidation, the nominal value of each issued consolidated share was reduced from par value of HK\$0.50 each to par value of HK\$0.01 each by cancellation of the paid-up capital to the extent of HK\$0.49 on each issued consolidated share ("First Capital Reorganisation"). Details of First Capital Reorganisation are disclosed in the circular issued by the Company on 30 November 2011. First Capital Reorganisation was effective on 19 March 2012 upon the approval by the Court of Cayman Islands on 9 March 2012. Thus, the share capital of the Company was decreased by approximately HK\$266,296,000.

31. 股本(續)

附註：

- (i) 根據二零一一年十二月二十三日通過之特別決議案，本公司每股面值0.10港元之法定但未發行之股份被拆細為十股每股面值0.01港元之股份（「股份拆細」）。股份拆細自二零一二年三月十九日起生效，本公司之法定股本被分為100,000,000,000股每股面值0.01港元之股份。本公司已於二零一一年十一月三十日刊發之通函披露有關股份拆細之詳情。
- (ii) 根據二零一一年十二月二十三日通過之特別決議案，本公司每5股每股面值0.10港元之已發行及未發行股份被合併為1股每股面值0.50港元之合併股份。緊隨股份合併後，透過將每股已發行合併股份之繳足股本註銷0.49港元，每股已發行合併股份之面值由每股面值0.50港元減少至每股面值0.01港元（「首次資本重組」）。本公司已於二零一一年十一月三十日刊發之通函披露有關首次資本重組之詳情。首次資本重組經開曼群島法院於二零一二年三月九日批准後自二零一二年三月十九日起生效。因此，本公司股本減少約266,296,000港元。

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31. SHARE CAPITAL (Continued)

Notes: (Continued)

- (iii) On 2 May 2012, the Company allotted and issued 1,086,923,000 shares by way of rights issue at a subscription price of HK\$0.10 per rights share on the basis of two rights shares for every one share then held.
- (iv) On 29 June 2012, 326,076,900 new ordinary shares of the Company of HK\$0.01 each were issued to individual third parties by placing pursuant to the placing agreement dated 22 June 2012 at a price of HK\$0.066 per share.
- (v) On 9 July 2012, share options for 163,038,450 of HK\$0.01 each were exercised at the exercise price of HK\$0.07.
- (vi) Pursuant to special resolution passed on 6 August 2012, the Company carried out a share consolidation involving every 20 shares of par value of HK\$0.01 each be consolidated into 1 consolidated share of par value of HK\$0.20 each. A capital reduction whereby upon this share consolidation becoming effective, the nominal value of all the issued consolidated share was reduced from HK\$0.20 each to HK\$0.01 each, and the issued and paid up capital of the Company was cancelled to the extent of HK\$0.19 per consolidated share in issue ("Second Capital Reorganisation"). Details of Second Capital Reorganisation are disclosed in the circular issued by the Company on 13 July 2012. Second Capital Reorganisation was effective on 31 October 2012 upon the approval by the court of Cayman Islands on 26 October 2012. Thus, the share capital of the Company was decreased by HK\$20,135,000.

31. 股本(續)

附註：(續)

- (iii) 於二零一二年五月二日，本公司以供股方式按於當時每持有一股股份可獲發兩股供股股份之基準以認購價每股供股股份0.10港元配發及發行1,086,923,000股股份。
- (iv) 於二零一二年六月二十九日，本公司根據日期為二零一二年六月二十二日之配售協議，以配售方式按每股股份0.066港元之價格向獨立第三方發行326,076,900股每股面值0.01港元之新普通股。
- (v) 於二零一二年七月九日，以行使價0.07港元行使163,038,450份每股面值0.01港元之購股權。
- (vi) 根據二零一二年八月六日通過之特別決議案，本公司進行股份合併，將每20股每股面值0.01港元之股份合併為1股每股面值0.20港元之合併股份。因該股份合併而致之股本削減生效後，所有已發行合併股份之面值由每股0.20港元減少至每股0.01港元，而本公司之已發行繳足股本按每股已發行合併股份注銷0.19港元之方式進行註銷（「第二次資本重組」）。本公司已於二零一二年七月十三日刊發之通函披露有關第二次資本重組之詳情。第二次資本重組經開曼群島法院於二零一二年十月二十六日批准後自二零一二年十月三十一日起生效。因此，本公司股本減少20,135,000港元。

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

31. SHARE CAPITAL (Continued)

Notes: (Continued)

- (vii) On 7 February 2013, the Company allotted and issued 105,974,992 shares by way of rights issue at a subscription price of HK\$1.00 per rights share on the basis of one rights share for every one share then held.

All the shares issued during the year ended 31 December 2013 and 2012 rank pari passu with the existing shares of the Company in all respect.

32. SHARE-BASED PAYMENTS

Equity-settled share option scheme

Upon passing of an ordinary resolution on 17 December 2012, the Company adopted a new share option scheme and whereupon the old share option scheme adopted on 30 May 2003 was terminated, while the options granted under old share option scheme are still exercisable until their expiry. The primary purpose of granting share options is to provide incentives to participants, including executive directors of the Company and its subsidiaries. Under the share option scheme of the Company, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

31. 股本(續)

附註：(續)

- (vi) 於二零一三年二月七日，本公司以供股方式按當時每持有一股股份可獲發一股供股股份之基準以認購價每股供股股份1.00港元配發及發行105,974,992股股份。

截至二零一三年及二零一二年十二月三十一日止年度內所有已發行股份在所有方面與本公司現有股份享有同等地位。

32. 以股份為基礎之付款

以股權結算之購股權計劃

於二零一二年十二月十七日通過一項普通決議案後，本公司採納一項新購股權計劃，據此，於二零零三年五月三十日採納的舊購股權計劃予以終止，而根據舊購股權計劃已授出之購股權，仍可行使直至屆滿為止。授予購股權的主要目的是向參與者(包括本公司及其附屬公司的執行董事)提供獎勵。根據本公司的購股權計劃，本公司董事會可向合資格僱員(包括本公司及其附屬公司董事)授出購股權，以認購本公司股份。

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32. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

The following table discloses movements in the Company's share options under old share option scheme during the year:

32. 以股份為基礎之付款(續)

以股權結算之購股權計劃(續)

下表披露舊購股權計劃下本公司年內購股權之變動：

Category of participants 參與者分類	Date of share options granted 授出購股權日期 (note i) (附註i)	Number of	Number of	Number of	Number of	No. of	Number of	Number of	Number of	Exercise period 行使期間	Exercise price per share option 每股購股權之行使價 HK\$ 港元
		share options as at 1 January 2012 於二零一二年一月一日 之購股權數目	share options granted during the year 年內授出之購股權數目	share options exercised during the year 年內行使之購股權數目	share options adjusted during the year 年內經調整之購股權數目	share options as at 1 January 2013 於二零一三年一月一日 之購股權數目	share options lapsed upon expiry during the year 年內失效之購股權數目	share options adjusted during the year 年內經調整之購股權數目	share options outstanding as at 31 December 2013 於二零一三年十二月三十一日 尚未行使之購股權數目		
Directors											
董事											
Wong Yin Sen 王彥宸	9 January 2008 二零零八年一月九日	260,266	—	—	(257,007)	3,259	(3,259)	—	—	11 January 2008 to 10 January 2013 二零零八年一月十一日 至二零一三年一月十日	275,958 (Note vii) (附註vii)
Hon Lik 韓力	9 January 2008 二零零八年一月九日	260,266	—	—	(257,007)	3,259	(3,259)	—	—	4 February 2008 to 3 February 2013 二零零八年二月四日 至二零一三年二月三日	275,958 (Note vii) (附註vii)
Pang Hong (note ii) 龐鴻 (附註ii)	9 January 2008 二零零八年一月九日	173,513	—	—	(171,341)	2,172	(2,172)	—	—	14 January 2008 to 13 January 2013 二零零八年一月十四日 至二零一三年一月十三日	275,958 (Note vii) (附註vii)
Cheung Kwan Hung (note ii) 張鈞鴻 (附註ii)	9 January 2008 二零零八年一月九日	173,513	—	—	(171,341)	2,172	(2,172)	—	—	11 January 2008 to 10 January 2013 二零零八年一月十一日 至二零一三年一月十日	275,958 (Note vii) (附註vii)
Ding Xun (note ii) 丁迅 (附註ii)	9 January 2008 二零零八年一月九日	173,513	—	—	(171,341)	2,172	(2,172)	—	—	22 January 2008 to 21 January 2013 二零零八年一月二十二日 至二零一三年一月二十一日	275,958 (Note vii) (附註vii)
		1,041,071				13,034			—		

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

32. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Category of participants 參與者分類	Date of share options granted 授出購股權日期 (note i) (附註i)	Number of	Number of	Number of	No. of	Number of	Number of	Number of	Exercise period 行使期間	Exercise price per share option 每股購股權之行使價 HK\$ 港元
		share options as at 1 January 2012 於二零一二年一月一日之購股權數目	share options granted during the year 年內授出之購股權數目	share options exercised during the year 年內行使之購股權數目	share options adjusted during the year 年內經調整之購股權數目	share options as at 1 January 2013 於二零一三年一月一日之購股權數目	share options lapsed upon expiry during the year 年內失效之購股權數目	share options adjusted during the year 年內經調整之購股權數目		
Employees (in aggregate) 僱員 (總計)										
	9 January 2008 二零零八年一月九日	3,053,834	—	—	(3,015,601)	38,233	(38,223)	—	6 February 2008 to 5 February 2013 二零零八年二月六日 至二零一三年二月五日	275,958 (Note viii) (附註viii)
	18 February 2008 二零零八年二月十八日	173,513	—	—	(171,341)	2,172	(2,867)	695	17 March 2008 to 16 March 2013 二零零八年三月十七日 至二零一三年三月十六日	244,215 (Note v and viii) (附註v及viii)
	28 February 2008 二零零八年二月二十八日	347,026	—	—	(342,681)	4,345	(5,735)	1,390	27 March 2008 to 26 March 2013 二零零八年三月二十七日 至二零一三年三月二十六日	244,215 (Note v and viii) (附註v及viii)
	5 June 2008 二零零八年六月五日	347,026	—	—	(342,681)	4,345	(5,735)	1,390	3 July 2008 to 2 July 2013 二零零八年七月三日 至二零一三年七月二日	216,018 (Note v and viii) (附註v及viii)
	20 November 2009 二零零九年十一月二十日	867,565	—	—	(856,703)	10,862	(14,338)	3,476	20 November 2009 to 19 November 2013 二零零九年十一月二十日 至二零一三年十一月十九日	58,392 (Note v and viii) (附註v及viii)
		4,788,964				59,957		—		

32. 以股份為基礎之付款(續)

以股權結算之購股權計劃(續)

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32. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Category of participants 參與者分類	Date of share options granted 授出購股權日期 (note i) (附註i)	Number of	Number of	Number of	Number of	No. of	Number of	Number of	Number of	Exercise period 行使期間	Exercise price per share option 每股購股權之行使價 HK\$ 港元
		share options as at 1 January 2012 於二零一二年一月一日之購股權數目	share options granted during the year 年內授出之購股權數目	share options exercised during the year 年內行使之購股權數目	share options adjusted during the year 年內經調整之購股權數目	share options as at 1 January 2013 於二零一三年一月一日之購股權數目	share options lapsed upon expiry during the year 年內失效之購股權數目	share options adjusted during the year 年內經調整之購股權數目	share options outstanding as at 31 December 2013 於二零一三年十二月三十一日尚未行使之購股權數目		
Others (note vii) 其他 (附註vii)	6 May 2008 二零零八年五月六日	347,026	—	—	(342,681)	4,345	(5,735)	1,390	—	3 June 2008 to 2 June 2013 二零零八年六月三日 至二零一三年六月二日	212,751 (Note v and viii) (附註v及viii)
	30 March 2009 二零零九年三月三十日	2,602,694	—	—	(2,571,108)	32,586	(43,014)	10,428	—	30 March 2009 to 29 March 2013 二零零九年三月三十日 至二零一三年三月二十九日	139,655 (Note v and viii) (附註v及viii)
	9 July 2012 (note vi) 二零一二年七月九日 (附註vi)	—	163,038,450	(163,038,450)	—	—	—	—	—	9 July 2012 to 8 July 2017 二零一二年七月九日 至二零一七年七月八日	0.07
		2,949,720				36,931			—		
Total總額		8,779,755				109,922			—		
Exercisable at the end of the year 年終可行使		8,779,755				109,922			—		
Weighted average exercise price (HK\$) 加權平均行使價 (港元)		2.929				232.454			N/A不適用		

32. 以股份為基礎之付款(續)

以股權結算之購股權計劃(續)

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32. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Notes:

- (i) There is no vesting period for the share options granted except for share options granted during 2008 are subject to a vesting period of three stages with 33.33% of such options granted becoming exercisable on the first anniversary, another 33.33% becoming exercisable on the second anniversary and the remaining 33.34% becoming exercisable on the third anniversary of the respective dates on which the options were accepted.
- (ii) Mr. Cheung Kwan Hung and Mr. Ding Xun both resigned as independent non-executive directors on 28 June 2010. Mr. Pang Hong resigned as an independent non-executive director on 29 February 2012. Their share options are still exercisable after their resignation.
- (iii) The numbers of share options were adjusted upon the (i) share consolidation on 19 March 2012 and 31 October 2012, respectively; and (ii) completion of the rights issue on 2 May 2012.
- (iv) The numbers of share options were adjusted upon the completion of the rights issue on 7 February 2013.
- (v) The exercise price per share option was adjusted upon the completion of the rights issue on 7 February 2013.
- (vi) The weighted average closing price of the shares immediately before 9 July 2012 on which the options were exercised was HK\$0.07 per share. The closing price of the Company's shares immediately before 9 July 2012, the date of grant of the share options was HK\$0.07 per share.
- (vii) These are individuals who rendered consultancy services in respect of management of Ruyan atomizing cigarettes and securities investments to the Group. The Group granted share options to them for recognizing their services similar to those rendered by other employees. The consultancy services rendered by the consultants include, among others, coordination of potential investment projects and advise on potential acquisition and corporate exercises. In the opinion of the directors, the consultancy services rendered by the consultants are similar to those rendered by the employees. Therefore, the fair value of the share options granted to the consultants was measured by the same accounting policies as that of the employees in accordance with HKFRS 2.

32. 以股份為基礎之付款(續)

以股權結算之購股權計劃(續)

附註：

- (i) 授出之購股權並無歸屬期，惟於二零零八年授出之購股權於購股權獲接納之各自日期起分三期行使：33.33%授出之有關購股權於第一週年可行使，另外33.33%授出之有關購股權於第二週年可行使，而其餘33.34%於第三週年可行使。
- (ii) 張鈞鴻先生及丁迅先生均已於二零一零年六月二十八日辭任獨立非執行董事。龐鴻先生於二零一二年二月二十九日辭任獨立非執行董事。彼等之購股權於彼等辭任後仍可行使。
- (iii) 購股權數目在(i)分別於二零一二年三月十九日及二零一二年十月三十一日進行之股份合併；及(ii)供股於二零一二年五月二日完成後作出調整。
- (iv) 購股權數目在供股於二零一三年二月七日完成後作出調整。
- (v) 每份購股權之行使價在供股於二零一三年二月七日完成後作出調整。
- (vi) 緊接二零一二年七月九日購股權獲行使前，股份之加權平均收市價為每股股份0.07港元。本公司股份於緊接二零一二年七月九日（購股權授出日期）前之收市價為每股股份0.07港元。
- (vii) 該等人士為就如煙霧化煙管理及證券投資向本集團提供諮詢服務之人士。本集團確認因彼等提供類似其他僱員提供之服務而向彼等授出購股權。該等顧問提供之諮詢服務包括（其中包括）協調潛在投資項目及就潛在收購和企業開支提供意見。董事認為，顧問提供之諮詢服務類似僱員提供之服務。因此，授予顧問購股權之公平值根據香港財務報告準則第2號按照適用於僱員之相同會計政策計量。

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32. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Notes: (Continued)

- (viii) The exercise price per share option was adjusted upon the (i) share consolidations on 19 March 2012 and 31 October 2012 respectively; and (ii) completion of rights issue on 2 May 2012.

There is no grant of share options under new share option scheme.

The fair value of options determined at 9 July 2012 using the Binominal model approximately was HK\$1,678,000.

The following assumptions were used to calculate the fair values of share options:

		9.7.2012 二零一二年 七月九日
Grant date share price	授出日股價	HK\$0.07港元
Exercise price	行使價	HK\$0.07港元
Option life	購股權年期	5 years年
Expected volatility	預期波幅	52%
Dividend yield	股息率	—
Risk-free interest rate	無風險利率	0.11%

The Binominal has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

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

During the year ended 31 December 2012, an amount of share-based payment expenses in respect of its share options of HK\$1,678,000 has been recognised in the consolidated statement of profit or loss and other comprehensive income with a corresponding adjustment recognised in the Group's share option reserve.

32. 以股份為基礎之付款(續)

以股權結算之購股權計劃(續)

附註：(續)

- (viii) 每份購股權之行使價在(i)分別於二零一二年三月十九日及二零一二年十月三十一日進行之股份合併；(ii)供股於二零一二年五月二日完成後作出調整。

概無根據新購股權計劃授出任何購股權。

於二零一二年七月九日採用二項式模式釐定之購股權公平值約為1,678,000港元。

在計算購股權公平值時運用了以下假設：

		9.7.2012 二零一二年 七月九日
Grant date share price	授出日股價	HK\$0.07港元
Exercise price	行使價	HK\$0.07港元
Option life	購股權年期	5 years年
Expected volatility	預期波幅	52%
Dividend yield	股息率	—
Risk-free interest rate	無風險利率	0.11%

二項式乃用於估計購股權之公平值。在計算購股權之公平值時所使用之數據及假設乃根據董事之最佳估計而作出。購股權之價值亦視乎若干主觀假設之不同數據而不同。

於報告期末，本集團修訂對預計最終歸屬購股權數目之估計。修正估計產生之影響(如有)將於損益確認，購股權儲備亦相應調整。

於截至二零一二年十二月三十一日止年度，就購股權以股份為基礎付款之支出1,678,000港元已於綜合損益及其他全面收益表確認，其相應調整則於本集團購股權儲備確認。

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33. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2013, New Wellon Limited, the wholly-owned subsidiary of the Company, disposed of the entire issued share capital of Modern Step International Limited ("Modern Step") at a consideration of HK\$10,000 by cash to an independent third party. The net liabilities of Modern Step and its subsidiaries at the date of disposal were as follows:

33. 出售附屬公司

於截至二零一三年十二月三十一日止年度，新華龍有限公司(本公司之全資附屬公司)以10,000港元之現金代價出售Modern Step International Limited(「Modern Step」)之全部已發行股份予一名獨立第三方。Modern Step及其附屬公司於出售日期之負債淨額如下：

		HK\$'000 千港元
Net liabilities disposed of:	出售以下各項之負債淨額：	
Other receivables	其他應收款項	397
Bank balances and cash	銀行結餘及現金	105
Trade payables	應付貿易賬項	(1,934)
Accruals and other payables	應計款項及其他應付款項	(4,636)
		(6,068)
Gain on disposal of subsidiaries:	出售附屬公司之收益：	
Cash consideration	現金代價	10
Net liabilities disposed of	已出售負債淨額	6,068
Gain on disposal of subsidiaries	出售附屬公司之收益	6,078
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash consideration	現金代價	10
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(105)
		(95)

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

33. DISPOSAL OF SUBSIDIARIES (Continued)

The impact of Modern Step on the Group's results and cash flows for the year ended 31 December 2013 is shown as follows:

	HK\$'000 千港元
Loss from the operation of Modern Step (included in administrative expenses)	經營 Modern Step 產生之虧損(計入行政支出) (23)
Gain on disposal of Modern Step (included in other gains and losses)	出售 Modern Step 之收益(計入其他盈虧) 6,078
	6,055

During the year ended 31 December 2013, Modern Step incurred HK\$23,000 to the Group's net operating cash flows.

33. 出售附屬公司(續)

Modern Step 對本集團截至二零一三年十二月三十一日止年度之業績及現金流量的影響如下：

於截至二零一三年十二月三十一日止年度，Modern Step 產生 23,000 港元虧損，計入本集團經營現金流量淨額。

34. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of – acquisition of property, plant and equipment

就以下項目之已訂約但未於綜合財務報表中撥備之資本開支 – 收購物業、廠房及設備

34. 資本承擔

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of – acquisition of property, plant and equipment	780	2,698

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35. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of rented premises which fall due as follows:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Within one year	一年內	4,397	3,138
In the second to fifth year inclusive	第二至五年（包括首尾兩年）	770	390
		5,167	3,528

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for six years and rentals are fixed for two years.

The Group as lessor

All of the properties held have committed tenants for five years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Within one year	一年內	4,440	4,920
In second to fifth year inclusive	第二至五年（包括首尾兩年）	6,738	11,178
		11,178	16,098

35. 經營租賃

本集團作為承租人

本集團於報告期末就租用物業日後須承擔最低租金載列如下：

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Within one year	4,397	3,138
In the second to fifth year inclusive	770	390
	5,167	3,528

經營租金為本集團租用其若干辦公室而應付租金。租期協定為六年，兩年租金固定。

本集團作為出租人

所持所有物業五年內均有承諾租戶。

於報告期末，本集團已與租戶就下列日後最低租金訂約：

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Within one year	4,440	4,920
In second to fifth year inclusive	6,738	11,178
	11,178	16,098

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36. RETIREMENT BENEFITS SCHEMES

The Group operates a mandatory provident fund scheme (the "Scheme") for all qualifying employees of the Group in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of the trustees. During the year, contributions made by the Group to the Scheme amounted HK\$467,000 (2012: HK\$431,000).

The employees of the subsidiaries in the PRC are members of retirement benefits schemes operated by the PRC government. The relevant PRC subsidiaries are required to make contributions to the state retirement schemes in the PRC based on certain percentage of the monthly salaries of their current employees to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specific contributions.

During the year, contributions made by the Group to the state retirement schemes amounted HK\$1,203,000 (2012: HK\$604,000).

The contributions made by the Group to the Scheme and state retirement schemes are charged to the consolidated statement of profit or loss and other comprehensive income when employees have rendered service to the Group.

37. RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management during the year was as follows:

		2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Short-term benefits	短期福利	20,254	4,822
Post employment benefits	離職後福利	108	93
		20,362	4,915

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

36. 退休福利計劃

本集團為其香港所有合資格僱員設有強制性公積金計劃(「計劃」)。計劃之資產乃由受託人控制之基金持有，並與本集團資產分開。年內，本集團向計劃作出供款467,000港元(二零一二年：431,000港元)。

中國附屬公司之僱員參與中國政府所經辦之退休福利計劃。有關中國附屬公司須按僱員月薪之若干百分比向中國國營退休福利計劃供款以為有關福利提供資金。本集團有關退休福利計劃之唯一責任為作出指定供款。

年內，本集團向國營退休福利計劃作出供款1,203,000港元(二零一二年：604,000港元)。

本集團向計劃及國營退休福利計劃作出之供款已於僱員向本集團提供服務時在綜合損益及其他全面收益表內扣除。

37. 關連人士交易

董事及其他主要管理人員年內之薪酬如下：

	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
董事及主要行政人員之薪酬由薪酬委員會考慮個人表現及市場趨勢後釐定。		

董事及主要行政人員之薪酬由薪酬委員會考慮個人表現及市場趨勢後釐定。

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38. EVENTS AFTER THE REPORTING PERIOD

On 9 January 2014, the Group acquired from an independent third party the entire interest of King Delight Holdings Limited which holds 100% equity interest of Rainbow Pharmacy Co., Limited (“Rainbow Pharmacy”), a limited company incorporated in Hong Kong, at a cash consideration of HK\$800,000. Rainbow Pharmacy is principally engaged in operation of a western pharmacy in Hong Kong.

On 21 January 2014, the Group entered into a conditional agreement to sell the entire issued share capital of and the shareholder’s loan to Central Town Limited and its subsidiaries (the “Central Town Group”) at the consideration of HK\$140 million. The principal asset of Central Town Group is the investment property situated at the Basement, China United Centre, 28 Marble Road, North Point, Hong Kong. The transaction will be completed on 24 July 2014. Upon the execution of such conditional agreement, HK\$14 million has been received on 21 January 2014 as initial deposit and the balanced sum of HK\$126 million shall be received in full on the completion date.

38. 報告期後事項

於二零一四年一月九日，本集團以現金代價800,000港元向一名獨立第三方收購持有Rainbow Pharmacy Co., Limited (「Rainbow Pharmacy」)(一間在香港註冊成立的公司)全部權益之King Delight Holdings Limited之全部權益。Rainbow Pharmacy主要在香港從事西藥店經營。

於二零一四年一月二十一日，本集團訂立一項有條件協議，以140,000,000港元之代價出售Central Town Limited及其附屬公司(「Central Town集團」)之全部已發行股本及股東貸款。Central Town集團之主要資產為位於香港北角馬寶道28號華匯中心地庫之投資物業。該交易將於二零一四年七月二十四日完成。於簽署該有條件協議後，已於二零一四年一月二十一日收到14,000,000港元作為初始按金，餘下金額126,000,000港元將於完成日期全數收取。

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

39. PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

39. 主要附屬公司

下表載列董事認為對本集團之業績或資產具有主要影響之本公司附屬公司。董事認為，提供其他附屬公司之詳情將令篇幅過於冗長。

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/operation 註冊成立或註冊/ 營業地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有 已發行股本面值/ 註冊資本之百分比		Principal activities 主要業務
			2013	2012	
			二零一三年 %	二零一二年 %	
Chenlong Group Limited	BVI/Hong Kong 英屬處女群島/香港	US\$20,000 20,000美元	100	100	Investment holding 投資控股
New Wellon Limited 新華龍有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	100	Investment holding 投資控股
East Champion Limited 億緯有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Property investment in Hong Kong 於香港之物業投資
Tre 29 Group (Hong Kong) Limited (formerly known as "Ruyan Group (Hong Kong) Limited") 如意29集團(香港)有限公司 (前稱「如烟集團(香港) 有限公司」)	Hong Kong 香港	HK\$100 100港元	100	100	Investment holding 投資控股
Shenyang Jinlong Health Care Products Co., Ltd. ("Shenyang Jinlong") 瀋陽金龍保健品有限公司 (「瀋陽金龍」)	PRC 中國	US\$1,220,000 (note a) 1,220,000 美元 (附註 a)	100	100	Processing and sales of ginseng and related products 加工及銷售人參及 相關產品
Shenyang Jinlong Pharmaceutical Co., Ltd. ("Jinlong Pharmaceutical") 瀋陽金龍藥業有限公司 (「金龍藥業」)	PRC 中國	HK\$20,000,000 (note b) 20,000,000 港元 (附註 b)	100	100	Processing and sales of Pharmaceutical products 加工及銷售藥品

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39. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/operation 註冊成立或註冊/ 營業地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有 已發行股本面值/ 註冊資本之百分比		Principal activities 主要業務
			2013 二零一三年 %	2012 二零一二年 %	
北京埃迪歐亞商貿有限 責任公司	PRC 中國	RMB100,000 (note c) 人民幣 100,000 元 (附註 c)	100	100	Sales of Ruyan atomizing cigarettes 銷售如煙霧化煙
Beijing Saiyan Technology & Development Company Limited ("BJ Saiyan") (formerly known as Beijing Ruyan Technology & Development Limited) 北京賽烟科技發展有限公司 (「北京賽烟」)前稱(「北京 如烟科技發展有限公司」)	PRC 中國	US\$3,500,060 (note d) 3,500,060 美元 (附註 d)	100	100	Research and develop production and sales of Ruyan atomizing cigarettes 研究與開發如煙霧化煙 之生產與銷售

None of the subsidiaries had issued any debt securities at the end of the year.

上述附屬公司於年終均無發行任何債務證券。

Notes:

附註：

- (a) Shenyang Jinlong is a sino-foreign equity joint venture for a period of 40 years commencing from 27 November 1992 established under a joint venture agreement with another PRC party who is the former shareholder of Success Century holding the remaining 20% shareholding of Shenyang Jinlong.

- (a) 瀋陽金龍為本集團根據一份合資協議與另一中方伙伴合資成立之中外合資企業，自一九九二年十一月二十七日開始經營，為期四十年，而該名中方伙伴為持有瀋陽金龍剩餘20%股權之Success Century之前任股東。

Pursuant to an agreement made between the Group and the former shareholder of Success Century during the year 2004, the remaining 20% shareholding of Shenyang Jinlong was transferred to the Group by way of acquisition of Success Century and Shenyang Jinlong became the wholly foreign owned enterprise.

根據本集團與Success Century之前任股東於二零零四年訂立之協議，瀋陽金龍剩餘20%股權透過收購Success Century轉讓予本集團，而瀋陽金龍成為一家外商獨資企業。

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

39. PRINCIPAL SUBSIDIARIES (Continued)

Notes: (Continued)

- (b) Jinlong Pharmaceutical is a wholly foreign-owned enterprise for a period of 15 years commencing from 8 June 2001.
- (c) 北京埃迪歐亞商貿有限責任公司 is a wholly foreign-owned enterprise for a period of 20 years commencing from 13 December 2007.
- (d) BJ Saiyan is a wholly foreign-owned enterprise for a period of 15 years commencing from 29 June 2011.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarized as follows:

39. 主要附屬公司(續)

附註：(續)

- (b) 金龍藥業為外商獨資企業，自二零零一年六月八日開始經營，為期十五年。
- (c) 北京埃迪歐亞商貿有限責任公司為一家外商獨資企業，自二零零七年十二月十三日開始經營，為期二十年。
- (d) 北京賽烟為外商獨資企業，自二零一一年六月二十九日起開始經營，為期十五年。

於報告期末，本公司擁有其他對本集團而言並不重大之附屬公司。該等附屬公司大部分在香港營運。該等附屬公司之主要業務概述如下：

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2013 二零一三年	2012 二零一二年
		HK\$'000 千港元	HK\$'000 千港元
Health care products 保健產品	PRC 中國	—	2
Property investment 物業投資	Hong Kong 香港	2	2
Money lending 貸款	Hong Kong 香港	1	1
Investment holding 投資控股	Note 附註	17	21
		20	26

Note:

The places of business of these subsidiaries include Hong Kong and PRC.

附註：

該等附屬公司之營業地點包括香港及中國。

Financial Summary

財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2013	2012	2011	2010	2009
		二零一三年	二零一二年	二零一一年	二零一零年	二零零九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
Turnover	營業額					
– continuing operations	– 持續經營業務	184,524	(191)	(228,222)	(58,768)	(164,251)
– discontinued operation	– 已終止經營業務	(634)	(1,360)	(4,685)	(2,657)	26,863
		183,890	(1,551)	(232,907)	(61,425)	(137,388)
Profit (loss) before tax	稅前溢利(虧損)	609,628	(63,781)	(313,482)	(232,839)	(441,855)
Income tax expense	所得稅支出	(41,464)	(2,299)	(599)	(492)	(2,052)
Profit (loss) for the year	本年度溢利(虧損)					
– continuing operations	– 持續經營業務	120,617	(37,249)	(281,572)	(109,475)	(149,099)
– discontinued operation	– 已終止經營業務	447,547	(28,831)	(32,509)	(123,856)	(294,808)
		568,164	(66,080)	(314,081)	(233,331)	(443,907)
Attributable to:	應佔：					
Equity holders of the parent	母公司權益持有人	568,164	(66,080)	(314,081)	(233,331)	(443,907)
		As at 31 December 於十二月三十一日				
		2013	2012	2011	2010	2009
		二零一三年	二零一二年	二零一一年	二零一零年	二零零九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	1,083,451	394,990	375,323	129,210	271,412
Total liabilities	總負債	(97,577)	(84,545)	(139,471)	(56,320)	(227,205)
		985,874	310,445	235,852	72,890	44,207
Equity attributable to equity holders of the period	本期間權益持有人應佔權益	985,874	310,445	235,852	72,890	44,207

