



美麗家園控股有限公司
MERRY GARDEN HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號:1237



Annual Report 年報 2014

**Pioneer Wood Processing Technology
For a Green Environment**

領先木材科技 · 提倡生態環保

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Corporate Information

公司資料

CORPORATE PROFILE

Merry Garden Holdings Limited (“the Company”) is a leisure wooden product enterprise in the People’s Republic of China (the “PRC”) with over 20 years of experience in production and sales of leisure household products and timber houses and their related parts and structures. The Company has established its sales network through distributors as well as its self-operated retail stores network, and has launched a series of leisure wooden products to promote a leisure and natural lifestyle. The Company was listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) in 2012.

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Zheyang (*Chairman and Chief Executive Officer*)

Mr. Wu Qingshan

Ms. Xie Qingmei

Non-executive Directors

Mr. Lee Kong Wai, Conway (appointed on 16 July 2014)

Mr. Wu Dongping

Independent non-executive Directors

Mr. Lam Hin Chi

Prof. Jin Zhongwei

Prof. Su Wenqiang

AUDIT COMMITTEE

Mr. Lam Hin Chi (*Chairman*)

Prof. Su Wenqiang

Prof. Jin Zhongwei

REMUNERATION COMMITTEE

Prof. Jin Zhongwei (*Chairman*)

Prof. Su Wenqiang

Mr. Lam Hin Chi

NOMINATION COMMITTEE

Prof. Jin Zhongwei (*Chairman*)

Prof. Su Wenqiang

Mr. Lam Hin Chi

公司簡介

美麗家園控股有限公司(「本公司」)為中華人民共和國(「中國」)一家休閒木製品企業，於生產及銷售休閒家居用品、木屋及其相關部件及構件的業務擁有逾20年經驗。本公司已透過分銷商及自營零售店網絡建立其銷售網絡，並推出一系列休閒木製品以推廣休閒自然的生活方式。本公司於二零一二年在香港聯合交易所有限公司(「聯交所」)上市。

董事會

執行董事

吳哲彥先生 (*主席兼行政總裁*)

吳青山先生

謝清美女士

非執行董事

李港衛先生 (於二零一四年七月十六日獲委任)

吳冬平先生

獨立非執行董事

藍顯賜先生

金重為教授

蘇文強教授

審計委員會

藍顯賜先生 (*主席*)

蘇文強教授

金重為教授

薪酬委員會

金重為教授 (*主席*)

蘇文強教授

藍顯賜先生

提名委員會

金重為教授 (*主席*)

蘇文強教授

藍顯賜先生

Corporate Information (Continued)

公司資料^(續)

COMPANY SECRETARY

Mr. Wong Wai Lun, CPA

公司秘書

黃偉倫先生，CPA

AUTHORISED REPRESENTATIVES

Mr. Wu Zheyang
Mr. Wong Wai Lun

授權代表

吳哲彥先生
黃偉倫先生

AUDITORS

KPMG
Certified Public Accountants

核數師

畢馬威會計師事務所
執業會計師

LEGAL ADVISOR

Eversheds

法律顧問

安睿國際律師事務所

PRINCIPAL BANKERS

Agricultural Bank of China, Zhangping Branch
China Construction Bank, Zhangping Branch
Bank of China, Zhangping Branch

主要往來銀行

中國農業銀行漳平支行
中國建設銀行漳平支行
中國銀行漳平支行

REGISTERED OFFICE

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

註冊辦事處

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2702
China Resources Building
26 Harbour Road
Wan Chai
Hong Kong

香港主要營業地點

香港
灣仔
港灣道26號
華潤大廈
2702室

HEAD OFFICE IN THE PRC

Fushan Industrial District
Zhangping, Fujian, the PRC

中國總部

中國福建省漳平市
富山工業區

Corporate Information *(Continued)*

公司資料 (續)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.merrygardenholdings.com

STOCK CODE

1237

開曼群島主要股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記分處

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

網站

www.merrygardenholdings.com

股份代號

1237

Highlights for the Year 年度摘要

TURNOVER FOR THE YEAR

本年度營業額

RMB701.2 million
人民幣 701.2 百萬元

↑ **47.6%**

PROFIT FOR THE YEAR EXCLUDING GOVERNMENT SUBSIDIES AND GAIN FROM LAND RESUMPTION

不包括政府補貼及土地收儲收益之年內溢利

RMB80.2 million
人民幣 80.2 百萬元

↑ **8.3%**

February 2014

二零一四年二月

Online business platform for garden products in the United States commenced operation
於美國之園藝類產品電商平臺開始營運

March 2014

二零一四年三月

New biomass energy business commenced production
生物質新能源業務開始初步投產

May 2014

二零一四年五月

Being selected as National Key Leading Enterprise of the Forestry Industry
獲選國家林業重點龍頭企業

July 2014

二零一四年七月

Indoor furniture online flagship store on Tmall commenced operation
於天貓之室內傢俱線上旗艦店開始營運

October 2014

二零一四年十月

Strategic cooperation with Hanergy (HKEx stock code: 566) in developing new smart timber villa products and wooden products with thin-film photovoltaic components
與漢能（股份代號：566）戰略合作共同開發新型智能家居木屋別墅產品，與薄膜光伏組件木製產品

December 2014

二零一四年十二月

Jointly arranged the "2014 China Wooden Structures Industry Forum" with China Academy of Forestry and China Academy of Forestry
與中國林業科學院合辦「二零一四中國木結構產業發展高峰論壇」

Construction commenced for Phase III production facilities
第三期生產設施動工

Financial Summary

財務概要

(In RMB'000 unless otherwise stated) (除另有指示外，以人民幣千元列示)

Profitability data and ratios	盈利數據及比率	Year ended 31 December	
		截至十二月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Turnover	營業額	701,231	475,051
Timber houses and their related parts and structures	木屋及其相關部件及構件	327,466	205,916
Leisure household products	休閒傢俱產品		
Outdoor and indoor furniture	室內外傢俱產品	116,302	90,323
Recreational products	遊戲類產品	52,117	61,841
Landscape garden products	園藝類產品	39,809	40,047
Pet-home designs	寵物屋產品	11,139	22,183
Trading of timber	木材貿易	137,897	54,741
Renewable energy products	再生能源產品	16,501	–
Gross profit	毛利	178,413	151,734
Gross profit margin	毛利率	25.4%	31.9%
Net profit	溢利	90,810	124,421
Net profit margin	溢利率	13.0%	26.2%
Earnings per share (RMB)	每股盈利(人民幣元)	0.08	0.12
		At	At
		31 December	31 December
		2014	2013
		二零一四年	二零一三年
		十二月三十一日	十二月三十一日
Non-current assets	非流動資產	401,076	308,228
Current assets	流動資產	880,656	498,830
Current liabilities	流動負債	395,416	285,284
Non-current liabilities	非流動負債	88,974	44,602
Equity attributable to equity shareholders	權益股東應佔資本	797,342	477,172
Current ratio (Note 1)	流動比率(附註1)	2.2:1	1.7:1
Quick ratio (Note 2)	速動比率(附註2)	1.5:1	1.1:1
Inventory turnover days (Note 3) (days)	存貨周轉天數(附註3)(天)	171	149
Trade receivables turnover days (Note 4) (days)	應收帳款周轉天數(附註4)(天)	68	85
Turnover days on prepayment for raw materials (Note 5) (days)	原材料預付款周轉天數(附註5)(天)	29	29
Total borrowings to total assets (Note 6)	借貸總額與總資產比率(附註6)	32.2%	32.8%
Net borrowings to total equity (Note 7)	借貸淨額與總權益比率(附註7)	17.5%	25.4%

Financial Summary (Continued)

財務概要 (續)

(In RMB'000 unless otherwise stated) (除另有指示外，以人民幣千元列示)

Operational data	營運數據	Year ended 31 December	
		截至十二月三十一日止年度	
		2014	2013
		二零一四年	二零一三年
Staff costs	員工成本	33,823	29,120
Capital expenditures	資本開支	105,550	136,076
Research and development costs	研發成本	28,894	19,572
Effect tax rate (Note 8)	實際稅率 (附註8)	16.8%	20.9%

Notes:

附註：

- Current ratio is the ratio of current assets to current liabilities.
 - Quick ratio is calculated by dividing current assets (excluding inventories) by current liabilities.
 - Inventory turnover days is calculated by dividing average inventories by cost of inventories and multiplying the resulting value by 365 days.
 - Trade receivables turnover days is calculated by dividing average trade receivables (excluding VAT) by turnover and multiplying the resulting value by 365 days.
 - Turnover days on prepayment for raw materials is calculated by dividing average prepayment for raw materials by cost of inventories (excluding staff costs, depreciation and research and development costs) and multiplying the resulting value by 365 days.
 - Total borrowings to total assets is calculated by dividing the total of bank loans and interest-bearing borrowings by total assets.
 - Net borrowings to total equity is calculated by dividing the total of bank loans and interest-bearing borrowings, less cash and cash equivalents and pledged deposits by total equity.
 - Effective tax rate is calculated as income tax divided by profit before taxation.
- 流動比率為流動資產對流動負債的比率。
 - 速動比率按流動資產(不包括存貨)除以流動負債計算。
 - 存貨周轉天數按平均存貨除以存貨成本再乘以365天計算。
 - 應收賬款周轉天數按平均貿易應收款項(不包括增值稅)除以營業額再乘以365天計算。
 - 原材料預付款周轉天數按平均原材料預付款除以存貨成本(不包括員工成本、折舊及研發成本)再乘以365天計算。
 - 借貸總額與總資產比率按銀行借款及計息借貸總額除以總資產計算。
 - 借貸淨額與總權益比率按銀行借款及計息借貸總額，扣除現金及現金等價物及已抵押存款，除以總權益計算。
 - 實際稅率是以所得稅除以除稅前溢利計算。

Financial Summary (Continued)

財務概要 (續)

(In RMB'000 unless otherwise stated) (除另有指示外，以人民幣千元列示)

A summary of the results and the assets, liabilities and equity of the Group for the last five financial years is depicted below:

本集團最近五個財政年度之業績與資產、負債及權益概要列示如下：

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Turnover	營業額	701,231	475,051	421,171	307,151	199,603
Cost of sales	銷售成本	(522,818)	(323,317)	(272,461)	(195,247)	(127,719)
Gross profit	毛利	178,413	151,734	148,710	111,904	71,884
Other revenue	其他收益	17,888	23,070	11,761	3,504	3,073
Other net gain/(loss)	其他收益/(虧損)	2,172	48,683	(780)	(1,686)	1,924
Selling and distribution expenses	銷售及分銷開支	(21,714)	(13,818)	(10,146)	(9,233)	(5,495)
Administrative expenses	行政開支	(56,279)	(46,979)	(47,169)	(19,653)	(6,663)
Profit from operations	經營溢利	120,480	162,690	102,376	84,836	64,723
Finance costs	融資成本	(11,326)	(5,463)	(5,620)	(3,759)	(1,293)
Profit before taxation	除稅前溢利	109,154	157,227	96,756	81,077	63,430
Income tax	所得稅	(18,344)	(32,806)	(16,665)	(10,370)	(10,298)
Profit for the year	年內溢利	90,810	124,421	80,091	70,707	53,132
Earnings per share — Basic and diluted (RMB)	每股盈利 — 基本及攤薄(人民幣)	0.08	0.12	0.09	0.09	0.06

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		As at 31 December 於十二月三十一日				
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Total Assets	資產總額	1,281,732	807,058	535,773	282,412	189,616
Total Liabilities	負債總額	484,390	329,886	173,532	135,818	115,266
Total Equity	權益總額	797,342	477,172	362,241	146,594	74,350

Chairman's Statement

主席報告

Dear Valued Shareholders,

2014 represents the second year since the listing of the Company, as well as the year of numerous significant developments. On behalf of the Board of Directors (the "Board") of the Company, I am pleased to present you the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 (the "Year").

FINANCIAL PERFORMANCE

During the Year, turnover of the Group amounted to RMB701.2 million, represented a 47.6% increase as compared with the year ended 31 December 2013 ("Year 2013"), thanks to the significant growth of the Chinese and North American market and the expansion of the timber trading business. Profit attributable to shareholders of the Group during the Year amounted to RMB90.8 million, down by 27.0%, which was a result of the gain from land resumption amounted to RMB44.8 million being accounted for in Year 2013. Excluding the after tax effect of gain from land resumption and government subsidies, profit during the Year increased to RMB80.2 million or by 8.3% as compared with Year 2013. The Board recommended a final dividend of HK\$0.005 per share for the Year. The Board also proposed a bonus issue of one share for every 100 shares held by shareholders.

BUSINESS PERFORMANCE

The development of the global economy has become more complicated in 2014. To tackle the challenges from the global markets to which the Group has faced, the Group has adopted a vigorous and flexible strategy. New businesses have been actively explored while our market and product portfolio has been strategically adjusted.

During the Year, the housing market of the United States of America (the "US") has revealed a trend with continuously improvement. According to the Department of Commerce of the US, during the calendar year of 2014, new housing starts has reached 1.01 million, a new height since 2007. A corresponding growth has been shown in the market of timber houses and construction materials, driven up the Group's business in the North America, with an increase in turnover by 48.2%

各位尊敬的股東：

二零一四年是本公司踏進上市的第二年，亦是取得眾多重大發展的一年。本人謹代表本公司董事會（「董事會」），欣然向各股東提呈本公司及其附屬公司（「本集團」）截至二零一四年十二月三十一日止年度（「本年度」）的業績。

財務表現

於本年度，本集團的營業額為人民幣701.2百萬元，較二零一三年十二月三十一日止年度（「二零一三年度」）增長47.6%，主要由於中國及北美市場的增長強勁以及木材貿易業務擴大所致。本年度集團的股東應佔溢利為人民幣90.8百萬元，較去年減少27.0%，主要由於二零一三年度計及的土地收儲收益人民幣44.8百萬元所致。撇除土地收儲收益及政府補貼的稅後影響後，本年度溢利較二零一三年度增長8.3%至人民幣80.2百萬元。董事會建議派發本年度的末期股息每股0.005港元。董事會亦建議以每持一百股股份獲發一紅股之基準向股東派發紅股。

業務表現

全球的經濟發展在二零一四越變複雜，為應對本集團於全球各市場所面臨的挑戰，本集團採取了積極、靈活的應對策略。在調整產品及市場組合同時，積極發展新業務。

本年度，美利堅合眾國（「美國」）房地產市場展現了持續的增長勢頭。據美國商務部公佈，二零一四年全年，新屋開工約1.01百萬棟，創二零零七年以來高點。美國的木屋及建材市場亦隨之增長，帶動本集團北美業務的增長，營業額較去年增長48.2%。

Chairman's Statement *(Continued)*

主席報告 *(續)*

Since the “Beautiful China” concept has first been announced during the 18th National Congress of the Communist Party of China in 2012, which promotes eco-logical and civilised infrastructures, the urbanisation and tourism industry of China has been undergoing tremendous change. During the Year, the State Council has issued “The New Model of National Urbanisation Planning (2014–2020)” and “The Opinion from The State Council in relation the Promotion of Revolution and Development of the Tourism Industry”, which detailed the future development of urbanisation and tourism industry of China. Benefited from the relevant policies, the domestic business of the Group has also shown a significant growth, with an increase in turnover by 68.8%

However, gross profit margin of the Group has been squeezed by the rapid competition in both the domestic and overseas markets together with the surge in manufacturing costs. During the Year, the overall gross profit margin of the Group was 25.4%, which is 6.5% point lower than last year. The Group has been adjusting its client and product portfolio in order to stabilise the gross profit margin. Nevertheless, the Group has actively developing new businesses. The renewable energy business which commenced production during the Year has enabled the Group to utilise its raw materials more efficiently and has brought a new stream of revenue to the Group. During the Year, the renewable energy business has brought the Group with turnover of RMB16.5 million and profit of RMB3.5 million.

During the Year, the Group has also been investing on its online business platforms. The Group has established its online retail websites in the China and the US, and has been in full operation.

自從二零一二年於中國共產黨第十八次全國代表大會中首次提出「建設美麗中國」之概念，大力推進生態文明建設，中國的城鎮化及旅遊產業發展起了巨大變化。本年度，國務院分別發佈了《國家新型城鎮化規劃(2014–2020年)》及《國務院關於促進旅遊業改革發展的若干意見》，明確推動中國的城鎮化及旅遊產業的未來發展。受惠於有關政策推動，本年度國內業務亦較去年顯著增長，營業額較去年增長68.8%。

然而，受到國內外市場的高度競爭以及生產成本上漲等因數影響，本集團的毛利率受到一定壓力。本年度，本集團的綜合毛利率為25.4%，較去年下降6.5百分點。本集團已透過調整客戶及產品組合，穩定毛利率。此外，本集團亦積極發展新業務。本集團的再生能源業務於本年度正式投產，使集團能更有效利用原材料，同時為集團帶來新收入來源。本年度，再生能源業務為集團帶來人民幣16.5百萬元營業額以及人民幣3.5百萬元溢利。

於本年度，本集團亦積極開拓其電商平台。本集團已分別在中國及美國開設電商零售網站，並已全面投入運作。

PROSPECTS

The economy of the US has shown continuous improvement, accompanied with higher new housing starts, the housing market of the US will be driven up with continuous growth. Currently, market of the home building materials in the US reached US\$3 trillion. According to the forecast from the US Home Improvement Research Institute, the home building materials industry is expected to grow strongly in the coming three years. The Group will get hold of the opportunities from the North American and European markets, to expand our direct sales and distribution network internationally through potential merger and acquisition for the further expansion of our share in the international markets.

Domestically, the new model of urbanisation and the revolution to the tourism industry which have been promoted by the PRC government is expected to create a magnificent market. With the expectation from the PRC government that the urbanisation process will attract RMB40 trillion of investment over the next 10 years, while the revenue from domestic tourism shall reach RMB5.5 trillion by 2020, a market with rapid growth is indicated. The Group will focus on developing one-stop service on leisure tourism facilities, with an emphasis on the businesses and investment opportunities related to the “Beautiful China” campaign led by the PRC government.

The globalised e-commerce represents a new opportunity to the Group. The Group will utilise its online platforms, in order to further expand our business coverage to the end users globally, and to bring our “Merry Garden” brand to the world.

The Group will continue to optimise its technologies in wood modification. Through our research and development on technologies and applications, we will make application of the most advanced wood modification technologies (such as anti-corrosive and fire-retardant processing and radiation processing) to the Group's products, making the Group's products more environmental friendly, higher value-added and unique. In addition, the continued development of our biomass energy business will not only enhance our production efficiency, but also lead the Group to the magnificent market of new energies in the PRC.

展望

隨著美國經濟持續改善，更高的新屋建屋量，將會帶動美國房地產以及家居建材市場的持續增長。現時，美國家居建材的市場規模達3萬億美元，據美國家居改進研究協會預計，在接下來的三年中，家居建材行業每年將保持高增長。本集團將把握北美及歐洲的市場機遇，通過潛在收購合併機會，適時擴充國際直銷及分銷網路，進一步擴展本集團之國際市場份額。

在國內，中國政府積極推動的新型城鎮化規劃以及旅遊業改革勢將造就巨大的市場。中國政府預計中國的城鎮化進程將在未來10年拉動人民幣40萬億元投資，而到二零二零年，境內休閒旅遊總消費額將達到人民幣5.5萬億元，顯示市場規模正在快速發展。本集團將專注發展國內休閒旅遊設施之一站式服務，同時密切關注中國政府提倡之「美麗中國」所帶動之產業發展，並積極考慮該產業之投資機會。

隨著電子商務全球化，線上銷售將為本集團帶來全新機遇。本集團將充份利用線上平臺，將業務進一步覆蓋至全球之終端消費者，使「美麗家園」品牌走向國際化。

本集團將繼續優化其木材改性技術，透過技術及應用研發，將最尖端的木材改性技術(如防腐防火處理及輻射加工等)廣泛應用於本集團的產品，務求使本集團之產品更環保，附加值更高，獨特性更強。另外，透過繼續發展生物質能源業務，除了提升生產效益，亦能帶領本集團走上中國新能源發展的龐大市場。

Chairman's Statement *(Continued)*

主席報告 *(續)*

The Third Phase production facilities which is expected to be in use and commenced operations in 2015 will utilise the state of the art production technologies for new and high value-added products. Accompanied by the advanced residual materials collection facilities for the production of renewable energy products, production efficiency and returns will be significantly improved. Such facilities will bring the Group additional 40% production capacity to cope with the significant market demand.

The Group will adopt an active and flexible strategy, to ensure the stable growth of the Group with a faster pace and to build up an ecological and environmentally-friendly leisure lifestyle.

APPRECIATION

On behalf of the Board, I would like to extend my sincere thanks for the support and trust from our shareholders and business partners. I would also like to thank our employees for your efforts and contributions to the Group over the year.

Wu Zheyang

Chairman and Chief Executive Officer

將於二零一五年陸續投產使用之第三期生產設施，將重點利用尖端生產技術，投入生產新型及高附加值產品，並配合先進的剩餘物料回收設備生產再生能源產品，進一步提高生產效益及回報。該等設施將為本集團增加40%的產能規模，以應對市場的龐大需求。

本集團將採取積極發展、靈活應對的策略，務求保持本集團平穩較快增長。並以領先的木材科技，構建生態環保的休閒生活。

致謝

本人謹此代表董事會衷心感謝一直以來支持及信任本集團的每一位股東及業務夥伴，同時亦感謝每一位員工過去一年為本集團付出的辛勞及貢獻。

吳哲彥

主席兼行政總裁

Management Discussion and Analysis

管理層討論與分析

RESULTS OF OPERATION

The year ended 31 December 2014 (the “Year”) represented a year of significant developments of the Group. With our solid foundation on export business, a strengthened domestic retail business, a newly established timber trading business as well as the new biomass energy business, benefited by the gradually improved economy in the US, and the supportive policies on urbanisation and tourism in the PRC, vigorous market demand has shaped the growth of the Group. Accompanied by the corresponding increase in the Group’s overall production capacity, turnover for the Year increased by 47.6% to RMB701.2 million (2013: RMB475.1 million).

Profit for the Year decreased by 27.0% to RMB90.8 million (2013: RMB124.4 million). Taken out the after tax effect of the gain on land resumption and government subsidies being recognised in 2013, profit for the Year increased by 8.3% to RMB80.2 million (2013: RMB74.0 million).

DIVIDENDS

The board of directors of the Company (the “Board”) recommended a final dividend of HK\$0.005 (2013: HK\$0.013 per share).

BONUS ISSUE

The Board recommended that bonus shares will be issued on the basis of one bonus share for every 100 Shares held to shareholders.

經營業績

二零一四年十二月三十一日止年度(「本年度」)是本集團重大發展的一年。我們富穩健基礎的出口業務，逐漸強化的國內零售業務，新增的木材貿易業務以及生物質新能源業務，再受惠於美國經濟的逐步改善，以及中國對城鎮化及旅遊產業的支持政策，強勁的市場需求造就了本集團的成長。配合本集團綜合產能的相應增加，本年度的營業額增長47.6%至人民幣701.2百萬元(二零一三年：人民幣475.1百萬元)。

年內溢利下降27.0%至人民幣90.8百萬元(二零一三年：人民幣124.4百萬元)。撇除於二零一三年確認的除稅後土地收儲收益及政府補貼之影響，年內溢利增長8.3%至人民幣80.2百萬元(二零一三年：人民幣74.0百萬元)。

股息

本公司董事會(「董事會」)建議末期股息為每股港幣0.005元(二零一三年：每股港幣0.013元)。

派發紅股

董事會建議向股東以每持有100股普通股獲發一股紅股之基準發行紅股。

管理層討論與分析(續)

BUSINESS REVIEW

Our business

業務回顧

我們的業務



Mode of sales
銷售方式

1. OEM/ODM
2. Self-owned brand "Merry Garden" 自有品牌「美麗家園」
3. Trading 貿易



Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

BUSINESS REVIEW

Segment review

During the Year, the performance of our business segments are as follows:

業務回顧

分部回顧

於本年度，我們各經營分部之表現如下：

		Segment revenue derived from external customers		Change	% to total segment revenue derived from external customers		Reportable segment profit/(loss) (Note 1)	
		源自外部客戶之分部收益		變動	佔總源自外部客戶之分部收益百分比		可呈報分部溢利/(虧損)(附註一)	
		2014	2013		2014	2013	2014	2013
		二零一四年	二零一三年		二零一四年	二零一三年	二零一四年	二零一三年
		RMB'000	RMB'000	%	%	%	RMB'000	RMB'000
		人民幣千元	人民幣千元	百分比	百分比	百分比	人民幣千元	人民幣千元
Manufacturing and sales of wooden products	生產及銷售木製品	659,016	465,830	41.5%	94.0%	98.0%	84,721	82,164
Retail business	零售業務	24,245	8,356	190.2%	3.5%	1.8%	1,290	(4,384)
Projects of outdoor wooden products	戶外木製品項目	1,469	865	69.8%	0.2%	0.2%	59	(193)
Manufacturing and sales of renewable energy products	生產及銷售再生能源產品	16,501	-	N/A	2.3%	N/A	3,496	-
		701,231	475,051		100.0%	100.0%	89,566	77,587

During the Year, the Group continued to consolidating its core business, including the manufacturing and sales of wooden products, retail business and projects of outdoor wooden products. In March 2014, the Group's new renewable energy business has also commenced operations. The turnover contributions from the above four segments of the Group represented 94.0%, 3.5%, 0.2% and 2.3% of the total turnover of the Year (2013: 98.0%, 1.8%, 0.2% and Nil). Profit contribution from each segment to total reportable segment profit for the Year were 94.6%, 1.4%, 0.1% and 3.9% respectively, while the segment of retail business and projects of outdoor wooden products has recorded a turn from loss to profit 2014.

回顧本年度，集團繼續努力鞏固其核心業務，包括生產及銷售木製品，零售業務以及戶外木製品項目。於二零一四年三月，集團的再生能源產品新業務亦開始投入營運。本集團的以上四個經營分部，分別貢獻本年度的總營業額94.0%，3.5%，0.2%及2.3%（二零一三年：98.0%，1.8%，0.2%及無）。各經營分部的溢利貢獻相對本年度總可呈報分部溢利分別為94.6%，1.4%，0.1%及3.9%，當中零售業務及戶外木製品項目分部於二零一四年轉虧為盈。

Note 1: Segment profit/(loss) has excluded the after tax effect of government subsidiaries and land resumption.

附註一：分部溢利/(虧損)已撇除政府補貼及土地收儲之稅後影響。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

The segment of manufacturing and sales of wooden products remains the largest segment of the Group. The turnover from such segment has increased by 41.5% as compared with 2013, thanks to the increased demand from the overseas as well as the domestic market.

The Group's self-owned brand, "Merry Garden" is engaged in the retailing of a series of leisure household products. Since its establishment in 2010, its sales network covered the major cities in more than 10 provinces in the PRC with over 60 self-operated stores and distribution outlets. In early 2014, we launched our new self-owned brand in the US market and commenced online sales business through our website. In July 2014, the Group revamped its online sales platform on T-mall and tailor-made its interfaces for different product range. With the self-owned brand business becomes matured, the results of the retail business segment has been significantly improved. During the Year, turnover from the retail business segment surged by 190.2% to RMB24.2 million (2013: RMB8.4 million), and has shown a turn from loss to a profit of RMB1.3 million (2013: loss of RMB4.4 million).

The new segment of renewable energy products, which commenced operations and in full production in March 2014 and the second half of 2014 respectively, had recorded a turnover of RMB16.5 million and a profit of RMB3.5 million respectively. This segment recycles the residues, such as sawdust produced during the production process of wooden products, and turn them into biomass pellet fuels, which is one of the most important national development directions on new energies in the PRC. Along with the increase in overall production capacities of the Group, a corresponding increase in the scale of renewable energy business is expected.

生產及銷售木製品之分部仍然是本集團的最大經營分部。該分部之營業額較二零一三年增長41.5%，主要受惠於海外及國內市場之需求增加。

本集團自有品牌「美麗家園」主要零售一系列休閒傢俱用品。自二零一零年成立以來，其銷售網絡已覆蓋超過十個中國主要省市，並設有60多個自營及分銷網點。於二零一四年年初，我們在美國市場推出全新自有品牌，並透過我們的網站開展線上銷售業務。二零一四年七月，本集團將其於天貓線上銷售平臺進行產品分類重新整合。隨著自有品牌業務逐步走向成熟，零售業務分部之業績亦有顯著改善。本年度，來自零售業務分部的營業額上升190.2%至人民幣24.2百萬元（二零一三年：人民幣8.4百萬元），並且轉虧為盈，錄得分部盈利人民幣1.3百萬元（2013年：虧損人民幣4.4百萬元）。

於二零一四年三月投入營運並於二零一四年下半年全面投產的再生能源產品新分部，於本年度錄得分部營業額及盈利分別人民幣16.5百萬元及人民幣3.5百萬元。此分部產品透過回收例如木屑等在木製品生產過程中產生的剩餘物，將其轉化為生物質顆粒燃料。目前此燃料已為中國新能源發展的重要方向。隨著本集團之綜合產能擴大，再生能源業務之規模亦將相對提升。

Management Discussion and Analysis (Continued)

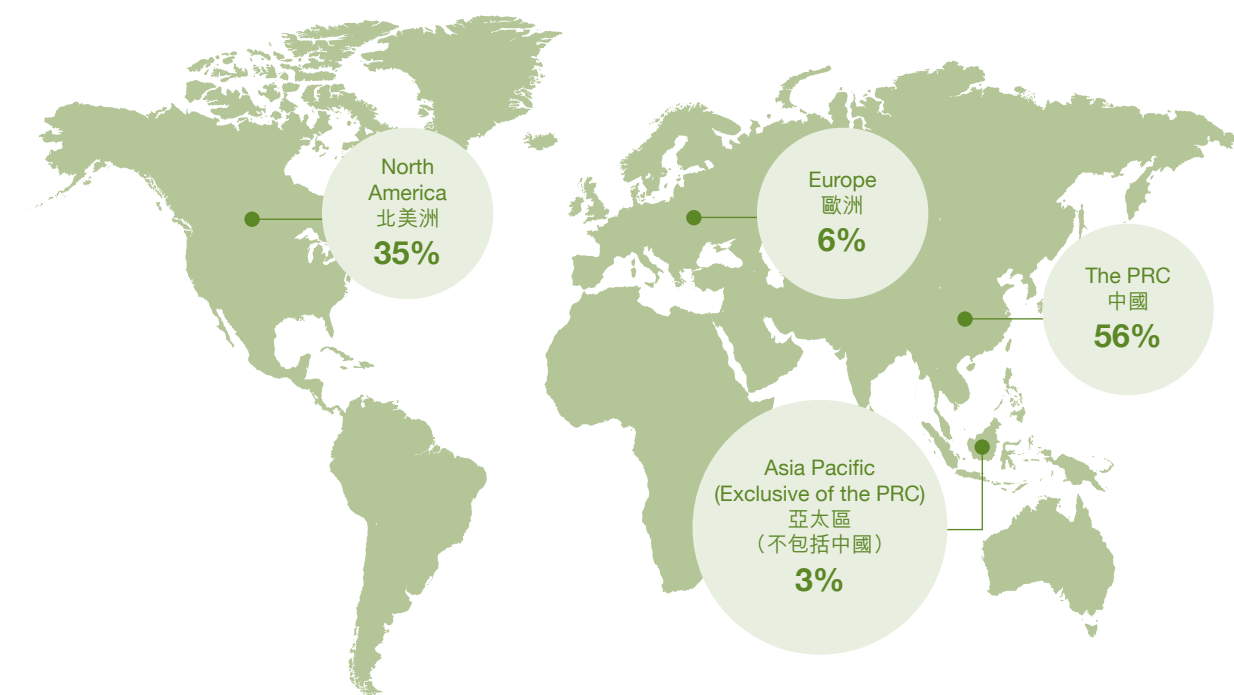
管理層討論與分析 (續)

Market review

During the Year, the distribution of turnover from our global markets are as follows:

市場回顧

於本年度，我們來自全球市場之營業額分佈如下：



		Turnover 營業額		% to total turnover 佔總營業額百分比	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
The PRC	中國	390,886	231,616	56%	49%
North America	北美洲	244,737	165,141	35%	35%
Europe	歐洲	43,314	30,205	6%	6%
Asia Pacific (Exclusive of the PRC)	亞太區 (不包括中國)	22,294	48,089	3%	10%
		701,231	475,051	100%	100%

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

The Group strategically positions itself “to align with the trend of Chinese tourism and leisure market and to capture the opportunity arisen from the recovery of the US and Europe’s property market”, with a vision to capture every opportunity from the market and to bring the Group with stable development at a faster pace.

The PRC is the largest market of the Group. During the Year, turnover from the PRC market has grown by 68.8% to RMB390.9 million (2013: RMB231.6 million), represented 56% (2013: 49%) of total turnover. Such growth was a result of the vigorous development of the Chinese tourism industry and urbanisation, which in turns pull up the demand for the Group’s products. According to the statistics from the National Tourism Administration, total accumulated revenue for the domestic tourism industry in 2013 reached RMB2.6 trillion, at the meantime, the rate of urbanisation has also reached 53.73%, which has been growing rapidly. Nevertheless, the Group’s self-owned brand retail business has also been expanding gradually, which contributed to the growth in turnover.

According to the US Department of Commerce, in the year of 2014, new housing starts has reached 1.01 million units, which was among the highest since 2007, as well as the fourth consecutive year of growth. Nevertheless, the economic growth of the US economy in 2014 has reached 2.4%, a new peak from the last four years. As a result of the continuously growing housing market as well as the economy in the US, the demand for the Group’s timber houses structures products has been stimulated. This has brought the growth in the Group’s turnover from the North American market by 48.2% to RMB244.7 million (2013: RMB165.1 million), representing 35% (2013: 35%) of total turnover.

本集團以「緊扣中國休閒旅遊市場，把握歐美房產市場復蘇」為策略定位，務求抓緊每一個市場機遇，使本集團能夠以平穩較快速度發展。

中國市場是本集團的最大市場。本年度，中國市場之營業額增長68.8%至人民幣390.9百萬元(二零一三年：人民幣231.6百萬元)，佔總營業額56%(二零一三年：49%)。主要受惠於中國旅遊業及城鎮化的蓬勃發展，拉動對本集團產品的需求。據國家旅遊局統計，二零一三年國內旅遊業累計收入已達人民幣2.6萬億，與此同時，城鎮化率亦達53.73%，而且每年快速增長。此外，本集團的自有品牌零售業務的規模亦逐步擴大，帶動營業額之增長。

據美國商務部公佈，二零一四年全年，新屋開工達1.01百萬棟，創二零零七年以來高點，亦是自二零一一年以來，連續四年增長。此外，美國二零一四年經濟增速達到2.4%，創四年以來新高。隨著美國房地產市場以及美國經濟的持續增長，北美市場對本集團之木屋構件產品之需求亦被刺激，帶動本集團於北美市場之營業額增長48.2%至人民幣244.7百萬元(二零一三年：人民幣165.1百萬元)，佔總營業額35%(二零一三年：35%)。

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

During the Year, the Group's turnover from Europe has also grown by 43.4% to RMB43.3 million (2013: RMB30.2 million). Germany was the major market of the Group in Europe. According to statistics from The Federal Statistical Office of Germany, the gross domestic products of Germany in 2014 has grown by 1.5%, which is above the expectation of 1.2% as well as the fastest growth since 2011. Domestic consumptions has also jumped by 1.1%, which indicates the solid performance of the overall German economy. The growth in employment rate, increase in salaries and expanded domestic spending has pull up the demand of the Group's products from the German market.

於本年度，本集團來自歐洲之營業額亦增長43.4%至人民幣43.3百萬元(二零一三年：人民幣30.2百萬元)。德國是本集團在歐洲的主要市場。據德國聯邦統計局公佈的統計數據，二零一四年德國國內生產總值增長1.5%，超出原先預計的1.2%，為二零一一年以來最快年增長，國內消費亦增長1.1%，顯示德國經濟總體表現穩固。隨著德國國內就業增加，職工工資提高，國內消費擴大，亦拉動了德國市場對本集團產品的需求。

FINANCIAL REVIEW

Turnover and gross profit margin by product category

財務回顧

營業額及毛利率(按產品分類劃分)

	Turnover			% to total turnover		Gross margin		
	營業額			佔總營業額百分比		毛利率		
	2014	2013	Change	2014	2013	2014	2013	
	二零一四年	二零一三年	變動	二零一四年	二零一三年	二零一四年	二零一三年	
	RMB'000	RMB'000	%	%	%	%	%	
	人民幣千元	人民幣千元	百分比	百分比	百分比	百分比	百分比	
Timber houses and their related parts and structures	木屋及其相關部件及構件	327,466	205,916	59.0%	46.7%	43.4%	25.5%	34.7%
Leisure household products	休閒傢俱產品	116,302	90,323	28.8%	16.6%	19.0%	36.8%	37.8%
Outdoor and indoor furnitures	室內外傢俱產品	52,117	61,841	(15.7%)	7.4%	13.0%	34.4%	34.4%
Recreational products	遊戲類產品	39,809	40,047	(0.6%)	5.7%	8.4%	33.0%	30.8%
Landscape garden products	園藝類產品	11,139	22,183	(49.8%)	1.6%	4.7%	34.8%	38.5%
Pet-home designs	寵物屋產品	137,897	54,741	151.9%	19.7%	11.5%	5.3%	7.0%
Trading of timber	木材貿易	16,501	-	N/A 不適用	2.3%	N/A 不適用	60.3%	N/A 不適用
Renewable energy products	再生能源產品							
Total	總計	701,231	475,051	47.6%	100.0%	100.0%	25.4%	31.9%

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

In terms of product category, sales of timber houses and their related parts and structures remained as the largest income stream of the Group. It is also the main driver for the growth in turnover for the Year. Turnover from such products surged by 59.0% to RMB327.5 million, representing 46.7% (2013: 43.4%) of total turnover for the Year. However, owing to the significant devaluation of the currencies of our major overseas competitors against US dollar, resulting rapid market competition, additional cost has been incurred for product modification in order to maintain stable product pricing and overall competitiveness of the Group, the overall gross margin from such products dropped by 9.2% point. The overall turnover from leisure household products was similar to that of 2013, while the overall gross margin has also remained stable.

During the Year, the Group has been actively developing its domestic timber trading business through its network with the domestic timber industry and overseas timber suppliers and by bulk purchase and price competitiveness. Such business represents another stable revenue streams of the Group.

The new renewable energy business of the Group has generated a turnover of RMB16.5 million during the Year, with a gross margin of 60.3%, which represents another important new source of income for the Group.

Other revenue

Other revenue decreased to RMB17.9 million for the Year from RMB23.1 million for 2013 as a result of the recognition of deferred government subsidies of RMB4.5 million in 2013 upon land resumption.

就產品分類而言，木屋及其相關部件及構件之銷售仍是本集團的最大收入來源，亦是帶動本年度營業額增長的主要動力。該產品的營業額較去年增長59.0%至人民幣327.5百萬元，佔本年度總營業額46.7%（二零一三年：43.4%）。然而，由於海外競爭對手之貨幣兌美元有較大貶值，造成市場的高度競爭，本集團需要增加產品的功能以維持本集團之產品價格穩定及競爭優勢，所產生的額外成本導致該產品之整體毛利率下降9.2百分點。休閒傢俱產品的整體營業額相較二零一三年持平，整體毛利率亦維持穩定。

於本年度，集團透過在國內木材行業以及豐富的海外木材供應商網絡，通過批量採購和價格優勢積極發展國內木材貿易業務。該業務將能夠為集團帶來另一穩定收入來源。

本集團新開拓的再生能源業務於本年度帶來人民幣16.5百萬元營業額，毛利率達60.3%，是本集團另一重要的新收入來源。

其他收入

其他收入由二零一三年的人民幣23.1百萬元減少至本年度的人民幣17.9百萬元。主要由於二零一三年就土地收儲而確認之遞延政府補貼收入人民幣4.5百萬元。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Other net gain

The Group recorded other net gain of RMB2.2 million for the Year (2013: RMB48.7 million). The decrease was primarily a result of the recognition of gain from land resumption amounted to RMB44.8 million in 2013.

Selling and distribution expenses

Our selling and distribution expenses during the Year was RMB21.7 million (2013: RMB13.8 million). The increase was primarily due to the increase in transportation charges and port charges along with the increase in sales and expansion in timber trading business.

Administrative expenses

Our administrative expenses increased to RMB56.3 million during the Year (2013: RMB47.0 million), which is a result of the increase in staff costs and research and development costs.

Finance costs

Our finance costs increased to RMB11.3 million during the Year (2013: RMB5.5 million), which was mainly due to the increase in bank and other interest-bearing borrowings during the Year as a result of the continuous expansion of business operation.

Income tax

Our income tax reached RMB18.3 million (2013: RMB32.8 million), primarily due to the decrease in overall taxable profits of the Group. Zhangping Kimura is qualified as a High and New Technology Enterprise, and it is entitled to the preferential corporate income tax rate of 15% from 2013 to 2015. Effective tax rate decreased to 16.8% for the Year (2013: 20.9%) as the gain from land resumption recognised in 2013 was charged at the standard corporate income tax rate of 25%.

Profit for the Year

As a result of the foregoing factors, profit for the Year decreased by 27.0% to RMB90.8 million (2013: RMB124.4 million). Profit for the year excluding the after tax effect of gain from land resumption and government subsidies increased by 8.3% to RMB80.2 million (2013: RMB74.0 million).

其他收益淨額

本集團於本年度錄得其他收益淨額人民幣2.2百萬元(二零一三年：人民幣48.7百萬元)。下降之主要因為二零一三年就土地收儲確認收益人民幣44.8百萬元所致。

銷售及分銷開支

我們於本年度的銷售及分銷開支為人民幣21.7百萬元(二零一三年：人民幣13.8百萬元)。此增長主要由於銷售上升以及木材貿易業務擴充導致運輸費用及港口收費增加所致。

行政開支

由於員工成本及研發費用的上升，我們於本年度的行政費用上升至人民幣56.3百萬(二零一三年：人民幣47.0百萬元)。

融資成本

我們的融資成本於本年度上升至人民幣11.3百萬元(二零一三年：人民幣5.5百萬元)。主要因業務持續擴展令本年度的銀行及其他計息借貸增加所致。

所得稅

我們的所得稅達到人民幣18.3百萬元(二零一三年：人民幣32.8百萬元)，此乃主要由於本集團的總應課稅溢利減少所致。由於漳平木村獲得高新技術企業認證，故自二零一三年起至二零一五年止可享有15%的優惠企業所得稅稅率。實際稅率於本年度下降至16.8%(二零一三年：20.9%)，主要由於二零一三年確認的土地收儲收益是以標準企業所得稅稅率百分之二十五計算所致。

年內溢利

基於上述因素，年內溢利下跌27.0%至人民幣90.8百萬元(二零一三年：人民幣124.4百萬元)。未計及土地收儲及政府補貼之稅後影響之溢利上升8.3%至人民幣80.2百萬元(二零一三年：人民幣74.0百萬元)。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Dividend

The Board recommended a final dividend of HK\$0.005 (equivalent to approximately RMB0.004) per share for the Year (2013: HK\$0.013 (equivalent to approximately RMB0.0103)).

Liquidity and capital resources

The Group principally meets its working capital and other liquidity requirements through operating cash flows and proceeds from bank borrowings. As at 31 December 2014, the Group had current assets of RMB880.7 million (31 December 2013: RMB498.8 million), of which bank deposits and cash (including pledged deposits) were RMB273.4 million (31 December 2013: RMB143.7 million). To better manage our funds, the Group's cash is generally deposited with banks and denominated mostly in RMB and US\$. As at 31 December 2014, total available banking facilities of the Group amounted to RMB555.0 million (31 December 2013: RMB489.3 million), banking facilities utilised as at 31 December 2014 were RMB397.3 million (31 December 2013: RMB264.7 million) and these bank borrowings were denominated in RMB and US\$.

As at 31 December 2014, the ratio of total borrowings to total assets and net borrowings to total equity of the Group were 32.2% and 17.5% respectively (31 December 2013: 32.8% and 25.4% respectively), current ratio and quick ratio were 2.2:1 and 1.5:1 respectively (31 December 2013: 1.7:1 and 1.1:1 respectively).

Pledge of assets

At 31 December 2014, the Group had pledged its plant and machinery, lease prepayments and buildings held for own use with net book value of RMB193.6 million (31 December 2013: RMB114.6 million) and deposits with banks of RMB99.3 million (31 December 2013: RMB68.6 million) mainly for the purpose of securing bank loans and financial derivative contracts issued by banks to the Group.

股息

董事會建議派發本年度的末期股息每股0.005港元(相當於約人民幣0.004元)(二零一三年: 0.013港元(相當於約人民幣0.0103元))。

流動資金及資本來源

本集團主要透過營運現金流及銀行借款的所得款項滿足營運資金及其他資金需求。於二零一四年十二月三十一日，本集團擁有流動資產人民幣880.7百萬元(二零一三年十二月三十一日: 人民幣498.8百萬元)，其中銀行存款及現金(包括已抵押存款)為人民幣273.4百萬元(二零一三年十二月三十一日: 人民幣143.7百萬元)。為更有效控制資金，本集團的現金一般存置於銀行並大部分以人民幣及美元計值。於二零一四年十二月三十一日，本集團的可動用銀行融資總額為人民幣555.0百萬元(二零一三年十二月三十一日: 人民幣489.3百萬元)。於二零一四年十二月三十一日，已動用銀行融資額為人民幣397.3百萬元(二零一三年十二月三十一日: 人民幣264.7百萬元)，並分別以人民幣及美元計值。

於二零一四年十二月三十一日，本集團的借貸總額與總資產比率及借貸淨額與總權益比率分別為32.2%及17.5%(二零一三年十二月三十一日: 分別為32.8%及25.4%)。流動比率及速動比率分別為2.2:1及1.5:1(二零一三年十二月三十一日: 分別為1.7:1及1.1:1)。

資產抵押

於二零一四年十二月三十一日，本集團已抵押賬面淨值人民幣193.6百萬元(二零一三年十二月三十一日: 人民幣114.6百萬元)的廠房及機器、租賃預付款及持作自用物業以及人民幣99.3百萬元(二零一三年十二月三十一日: 人民幣68.6百萬元)的銀行存款，主要用於取得銀行向本集團發出之銀行貸款及金融衍生工具合約。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Capital expenditure

During the Year, the Group's total expenditure in respect of property, plant and equipment and non-current prepayments for acquisitions of property, plant and equipment amounted to RMB105.6 million (2013: RMB136.1 million).

Capital commitment and contingent liabilities

Save as disclosed in note 29(a) of the consolidated financial statements, there were no significant capital commitments for the Group.

There were no significant contingent liabilities for the Group as at 31 December 2014.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

During the Year, there was no significant investment, material acquisitions and disposal of subsidiaries by the Company. The Group currently has no other plan to make any substantial investment in or acquisition of capital assets, but will seek for potential opportunities of acquisitions according to development needs.

資本開支

於本年度，本集團有關物業、廠房及設備的總開支及有關收購物業、廠房及設備的非即期預付款為人民幣105.6百萬元(二零一三年：人民幣136.1百萬元)。

資本承擔及或然負債

除綜合財務報表附註29(a)外，本集團並無任何重大資本承擔。

於二零一四年十二月三十一日，本集團概無任何重大或然負債。

重大投資、重大收購及出售附屬公司、重大投資或收購資本資產的未來計劃

於本年度，本公司並無重大投資、重大收購及出售附屬公司。本集團現時並無其他計劃作出任何重大投資或收購資本資產，但會按發展需要，物色潛在收購機會。

管理層討論與分析(續)

FOREIGN CURRENCY RISKS

The Group's sales are mainly denominated in US\$ and RMB while our cost of sales and operating expenses are mainly denominated in RMB. The gross profit margin would be affected if RMB appreciates against US\$ as the Group might not be able to reflect the appreciation in selling prices to overseas customers that were determined in US\$. In response to this, the Group manages the fluctuations in the exchange rate of RMB against US\$ by entering into foreign currency forward contracts denominated in US\$ with banks when sales contracts were entered with overseas customers. As at 31 December 2014, the Group has net outstanding US\$ denominated forward foreign currency contracts of US\$20.6 million (31 December 2013: US\$19.1 million). All the contracts are to be settled within one year.

With the increasing level of our overseas purchases, the Group also manages the foreign exchange risks by matching the cash inflow from our export sales denominated in US\$ with the cash outflow from our import of timber denominated in US\$.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING AND PLACING

The shares of the Company were listed on the Main Board of the Stock Exchange on 6 July 2012. Net proceeds from the global offering were approximately HK\$144.3 million (after deducting the underwriting commission and relevant expenses).

On 26 June 2014, the Company issued 200,000,000 new ordinary shares of HK\$0.01 each at HK\$0.80 per share by way of placing (the "June 2014 Placement"). On 7 October 2014, the Company issued 165,000,000 new ordinary shares of HK\$0.01 each at HK\$0.93 per share by way of placing (the "October 2014 Placement"). The net proceeds from the issue of new shares under the June 2014 Placement and October 2014 Placement, after deducting related transaction costs, were HK\$155.0 million and HK\$148.0 million respectively.

貨幣風險

本集團的銷售主要以美元及人民幣計值，而我們的銷售成本及經營開支則主要以人民幣計值。由於本集團可能無法在向海外客戶銷售時，將人民幣兌美元的升值反映於以美元釐定的售價中，故如人民幣升值，毛利率將受影響。為此，本集團在與海外客戶訂立銷售合約同時透過與銀行訂立以美元計值的遠期外幣合約以管理人民幣兌美元的匯率波動。於二零一四年十二月三十一日，本集團有淨值20.6百萬美元(二零一三年十二月三十一日：19.1百萬美元)以美元計值的未結算遠期外幣合約。所有合約將於一年內結算。

隨著本集團的海外採購增加，本集團亦透過以美元計值的出口銷售現金流入配合以美元計值的木材入口現金流出管理外匯風險。

全球發售及配售股份所得款項淨額的用途

本公司的股份於二零一二年七月六日在聯交所主板上市。全球發售的所得款項淨額(經扣除包銷佣金及相關開支後)約為144.3百萬港元。

於二零一四年六月二十六日，本公司透過配售方式按每股0.80港元發行200,000,000股每股面值0.01港元的新普通股(「二零一四年六月配售」)。於二零一四年十月七日，本公司透過配售方式按每股0.93港元發行165,000,000股每股面值0.01港元的新普通股(「二零一四年十月配售」)。經扣除相關交易費用後，根據二零一四年六月配售及二零一四年十月配售發行新股份的所得款項淨額分別為155.0百萬港元及148.0百萬港元。

Management Discussion and Analysis (Continued)

管理層討論與分析 (續)

As at 31 December 2014, all the unutilised proceeds were deposited in licensed banks in Hong Kong and the PRC. A breakdown of the use of net proceeds is set forth in the table below:

於二零一四年十二月三十一日，所有未動用所得款項已存置於香港及中國的註冊銀行。所得款項之使用情況已列載於下表：

		Establishing new production facilities 成立新生產設施 HK\$' million 百萬港元	Establishing own-brand self-operated store network 成立自有品牌的自營店網絡 HK\$' million 百萬港元	Merger and acquisition of small to medium sized companies, other timber processing plants, and/or other resources 合併與收購中小型公司、其他木材加工廠及/或其他資源 HK\$' million 百萬港元	Own-brand promotion and other marketing events 自有品牌及其他市場推廣活動 HK\$' million 百萬港元	Increasing and enhancing our research and development activities 提升及加強本公司的研發活動 HK\$' million 百萬港元	General working capital 一般營運資金 HK\$' million 百萬港元	Total 總額 HK\$' million 百萬港元
From global offering		來自全球發售						
Amount of net proceeds	所得款項淨額	41.8	39.8	27.9	11.1	9.8	13.9	144.3
Percentage to total net proceeds	佔所得款項淨額百分比	29.0%	27.6%	19.3%	7.7%	6.8%	9.6%	100.0%
Utilised amount as at 31 December 2014	於二零一四年十二月三十一日已動用金額	41.8	39.8	1.1	11.1	9.8	13.9	117.5
Unutilised amount as at 31 December 2014	於二零一四年十二月三十一日未動用金額	-	-	26.8	-	-	-	26.8
From June 2014 Placement		來自二零一四年六月配售						
Amount of net proceeds	所得款項淨額	125.0	N/A	N/A	N/A	N/A	30.0	155.0
Percentage to total net proceeds	佔所得款項淨額百分比	80.6%	N/A	N/A	N/A	N/A	19.4%	100.0%
Utilised amount as at 31 December 2014	於二零一四年十二月三十一日已動用金額	98.3	N/A	N/A	N/A	N/A	30.0	128.3
Unutilised amount as at 31 December 2014	於二零一四年十二月三十一日未動用金額	26.7	N/A	N/A	N/A	N/A	-	26.7
From October 2014 Placement		來自二零一四年十月配售						
Amount of net proceeds	所得款項淨額	73.0	N/A	50.0	N/A	N/A	25.0	148.0
Percentage to total net proceeds	佔所得款項淨額百分比	49.3%	N/A	33.8%	N/A	N/A	16.9%	100.0%
Utilised amount as at 31 December 2014	於二零一四年十二月三十一日已動用金額	-	N/A	-	N/A	N/A	12.5	12.5
Unutilised amount as at 31 December 2014	於二零一四年十二月三十一日未動用金額	73.0	N/A	50.0	N/A	N/A	12.5	135.5

管理層討論與分析(續)

HUMAN RESOURCES

As at 31 December 2014, we employed a total of 601 full time employees, mainly in the PRC and Hong Kong which included management staff, product designers, technicians, salespersons and workers. The Group's total expenses on the remuneration of employees for the Year were RMB33.8 million (2013: RMB29.1 million), representing 4.8% (2013: 6.1%) of the turnover of the Group. The Group has been consistently enhancing production process automation, and strengthening the training to staffs with an emphasis on high-technique processing with a mission on the continuous development and enhancing of competitiveness of our staffs. The Group offered highly competitive salary package, as well as discretionary bonuses and contribution to social insurance to its employees.

The Group's emolument policies are formulated based on the performance of individual employee which will be reviewed periodically. Apart from the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or social insurance (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses are also awarded to employees according to the assessment of individual performance. Since the adoption of the share option scheme on 15 June 2012 and up to 31 December 2014, no options have been granted.

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this annual report, the Group has no material events after the reporting period.

人力資源

於二零一四年十二月三十一日，本集團於中國及香港共聘用601名全職僱員，當中包括管理人員、產品設計人員、技術人員、銷售人員及工人。於本年度，本集團就僱員薪酬的總開支為人民幣33.8百萬元(二零一三年：人民幣29.1百萬元)，佔本集團營業額的4.8%(二零一三年：6.1%)。本集團一直透過提高工序自動化，加強培訓以及專注高技術加工，維持員工的持續發展及提高員工競爭力。本集團為僱員提供具競爭力的薪酬組合，並有酌情花紅以及會為僱員繳納社會保險供款。

本集團的薪酬政策乃按個別僱員的表現而制訂，並將定期檢討。除公積金計劃(根據強制性公積金計劃條例的條文為香港僱員執行)或社會保險(包括中國僱員的退休養老保險、醫療保險、失業保險、工傷保險及生育保險)外，本集團亦將根據對個別僱員表現的評估向僱員發放酌情花紅及授出僱員購股權。自購股權計劃於二零一二年六月十五日獲採納以來至二零一四年十二月三十一日止，本集團概無授出任何購股權。

報告期後事項

截至本年報日期，本集團並無重大報告期後事項。

Corporate Governance Report

企業管治報告

The board (“Board”) of directors (“Directors”) is committed to maintaining a high standard of corporate governance. The Board believes that a high standard of corporate governance will provide a framework for the Company to formulate its business strategies and policies, and manage and lower the associated risks through effective internal control procedures. It will also enhance the transparency of the Company and strengthen the accountability to its shareholders and creditors.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and certain recommended best practices. The Company has complied with all the applicable code provisions in the Code throughout the year ended 31 December 2014 (the “Year”) except for the deviations disclosed under the sections headed “The Board” and “The Chairman and the Chief Executive” in this report.

THE BOARD

The Board oversees the management of the business and affairs of the Company. The Directors are accountable for making decisions objectively in the best interest of the shareholders as a whole.

The Board is responsible for making decisions on all major aspects of the Company’s affairs, including the approval and monitoring of key policy matters, overall strategies, business plans and annual budgets, internal control and risk management systems, material transactions, major capital expenditure, appointment of Directors and other significant financial and operational matters.

The Board may delegate aspects of its management and administration functions to the management. In particular, the day-to-day management of the Company is delegated to the chief executive officer of the Group, Mr. Wu Zheyuan, and his management team.

The Company has throughout the Year met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, accounting or related financial management expertise. At all times during the Year, the independent non-executive Directors represent at least one-third of the Board.

董事(「董事」)會(「董事會」)承諾維持高水平的企業管治。董事會相信，高水平的企業管治將為本公司提供框架，以制定其業務策略及政策。以有效的內部監控程序管理及降低相關風險，提高本公司的透明度，並增強對其股東及債權人的問責。

本公司已採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載的企業管治守則(「守則」)所載的守則條文及若干建議最佳常規。於截至二零一四年十二月三十一日止年度(「本年度」)，本公司一直遵守守則中的所有適用守則條文，惟於本報告「董事會」及「主席及行政總裁」一節披露的偏離者除外。

董事會

董事會監督本公司業務及事務的管理。董事負責作出客觀決定以符合股東整體最佳利益。

董事會負責就本公司所有重大事務作出決策，包括批准及監察主要政策事宜、整體策略、業務計劃及年度預算、內部監控及風險管理系統、重大交易、重大資本支出、委任董事及其他重大財務及營運事宜。

董事會可向管理層轉授其管理及行政職能。尤其本公司的日常管理已轉授予本集團的行政總裁吳哲彥先生及其管理團隊。

本公司於本年度內一直符合上市規則的規定，委任最少三名獨立非執行董事，而其中最少一名獨立非執行董事具備適當專業資格、會計或相關財務管理的專業知識。於本年度內任何時間，獨立非執行董事均佔董事會至少三分之一。

Corporate Governance Report (Continued)

企業管治報告 (續)

The Board is expected to meet regularly and at least four times a year. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

董事會須定期舉行會議，並每年至少舉行四次。董事可在彼等認為必要的情況下隨時全面獲得本集團資料及獨立專業意見。

With respect to regular meetings of the Board, the Directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, the Directors are given as much notice as is reasonable and practicable in the circumstances.

就董事會的定期會議而言，董事將於會議前至少14日收到會議的書面通知，並於會議前不少於三日獲得議程及補充董事會文件。就其他會議而言，董事獲得該等情況下屬合理及切實可行的通知。

Details of directors' attendance at Board meetings, Committee meetings, 2013 Annual General Meeting and Special General Meeting held during the year are set out in the following table:

下表列示各董事於本年度出席董事會，各董事委員會會議，2013股東周年大會及特別股東大會的詳情：

Name of Directors	董事名稱	Meeting attendance/number of meetings 會議出席次數/會議次數					
		2013 Annual General Meeting 2013 股東周年大會	Special General Meeting 特別股東 大會	Board Meeting 董事會	Audit Committee Meeting 審計委員會	Remuneration Committee Meeting 薪酬委員會	Nomination Committee Meeting 提名委員會
Executive Directors		執行董事					
Mr. Wu Zheyuan (Chairman)	吳哲彥先生(主席)	1/1	1/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Wu Qingshan	吳青山先生	1/1	1/1	11/11	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Xie Qingmei	謝清美女士	1/1	1/1	11/11	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive Directors		非執行董事					
Mr. Lee Kong Wai, Conway (appointed on 16 July 2014)	李港衛先生(於二零一四年 七月十六日獲委任)	0/0	0/1	5/5	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Wu Dongping	吳冬平先生	0/1	0/1	9/11	N/A 不適用	N/A 不適用	N/A 不適用
Independent non-executive Directors		獨立非執行董事					
Mr. Lam Hin Chi	藍顯賜先生	1/1	1/1	11/11	2/2	4/4	3/3
Prof. Jin Zhongwei	金重為教授	1/1	0/1	11/11	2/2	4/4	3/3
Prof. Su Wenqiang	蘇文強教授	1/1	0/1	11/11	2/2	4/4	3/3

The Company has deviated from the code provision A.1.1 of the Code as other matters of the Board were dealt with by written resolutions.

由於董事會其他事項以書面決議案方式處理，本公司偏離企業管治守則的守則條文第A.1.1條。

企業管治報告 (續)

CORPORATE GOVERNANCE

The Board has carried out its duties and responsibilities as set out in code provision D.3 in the Code, including the development of policies and practices on corporate governance, monitoring the training and continuous professional development of Directors and senior management, reviewing the compliance with the Code, disclosure in this report and legal and regulatory requirements of the Group.

THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The chairman of the Board and the chief executive officer is Mr. Wu Zheyuan who was appointed as executive Director on 17 October 2011. The Company has deviated from the code provision A.2.1 of the Code. The Board believes that it is necessary to vest the roles of chairman and chief executive officer in the same person due to its unique role. In view of Mr. Wu Zheyuan's experience and established market reputation in the industry, and the importance of Mr. Wu Zheyuan in the strategic development of the Company. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

Mr. Wu Zheyuan takes the lead in formulating overall strategies and policies of the Company; ensures the effective performance by the Board of its functions, including compliance with good corporate governance practices; and encourages and facilitates active contribution of Directors in board activities and constructive relations between executive and non-executive Directors. He also ensures effective communication with shareholders of the Company and receipt by the Directors of adequate and complete information.

Mr. Wu Zheyuan, supported by other Board members and the senior management, is also responsible for managing the day-to-day business of the Company. He is also accountable to the Board for the implementation of the Company's overall strategies, and coordination of overall business operations.

企業管治

董事會已履行其於企業管治守則條文第D.3條所載的職責及責任，包括制定企業管治政策及常規、監察董事及高級管理層的培訓及持續專業發展、檢討本集團對企業管治守則、本報告內的披露事項以及法律及監管規定的合規情況。

主席及行政總裁

董事會主席兼行政總裁為吳哲彥先生，彼於二零一一年十月十七日獲委任為執行董事。本公司偏離企業管治守則的守則條文第A.2.1條。董事會相信，由於主席及行政總裁的職務特殊，加上慮及吳哲彥先生的經驗及彼於行內的聲譽以及吳哲彥先生對於本公司策略發展的重要性，故主席與行政總裁的角色須由同一人擔任。此雙重角色安排有助於貫徹強而有力的市場領導，對本公司業務規劃及決策的效率至為重要。由於所有主要決策均會諮詢董事會成員，且董事會設有三名獨立非執行董事提供獨立見解，故董事會認為有足夠保障措施確保董事會權力平衡。

吳哲彥先生主導制訂本公司整體策略及政策；確保董事會有效履行其職能，包括遵守良好企業管治常規；以及鼓勵及促使董事積極參與董事會活動及加強執行董事與非執行董事之間的建設性關係。彼亦確保與本公司股東建立有效溝通，並確保董事取得足夠及完整的資料。

吳哲彥先生獲其他董事會成員及高級管理層支持，亦負責管理本公司日常業務。彼亦向董事會負責，實行本公司整體策略，並協調整體業務運作。

DIRECTORS AND DIRECTORS' INDEPENDENCE

As at the date of this report, the Board consists of five non-executive Directors and three executive Directors. Three of the non-executive Directors are independent. Further details of the composition of the Board are disclosed in the section headed "The Board" of this report.

NON-EXECUTIVE DIRECTORS

The non-executive Directors are expected to participate in the activities of the Board, particularly in the establishment of a selection process to ensure a mix of competent directors and officers; adoption of a system of internal checks and balances; scrutiny of the Company's performance in achieving agreed corporate goals and objectives; and ensuring that the exercise of Board authority is within the powers conferred to the Board under its articles of association ("Articles") and applicable laws, rules and regulations.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance and business. Their skills, expertise and number in the Board ensure that strong independent views and judgement are brought in the Board's deliberations and that such views and judgement carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company.

Each independent non-executive Director gives the Company an annual confirmation of his independence. The Company considers such Directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

Each Director, upon reasonable request, is given access to independent professional advice in circumstances he may deem appropriate and necessary for the discharge of his duties to the Company, at the expense of the Company.

董事及董事的獨立性

於本報告日期，董事會由五名非執行董事及三名執行董事組成。該等非執行董事中三名是獨立人士。董事會組成的進一步詳情於本報告「董事會」一節內披露。

非執行董事

非執行董事預期將參加董事會活動，尤其是設立遴選程序，以確保具才幹的董事及高級人員合作無間；採納內部審查及平衡的制度；審閱本公司於達成既定企業目標及目的時的表現；以及確保董事會乃在根據其組織章程細則（「細則」）及適用法律、規則及法規所賦予董事會的職權範圍內行使其權限。

獨立非執行董事

獨立非執行董事均為優秀專業人士，在會計、財務、商業領域擁有廣泛的專業知識及經驗。彼等之技術、專業知識及董事會人數確保給予董事會有力的獨立意見及判斷作細心考慮，而有關意見及判斷在董事會的決策過程中乃舉足輕重。彼等之出席及參與亦有助董事會維持高度遵守財務及其他強制性呈報規定，並提供足夠審查及平衡，以保障本公司股東及本公司的利益。

各獨立非執行董事每年向本公司確認其獨立性。根據上市規則第3.13條所載之指引，本公司認為有關董事均屬獨立人士。

各董事於合理要求時可就彼可能認為屬合適及必要的情況取得獨立專業意見，以履行彼於本公司的職責，費用由本公司承擔。

APPOINTMENTS, RE-ELECTION AND ROTATION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 15 June 2012, which may be terminated by not less than three months' notice in writing served by either party on the other. Each of the non-executive Directors and the independent non-executive Directors have been appointed for a term of three years commencing from 15 June 2012 (and for Mr. Lee Kong Wai, Conway, a term of three years commencing from 16 July 2014). None of the Directors has entered into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Pursuant to the Articles, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election.

According to the Articles and in the opinion of the Board, Mr. Wu Qingshan, Mr. Lee Kong Wai, Conway and Mr. Lam Hin Chi shall retire at the forthcoming annual general meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee (as defined below) as set out below under the section headed "Nomination Committee" of this report.

董事的委任、重選及輪值退任

執行董事已各自與本公司訂立服務合約，自二零一二年六月十五日起計，為期三年，可由一方向另一方發出不少於三個月的書面通知予以終止。非執行董事及獨立非執行董事各自的任期由二零一二年六月十五日起計，為期三年。董事概無與本集團任何成員公司訂立服務合約（就李港衛先生而言，任期由二零一四年七月十六日起計，為期三年），惟不包括於一年內屆滿或可由僱主於一年內免付賠償（法定賠償除外）予以終止的合約。

根據細則，於各股東週年大會上，當其時的三分之一董事須輪值退任，惟每名董事須至少每三年於股東週年大會上輪值退任一次。退任董事符合資格膺選連任。

根據細則及董事會的意見，吳青山先生、李港衛先生及藍顯賜先生將於應屆股東週年大會上退任。上述全體退任董事均符合資格且願意在該大會上膺選連任。

倘董事會出現空缺，提名委員會（定義見下文）將如本報告下文「提名委員會」一節所載向董事會提呈建議的候選人。

企業管治報告 (續)

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Remuneration for executive Directors and senior management is determined in accordance with performance, professional experiences and the prevailing market practices. The remuneration of non-executive Directors is subject to regular assessment by the Remuneration Committee (as defined below).

TRAINING, INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

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

According to the code provision A.6.5 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Directors.

The Directors confirm that they have complied with the relevant code provision. The Company had received from each of the Directors the record of training the Directors received.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. After making specific enquiry to all the Directors, the Company confirms that all the Directors have complied with the standards as stipulated in the Model Code throughout the Year.

董事及高級管理層的薪酬政策

執行董事及高級管理層的薪酬乃根據表現、專業經驗及現行市場慣例釐定。非執行董事的薪酬須由薪酬委員會(定義見下文)定期檢討。

董事的培訓、就任及持續發展

各新委任董事於首次獲委任時均會獲全面、正式及為其度身訂做的就任指引，以確保彼適當了解本公司的業務及運作，並全面知悉彼根據上市規則及相關監管規定的職責及責任。

根據企業管治守則條文第A.6.5條，全體董事均須參加持續專業發展，以發展及更新彼等的知識及技能，以確保彼等向董事會作出知情及恰當的貢獻。本公司須負責安排及資助合適培訓，適當重申董事的角色、職能及職責。

董事確認彼等已遵守相關守則條文。本公司已接獲各董事參加培訓的記錄。

董事進行證券交易

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)為本公司董事進行證券交易的行為守則。經向本公司全體董事查詢後，本公司確認，全體董事於本年度一直遵守標準守則所載的標準。

企業管治報告 (續)

BOARD COMMITTEES

The Board has set up three Board committees, namely, the audit committee, the remuneration committee and the nomination committee (collectively the “Board Committees”), for overseeing particular aspects of the Company’s affairs.

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

Audit Committee

The Audit Committee comprises all independent non-executive Directors, namely, Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang. Mr. Lam Hin Chi is the chairman of the Audit Committee.

Under its terms of reference, the Audit Committee shall assist the Board in fulfilling its corporate governance and overseeing responsibilities in relation to financial reporting, internal control structure, risk management systems and internal and external audit functions. The Audit Committee is further authorised by the Board to investigate any activity within its terms of reference, and is tasked with recommending to the Board appropriate actions emanating from such investigations. The Audit Committee has unrestricted access to personnel, records, internal and external auditors, risk assessment and assurance and senior management, as may be appropriate in the discharge of its functions.

董事會委員會

董事會已成立三個董事會委員會，分別為審計委員會、薪酬委員會及提名委員會（「統稱董事會委員會」），以監督本公司特定範疇的事宜。

董事會委員會獲提供充足資源以履行其職能及可於適當情況下尋求獨立專業意見，費用由本公司支付。

審計委員會

審計委員會由全體獨立非執行董事組成，包括藍顯賜先生、金重為教授及蘇文強教授。藍顯賜先生為審計委員會主席。

根據其職權範圍，審計委員會將協助董事會履行其企業管治及監督有關財務申報、內部監控架構、風險管理制度以及內部及外聘核數職能。董事會進一步授權審計委員會按其職權範圍調查任何活動，並負責從有關調查向董事會建議合適行動。審計委員會在履行其職能時可於適當情況下不受限制地接觸員工、記錄、內部及外聘核數師、風險評估及保證及高級管理人員。

Corporate Governance Report (Continued)

企業管治報告 (續)

During the Year, the Audit Committee discharged its responsibilities by:

於本年度內，審計委員會履行其職責如下：

- | | |
|--|--|
| (1) making recommendations to the Board on the reappointment of the external auditor and approval of the remuneration and terms of engagement of the external auditor; | (1) 就外聘核數師的重新委任向董事會提供建議，以及批准外聘核數師的薪酬及聘用條款； |
| (2) monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discussing with the external auditor the nature and scope of the audit and reporting obligations; | (2) 按適用標準監察外聘核數師是否獨立客觀及核數程序是否有效；與外聘核數師討論核數性質、範疇及有關申報責任； |
| (3) implementing the Company's policy on the engagement of an external auditor to supply non-audit services; | (3) 執行本公司委聘外聘核數師提供非核數服務的政策； |
| (4) reviewing, and monitoring the integrity of, the financial statements of the Company and the Company's interim report to ensure that the information presents a true and balanced assessment of the Company's financial position; | (4) 審閱本公司的財務報表及中期報告，並監察其完整性，以確保有關資料真實而平衡地評估本公司的財務狀況； |
| (5) reviewing the Company's financial controls, internal control and risk management systems to ensure that management has discharged its duty to have an effective internal control system; | (5) 檢討本公司的財務監控、內部監控及風險管理制度，以確保管理層已履行職責建立有效的內部監控系統； |
| (6) reviewing the Company's financial and accounting policies and practices; | (6) 檢討本公司的財務、會計政策及實務； |
| (7) reviewing the external auditor's management letter, material queries raised by the external auditor to the management, if any, in respect of the accounting records, financial accounts or systems of control and the management's response to such queries; and | (7) 審閱外聘核數師給予管理層的函件(如有)、外聘核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；及 |
| (8) reporting to the Board on the matters set out in the Code on the Audit Committee. | (8) 就企業管治守則所載有關審計委員會的事宜向董事會匯報。 |

企業管治報告 (續)

The Audit Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary in the performance of its functions. The Audit Committee is provided with sufficient resources by the Company to discharge its duties. The Audit Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, www.merrygardenholdings.com.

During the Year, the Audit Committee together with management has reviewed the Code, the accounting principles and practices adopted by the Group and discussed the Group's internal control and financial reporting matters, including a review of the annual results for the year ended 31 December 2013 and the interim results for the six months ended 30 June 2014, with recommendation to the Board for approval. The Audit Committee has also recommended to the Board that, subject to shareholders' approval at the forthcoming annual general meeting, KPMG be re-appointed as the external auditors of the Company.

Remuneration Committee

The Remuneration Committee comprises all independent non-executive Directors, namely, Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang. Prof. Jin Zhongwei is the chairman of the Remuneration Committee.

The major duties of the Remuneration Committee are as follows:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (c) to make recommendations to the Board of the remuneration of non-executive Directors;

審計委員會獲董事會授權，若其認為在履行其職能時有需要，可徵詢外部法律或其他獨立專業意見，並邀請具有相關經驗及專業知識的外部人士出席。審計委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱審計委員會的特定職權範圍，而職權範圍已載於聯交所網站及本公司網站，網址為 www.merrygardenholdings.com。

於本年度內，審計委員會已連同管理層檢討本集團採納的企業管治守則、會計原則及慣例，以及討論本集團的內部監控及財務申報事宜，包括審閱截至二零一三年十二月三十一日止年度的年度業績及截至二零一四年六月三十日止六個月的中期業績，並已建議董事會批准。審計委員會亦已建議董事會續聘畢馬威會計師事務所為本公司外聘核數師，惟須經股東於應屆股東週年大會上批准。

薪酬委員會

薪酬委員會由全體獨立非執行董事組成，包括藍顯賜先生、金重為教授及蘇文強教授。金重為教授為薪酬委員會主席。

薪酬委員會的主要職責如下：

- (a) 就本公司全體董事及高級管理層的薪酬政策及架構，以及為制定薪酬政策設立正式及具透明度的程序向董事會提出建議；
- (b) 獲授權負責釐定個別執行董事及高級管理層的薪酬待遇，包括實物利益、退休金權利及補償款項（包括因喪失或終止職務或委任應付的任何補償）；
- (c) 就非執行董事的薪酬向董事會提出建議；

企業管治報告 (續)

- | | |
|--|---|
| (d) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; | (d) 考慮同類公司支付的薪金、付出的時間及承擔的責任以及本集團內其他職位的僱用條件； |
| (e) to review and approve management's remuneration proposals by reference to the Board's corporate goals and objectives; | (e) 參考董事會的企業目標及宗旨，以檢討及批准管理層的薪酬建議； |
| (f) to review and approve compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; | (f) 檢討及批准向執行董事及高級管理層就任何喪失或終止職務或委任支付的補償，以確保其與合約條款一致，且為公平及不會過量； |
| (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and | (g) 檢討及批准因董事行為不當而解除或罷免有關董事職務所涉及的補償安排，以確保其與合約條款一致，且為合理及適當；及 |
| (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration. | (h) 確保任何董事或其任何聯繫人概無參與釐定彼等本身的薪酬。 |

The Remuneration Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, www.merrygardenholdings.com.

本公司任何股東均可要求查閱薪酬委員會的特定職權範圍，而職權範圍已載於聯交所網站及本公司網站，網址為www.merrygardenholdings.com。

During the Year, the Remuneration Committee has reviewed the remuneration policy and structure of the executive Directors and senior management of the Company, and offered advice on the same to the Board. The Remuneration Committee also resolved to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

於本年度內，薪酬委員會已檢討本公司執行董事及高級管理層的薪酬政策及架構，並就此向董事會提出建議。薪酬委員會亦議決向董事會建議個別執行董事及高級管理人員的薪酬待遇。

企業管治報告 (續)

Nomination Committee

The Nomination Committee comprises all independent non-executive Directors, namely, Mr. Lam Hin Chi, Prof. Jin Zhongwei and Prof. Su Wenqiang. Prof. Jin Zhongwei is the chairman of the Nomination Committee.

The major duties of the Nomination Committee are as follows:

- (a) to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of independent non-executive Directors; and
- (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Group.

Where vacancy on the Board exists, the Nomination Committee will carry out a selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations, and select or make recommendations to the Board on the selection of candidates for directorship.

The Nomination Committee's specific terms of reference are available on request to any shareholder of the Company and are posted on the Stock Exchange's website and the Company's website, www.merrygardenholdings.com.

提名委員會

提名委員會由全體獨立非執行董事組成，包括藍顯賜先生、金重為教授及蘇文強教授。金重為教授為提名委員會主席。

提名委員會的主要職責如下：

- (a) 最少每年檢討董事會的架構、規模及組成（包括技能、知識及經驗），並就任何建議變動向董事會提出建議以配合本公司的企業策略；
- (b) 物色合適資格的人選出任董事會成員，並挑選提名出任董事的人選或就挑選提名出任董事的人選向董事會提出建議；
- (c) 評估獨立非執行董事的獨立性；及
- (d) 就委任或重新委任董事及董事（尤其是本集團主席及行政總裁）的繼任計劃向董事會提出建議。

倘董事會出現空缺，提名委員會將進行遴選程序，參考建議候選人的技能、經驗、專業知識、人格及付出的時間、本公司的需求及其他相關法定規定及規例，並挑選董事候選人或就挑選董事候選人向董事會提出建議。

本公司任何股東均可要求查閱提名委員會的特定職權範圍，而職權範圍已載於聯交所網站及本公司網站，網址為www.merrygardenholdings.com。

企業管治報告 (續)

During the Year, the Nomination Committee has reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board, conducted performance evaluations to assess whether the non-executive Directors have spent enough time in fulfilling their duties, assessed the independence of independent non-executive Directors, and had been keeping under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace. The Nomination Committee has also adopted the following diversity policy on the Board:

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our directors unique.

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company to ensure that these financial statements give a true and fair presentation in accordance with the International Financial Reporting Standards.

The statement by the auditor about their reporting responsibilities is set out in the independent auditor's report on pages 60 to 61.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

於本年度內，提名委員會已檢討董事會的架構、人數及組成(包括技能、知識和經驗方面)，進行表現評估以評核非執行董事是否有投放足夠時間履行其職責，評核獨立非執行董事的獨立性，以及不斷檢討組織機構的領導能力需求(包括執行及非執行)，以確保組織機構能夠持續在市場有效競爭。提名委員會亦已於董事會採納以下董事多元化政策：

我們接納及鼓勵僱員擁有不同特質，包括年齡、膚色、身心障礙、民族、家庭或婚姻狀況、性別認同或表達、語言、原國籍、身體及心理能力、政治派別、種族、宗教、性取向、社會經濟地位、兵役狀況以及其他特質，讓我們的董事組成獨一無二。

問責及審核

財務報告

董事承認彼等須負責編製本公司的財務報表，以確保此等財務報表已按照國際財務報告準則的規定真實公平地呈列。

核數師的報告責任聲明載於第60至61頁的獨立核數師報告。

董事概不知悉任何與可能導致本公司持續經營能力存疑的事件或情況有關的重大不明朗因素。

企業管治報告 (續)

INDEPENDENT AUDITOR

The Audit Committee reviews and monitors the independent auditor's independence, objectivity and effectiveness of the audit process. It receives each year letter from the independent auditor confirming their independence and objectivity and holds meetings with representatives of the independent auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the independent auditor.

The remuneration paid or payable to the independent auditor of the Company for audit services for the year ended 31 December 2014 were approximately HK\$1,600,000.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for the Group's system of internal control and assessment and management of risks. In meeting its responsibility, the Board has put in place policies and procedures which provide a framework for the identification and management of risks.

The Directors have reviewed the effectiveness of the Group's internal control system, which covers all material controls, including financial, operational and compliance controls and risk management functions.

In the meeting held on 26 March 2015, the Audit Committee has also reviewed and considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The findings of the Audit Committee have been reported to the Board.

COMPANY SECRETARY

The company secretary of the Company, Mr. Wong Wai Lun, is a full-time employee of the Group. Please refer to his biographical details as set out on page 59 of this annual report.

獨立核數師

審計委員會檢討及監察獨立核數師的獨立性、客觀性及審核過程的效率。其每年接獲獨立核數師的函件，確認彼等的獨立性及客觀性，並會與獨立核數師的代表開會，審議審核範圍、批准費用，以及將由彼提供的非審核服務(如有)的範圍及適當性。審計委員會亦就獨立核數師的委任及留任向董事會提出建議。

就本公司於截至二零一四年十二月三十一日止年度所獲的審計服務已付或應付本公司獨立核數師的薪酬約為1,600,000港元。

內部監控及風險管理

董事會對本集團內部監控系統及風險評估及管理承擔全部責任。為承擔此責任，董事會已推行政策及程序，為辨識及管理風險提供框架。

董事已檢討本集團內部監控系統的成效，涵蓋財務、營運及合規監控等各重大監控及風險管理職能。

於二零一五年三月二十六日舉行的會議上，審計委員會亦已檢討及審議本公司會計及財務報告職能的資源、員工資歷及經驗，以及彼等的培訓計劃及預算是否足夠。審計委員會已將有關結果向董事會報告。

公司秘書

本公司的公司秘書為黃偉倫先生，彼為本集團全職僱員。有關履歷詳情請參閱本年報第59頁。

企業管治報告 (續)

INVESTOR RELATIONS

There are no significant changes in the Articles and the memorandum of association of the Company during the Year.

Pursuant to article 58 of the Articles, 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; and such meeting shall be held within two months after the deposit of such requisition. If within 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.

SENDING ENQUIRIES TO THE BOARD AND PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Shareholders or investors can contact the Company in the following ways to make enquiry or to provide suggestions:

Contact Person: Mr. Wong Wai Lun, Company Secretary
Tel: (852) 3904 1868
Postal Address: Room 2702, China Resources Building,
26 Harbour Road, Wan Chai, Hong Kong

To put forward proposals at a general meeting, the shareholders should submit a written notice of those proposals with detailed contact information to the company secretary of the Company at the Company's principal place of business stated above.

投資者關係

本公司的細則及組織章程大綱於本年度並無重大變動。

根據細則第58條，股東於任何時間內均有權向董事會或本公司的公司秘書遞交請求書，要求董事會就處理請求書所述任何事宜召開股東特別大會，惟股東於遞交請求書之日須持有不少於本公司已繳足資本之十分之一（於本公司股東大會上具表決權者），而該大會須於請求書遞交日期後兩個月內舉行。如董事會於請求書遞交日期起計21日內未有召開該大會，則該等請求者可按相同方式自行召開大會，而本公司須向請求者償付因董事會未能召開大會令請求者須支付的所有合理開支。

向董事會查詢及於股東大會上提呈動議之程序

股東或投資者如欲提出查詢或建議，可透過下列方式聯絡本公司：

聯絡人：黃偉倫先生，公司秘書
電話：(852) 3904 1868
郵寄地址：香港灣仔港灣道26號華潤大廈
2702室

股東如欲於股東大會上提呈動議，須將有關動議的書面通知連同詳細聯絡資料遞交本公司上述主要營業地點，註明由本公司的公司秘書接收。

Directors' Report

董事會報告

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

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

RESULTS & DIVIDENDS

Results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss on page 62. Other movements in reserves are set out in the consolidated statement of changes in equity on page 67.

On 26 March 2015, the Board recommends HK\$0.005 (equivalent to approximately RMB0.004) per share as a final dividend for the year ended 31 December 2014 (2013: HK\$0.013 (equivalent to approximately RMB0.0103)).

BONUS ISSUE

The Board recommended that bonus shares will be issued on the basis of one bonus share for every 100 Shares held to shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 8 of this annual report.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2014 are set out in note 28(c) to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2014, the Company's aggregate amounts of reserves available for distribution were approximately RMB327,425,000 (2013: RMB108,340,000), of which approximately RMB5,409,000 (2013: RMB10,317,000) has been proposed as a final dividend for the year.

董事欣然提呈年報連同截至二零一四年十二月三十一日止年度的經審核財務報表。

主要業務

本公司的主要業務為投資控股，而其附屬公司的主要業務則載於財務報表附註17。

業績及股息

本集團截至二零一四年十二月三十一日止年度的業績載於第62頁的綜合損益表。其他儲備變動則載於第67頁的綜合權益變動表。

於二零一五年三月二十六日，董事會建議就截至二零一四年十二月三十一日止年度派付末期股息每股0.005港元(相當於約人民幣0.004元)(二零一三年：0.013港元(相當於約人民幣0.0103元))。

派發紅股

董事會建議向股東以每持有100股普通股獲發一股紅股之基準發行紅股。

財務概要

本集團過往五個財政年度的業績及資產與負債概要載於本年報第8頁。

股本

本公司於截至二零一四年十二月三十一日止年度的股本變動詳情載於財務報表附註28(c)。

可供分派儲備

於二零一四年十二月三十一日，本公司可供分派儲備合共約為人民幣327,425,000元(二零一三年：人民幣108,340,000元)，其中約人民幣5,409,000元(二零一三年：人民幣10,317,000)已獲建議作為年內末期股息。

Directors' Report (Continued)

董事會報告 (續)

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or applicable laws of the Cayman Islands where the Company was incorporated.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are set out in note 12 to the financial statements.

BANK LOANS AND OTHER BORROWINGS

Details of the Group's bank loans and other borrowings are set out in notes 25 and 27 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2014, the Group's five largest customers accounted for approximately 24.5% (2013: 34.4%) of the Group's total revenue and the Group's largest customer for the year accounted for approximately 5.6% (2013: 8.6%) of the Group's total revenue. The Group's five largest suppliers accounted for approximately 46.0% (2013: 34.6%) of the Group's total purchases, while the largest supplier for the year accounted for approximately 16.6% (2013: 8.3%) of the Group's total purchases.

To the knowledge of the Directors, none of the Directors or their respective associates or any of the shareholders of the Company who owns more than 5% of the Company's issued share capital has any interest in any of the Group's five largest customers or suppliers.

EMPLOYEES

As at 31 December 2014, the Group had 601 (2013: 534) employees in total. The table below shows a breakdown of the Group's employees by their responsibilities:

Management, Finance & Administration	管理、財務及行政	69
Sales & Marketing	銷售及營銷	47
Design	設計	36
Research & Development	研發	39
Production	生產	391
Quality Control	品質監控	19
Total	總計	601

優先購買權

細則或開曼群島(本公司註冊成立所在地)的適用法例內概無載列任何有關優先購買權的條文。

物業、廠房及設備

物業、廠房及設備的變動載於財務報表附註12。

銀行貸款及其他借款

本集團的銀行貸款及其他借款詳情載於財務報表附註25及27。

主要客戶及供應商

截至二零一四年十二月三十一日止年度，本集團五大客戶佔本集團總營業額約24.5%(二零一三年：34.4%)，而本年度最大客戶佔本集團總營業額約5.6%(二零一三年：8.6%)。本集團五大供應商佔本集團總採購額約46.0%(二零一三年：34.6%)，而本年度最大供應商佔本集團總採購額約16.6%(二零一三年：8.3%)。

就各董事所知，概無任何董事或彼等各自的聯繫人或任何擁有5%以上本公司已發行股本的本公司股東於本集團五大客戶或供應商中擁有任何權益。

僱員

於二零一四年十二月三十一日，本集團共有601名僱員(二零一三年：534名)。下表為按職責劃分的本集團僱員明細：

Directors' Report (Continued)

董事會報告 (續)

Total staff costs for the year ended 31 December 2014 amounted to approximately RMB33,823,000 (2013: RMB29,120,000) and the details are set out in note 6(b) to the financial statements. Remuneration for employees is based upon their qualification, experience, job nature, performance and market condition.

The Group has established various welfare plans including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by the Group pursuant to the rules and regulations of the PRC and the existing policy requirements of the local government. The Group also maintains the employee short-term health insurance and unforeseen injury insurance. In addition, the Group provides staff quarters to its employees.

Directors and qualified employees of the Company may be granted share options to subscribe for shares in the Company in accordance with the terms and conditions of the Share Option Scheme (as defined below).

DIRECTORS

Throughout the Year, the composition of the Board was as follows:

Executive Directors:

Mr. Wu Zheyang
Mr. Wu Qingshan
Ms. Xie Qingmei

Non-executive Directors:

Mr. Lee Kong Wai, Conway (appointed on 16 July 2014)
Mr. Wu Dongping

Independent non-executive Directors:

Mr. Lam Hin Chi
Prof. Jin Zhongwei
Prof. Su Wenqiang

A description of the Directors is set out in the section headed "Board of Directors and senior management" in this annual report.

於截至二零一四年十二月三十一日止年度的總員工成本約為人民幣33,823,000元(二零一三年: 人民幣29,120,000元), 詳情載於財務報表附註6(b)。僱員薪酬乃基於彼等的資歷、經驗、工作性質、表現及市況而釐定。

本集團已遵照中國法規以及地方政府現行政策規定, 為本集團聘用的僱員設立多項福利計劃, 包括提供養老金、醫療保險、失業保險及其他相關保險。本集團亦購有僱員短期健康保險及不可預見的工傷保險。此外, 本集團為其僱員提供員工宿舍。

根據購股權計劃(定義見下文)的條款及條件, 本公司董事及合資格僱員可能獲授購股權以認購本公司股份。

董事

於本年度內, 董事會的成員如下:

執行董事:

吳哲彥先生
吳青山先生
謝清美女士

非執行董事:

李港衛先生(於二零一四年七月十六日獲委任)
吳冬平先生

獨立非執行董事:

藍顯賜先生
金重為教授
蘇文強教授

董事的詳情載於本年報「董事會及高級管理層」一節。

Directors' Report (Continued)

董事會報告 (續)

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

As at 31 December 2014, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, will be as follows:

Interest in shares

董事及高級行政人員於股份、相關股份及債券的權益及淡倉

於二零一四年十二月三十一日，董事或本公司高級行政人員在本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的有關條文其將被視為或當作擁有的權益及淡倉），或根據證券及期貨條例第352條須記入該條所述登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

股份權益

Name of Director	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding interest (%)
董事姓名	身份／權益性質	股份數目	持股概約百分比 (%)
Mr. Wu Zheyang 吳哲彥先生	Interest in controlled corporation/ Long position (Note) 受控制法團的權益／好倉(附註)	401,621,200	29.42%
	Beneficial owner/Long position 實益擁有人／好倉	10,894,000	0.80%
Mr. Wu Qingshan 吳青山先生	Beneficial owner/Long position 實益擁有人／好倉	27,502,800	2.01%
Ms. Xie Qingmei 謝清美女士	Beneficial owner/Long position 實益擁有人／好倉	9,538,000	0.70%

Note: Mr. Wu Zheyang is deemed to be interested in the shares held by Green Seas Capital Limited, his wholly-owned company.

附註：吳哲彥先生被視為於其全資擁有的公司Green Seas Capital Limited持有的股份中擁有權益。

Directors' Report (Continued)

董事會報告 (續)

Save as disclosed above, none of the Directors and chief executive of the Company had interests or in short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporation defined under the SFO which would have to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules as at 31 December 2014.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than the agreement for sale and purchase of parts and structures of timber villas entered into with Zhangping Jiupengxi Ecological Tourism Development Company Limited as disclosed in the section headed "Continuing connected transactions" in this section, no contracts of significance to which the Company, its holding company, or any of its subsidiaries was a party and in which a Director or the Controlling Shareholders (as defined below) of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or their respective close associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

除上述披露者外，於二零一四年十二月三十一日，董事及本公司高級行政人員概無於本公司或任何相聯法團（定義見證券及期貨條例）的股份、股本衍生工具相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文其將被視為或當作擁有的權益及淡倉），或根據證券及期貨條例第352條須記入該條所述登記冊或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

董事及控股股東於重大合約的權益

於本年度或年末，除於本節「持續關聯交易」一段披露有關與漳平市九鵬溪生態旅遊發展有限公司訂立之木屋構件及休閒家居用品之銷售及採購框架協議外，概不存在由本公司、其控股公司或其任何附屬公司作為訂約方，而本公司董事或控股股東（定義見下文）直接或間接擁有重大權益的重大合約。

董事於競爭業務的權益

概無董事或彼等各自的緊密聯繫人擁有任何根據上市規則第8.10條須予披露的競爭權益。

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2014, the following persons (other than a director or chief executive of the Company), who had interests or short positions in the shares or the underlying shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Interest in shares

主要股東於本公司股份及相關股份的權益及淡倉

於二零一四年十二月三十一日，下列人士（並非董事或本公司高級行政人員）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益或淡倉，或根據證券及期貨條例第336條須記入該條所述登記冊的權益或淡倉：

股份權益

Name	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding interest (%)
名稱／姓名	身份／權益性質	股份數目	持股概約百分比(%)
Green Seas Capital Limited	Beneficial owner/ Long position (Note 1) 實益擁有人／好倉(附註1)	401,621,200	29.42%
Hong Kong Investments Group Limited 香港投資集團有限公司	Beneficial owner/ Long position (Note 2) 實益擁有人／好倉(附註2)	134,700,000	9.87%
Mr. Cheung Chi Mang 張志猛先生	Interest in controlled corporation/ Long position (Note 2) 受控制法團的權益／好倉(附註2)	134,700,000	9.87%

Notes:

附註：

- The entire issued share capital of Green Seas Capital Limited is legally and beneficially owned by Mr. Wu Zheyang, who is deemed to be interested in the shares held by Green Seas Capital Limited.
- The entire issued share capital of Hong Kong Investments Group Limited is legally and beneficially owned by Mr. Cheung Chi Mang, who is deemed to be interested in the shares held by Hong Kong Investments Group Limited.

- Green Seas Capital Limited的全部已發行股本由吳哲彥先生合法及實益擁有，吳哲彥先生被視為於Green Seas Capital Limited持有的股份中擁有權益。
- 香港投資集團有限公司的全部已發行股本由張志猛先生合法及實益擁有，張志猛先生被視為於香港投資集團有限公司持有的股份中擁有權益。

董事會報告 (續)

Save as disclosed above, the Directors are not aware of any person, other than the Directors whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, who had an interest or short positions in the shares or underlying shares that were required to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or recorded pursuant to Section 336 of Part XV of the SFO as of 31 December 2014.

SHARE OPTION SCHEME

Pursuant to a resolution passed by all the shareholders on 15 June 2012, the Company has conditionally adopted the share option scheme (the "Share Option Scheme") for the purpose of recognising and acknowledging the contributions the eligible participants had or may have made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company's subsidiaries and employees of the Group and any other persons (including consultants or advisers) whom the Board considers, in its absolute discretion, have contributed or will contribute to the Group. The Directors were authorised to grant options to subscribe for shares of the Company and to allot, issue and deal with the shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme. The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue immediately following completion of the Global Offering (as defined in the Company's prospectus dated 25 June 2012), being 100,000,000 shares, excluding any shares that may be issued under the options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company), unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time.

除上文披露者外，於二零一四年十二月三十一日，董事概不知悉任何人士(權益已於上文「董事及高級行政人員於股份、相關股份及債券的權益及淡倉」一節載列的董事除外)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益或淡倉而須根據證券及期貨條例第XV部第336條登記。

購股權計劃

根據全體股東於二零一二年六月十五日通過的決議案，本公司已有條件採納一項購股權計劃(「購股權計劃」)，以肯定及嘉許曾經或可能對本集團作出貢獻的合資格參與人士。根據購股權計劃，董事會可酌情向董事(包括執行董事、非執行董事及獨立非執行董事)、本公司附屬公司之董事、本集團僱員及董事會全權酌情認為曾經或將對本集團作出貢獻的任何其他人士(包括專家顧問或顧問)授出購股權。董事獲授權授出購股權以認購本公司股份，及配發、發行及處置根據購股權計劃所授出購股權獲行使而發行的股份，以及採取對實行購股權計劃及使之生效而言為必需及/或合宜的一切步驟。根據購股權計劃及任何其他本公司購股權計劃而可授予的購股權的最高股份數目，合共不得超過緊隨全球發售(定義見本公司日期為二零一二年六月二十五日的招股章程)完成後已發行股份總數的10%，即100,000,000股股份，不包括任何根據購股權計劃(或本公司任何其他購股權計劃)的條款已失效的購股權而可發行的股份，惟獲本公司股東在股東大會上另行批准及/或上市規則不時另有其他規定者除外。

Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to an eligible participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 1% of the shares in issue of the Company within any 12-month period. Any grant of options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by our independent non-executive Directors. Unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules, the number of shares that may be granted to a substantial shareholder or any independent non-executive Director or their respective associates under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 0.1% of the shares in issue, having an aggregate value in excess of HK\$5 million, within any 12-month period.

There is no minimum period for which an option must be held before it can be exercised, and the period during which an option may be exercised will be determined by the Board in its absolute discretion, however, no options shall be exercised 10 years after they have been granted. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

From the date that the Share Option Scheme became effective and unconditional and up to the date of this annual report, no share options were granted under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

除非獲本公司股東於股東大會上另行批准，否則可基於購股權計劃及任何其他本公司購股權計劃向一名合資格參與者授出的股份數目（包括已行使及未行使購股權），不得超過本公司在任一個12個月期間的已發行股份的1%。任何向董事、本公司高級行政人員或主要股東（定義見上市規則）或其任何各自的聯繫人（定義見上市規則）授予的購股權須獲獨立非執行董事的批准。除非本公司股東在股東大會上另行批准及／或上市規則另有規定，否則根據購股權計劃及任何其他本公司購股權計劃可授予主要股東或任何獨立非執行董事或其各自的聯繫人的股份數目（包括已行使及未行使購股權），不得超過任一個12個月期間已發行股份的0.1%或合共價值超過5百萬港元。

概無訂有購股權在行使前必須持有的最短期限，而購股權可行使的期間將由董事會全權酌情決定，然而，購股權於授出10年後便不得行使。有關特定購股權的認購價不得低於下列最高者：(a) 於聯交所每日報價表所報的官方股份收市價；(b) 緊接授出日期前五個營業日聯交所每日報價表所報的官方股份平均收市價；及(c) 股份面值。購股權計劃將自其獲採納日期起生效並將自該日起10年期間內一直有效。

自購股權計劃生效及成為無條件起直至本年報日期，概無根據購股權計劃授出購股權。

購買、出售或贖回本公司已上市證券

截至二零一四年十二月三十一日止年度，本公司及其任何附屬公司概無購買、出售或贖回任何本公司已上市證券。

PLACING OF SECURITIES

For the purpose of raising capital while broadening the shareholder base and capital base of the Company, on 18 June 2014 and 23 September 2014, the Company entered into the agreements with Green Seas Capital Limited ("Green Seas"), a company wholly-owned by Mr. Wu Zheyuan, and Guotai Junan Securities (Hong Kong) Limited, for the placing and subscription of the shares of the Company.

Pursuant to the placing and subscription agreement entered into on 18 June 2014, 200,000,000 ordinary shares held by Green Seas ("2014 June Placing Shares") were placed to not less than six independent placees by way of top-up placing at HK\$0.80 per Placing Share on 23 June 2014. The price per 2014 June Placing Share represents a discount of approximately 3.61% to the closing price of HK\$0.83 per share as quoted on the Stock Exchange on 18 June 2014. On 26 June 2014, Green Seas subscribed 200,000,000 ordinary shares issued by the Company which represented an aggregate nominal value of HK\$2,000,000 at a subscription price of HK\$0.80 for each share. Net proceeds from the placing of shares were approximately HK\$155.0 million after related share issue expenses, which represented approximately HK\$0.775 per share.

Pursuant to the placing and subscription agreement entered into on 23 September 2014, 165,000,000 ordinary shares held by Green Seas ("2014 September Placing Shares") were placed to not less than six independent placees by way of top-up placing at HK\$0.93 per 2014 September Placing Share on 26 September 2014. The price per 2014 September Placing Share represents a discount of approximately 3.1% to the closing price of HK\$0.96 per share as quoted on the Stock Exchange on 23 September 2014. On 7 October 2014, Green Seas subscribed 165,000,000 ordinary shares issued by the Company which represented an aggregate nominal value of HK\$1,650,000 at a subscription price of HK\$0.93 for each share. Net proceeds from the placing of shares were approximately HK\$148.0 million after related share issue expenses, which represented approximately HK\$0.897 per share.

證券之配售

為籌集資金，擴大股東基礎及本公司資金基礎之目的，本公司分別於二零一四年六月十八日及二零一四年九月二十三日，與Green Seas Capital Limited (「Green Seas」) (一間有吳哲彥先生全資擁有之公司)及國泰君安證券(香港)有限公司訂立配售及認購本公司股份之協議。

根據二零一四年六月十八日訂立之配售協議，本公司於二零一四年六月二十三日以先舊後新方式向不少於六名獨立承配人配售200,000,000股股份(「二零一四年六月配售股份」)，每股作價0.80港元。每股二零一四年六月配售股份的價格較於二零一四年六月十八日在聯交所所報的收市價每股0.83港元折讓約3.61%。於二零一四年六月二十六日，Green Seas以每股認購價0.80港元認購本公司發行之200,000,000股(相等於總面值2,000,000港元)普通股。配售股份所得款項淨額減去相關發行股份費用後約為155.0百萬港元，相等於每股約0.775港元。

根據二零一四年九月二十三日訂立之配售協議，本公司於二零一四年九月二十六日以先舊後新方式向不少於六名獨立承配人配售165,000,000股股份(「二零一四年九月配售股份」)，每股作價0.93港元。每股二零一四年九月配售股份的價格較於二零一四年九月二十三日在聯交所所報的收市價每股0.96港元折讓約3.1%。於二零一四年十月七日，Green Seas以每股認購價0.93港元認購本公司發行之165,000,000股(相等於總面值1,650,000港元)普通股。配售股份所得款項淨額減去相關發行股份費用後約為148.0百萬港元，相等於每股約0.897港元。

The Directors consider that it is in the interests of the Company to raise capital from the equity market in order to enhance the capital base of the Company. The usage of the net proceeds raised under the two subscriptions above are disclosed in the section headed "Management Discussion and Analysis — Financial Review — Use of Net Proceeds from the Global Offering and Placing" in this report.

ISSUE OF UNLISTED DEBENTURES

On 29 August 2014, the Company entered into two subscription agreements with two subscribers for debentures with an aggregate principal of HK\$20.0 million due 29 August 2017. The debentures are unsecured, unlisted and not convertible into securities of the Company. The Directors consider that the issue of the debentures is an appropriate means of raising additional capital for the Company since it will not have any dilution effect on the shareholding of the existing shareholders. The net proceeds received by the Company was HK\$19.9 million.

PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of an issuer's total issued share capital must at all times be held by the public. Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficiency of public float at all times during the Year.

董事認為，自股本市場集資以加強本公司的股本基礎符合本公司的利益。集資所得款項淨額只使用情況詳見「管理層討論及分析 — 財務分析 — 全球發售及配售股份所得款項淨額的用途」一節。

發行非上市債券

於二零一四年八月二十九日，本公司與兩名認購者就本金合共20萬港元於二零一七年八月二十九日到期之債券訂立兩份認購協議。該等債券為無抵押，非上市，而且並不能轉換為本公司證券。董事認為發行債券是為本公司集資的一種合適方式，因為此方式將不會對現有股東的持股有任何攤薄影響。本公司收取的所得款項淨額為19.9百萬港元。

公眾持股量

上市規則第8.08(1)(a)條規定，公眾必須在任何時間內持有發行人的已發行股本總額至少25%。基於本公司可公開取得的資料及就董事所知，本公司於本年度內一直維持足夠的公眾持股量。

CONTINUING CONNECTED TRANSACTIONS

The following transactions of the Group constituted non-exempt continuing connected transactions (“Continuing Connected Transactions”) for the Company during the Year under the Listing Rules:

Sales to Zhangping Jiupengxi Ecological Tourism Development Company Limited (“Connected Party”)

The Connected Party is 85% owned by Mr. Wu Zheyuan and 10% owned by his mother.

Since December 2010, the Group has entered into a series of transactions with Connected Party by selling parts and structures of timber villas to Connected Party. In order to regulate the said transactions, we have entered into the Agreement for Sale and Purchase of Parts and Structures of Timber Villas (木屋構件及休閒家居用品之銷售及採購框架協議) with the Connected Party on 15 June 2012 (the “Connected Party Agreement”), pursuant to which we shall sell parts and structures of timber villas to Connected Party for the three years ending 31 December 2014 at the price to be agreed following arm’s length negotiations between the parties with reference to the production costs and the price offered to independent third parties. The Connected Party Agreement have been renewed and further extended to 31 December 2015.

It has been expected that the aggregate sales by us under the Connected Party Agreements for the year ended 31 December 2014 and the year ending 31 December 2015 will not exceed the annual caps of RMB8 million and RMB20 million respectively.

Our aggregate sales to Connected Party were RMB7,474,000 (2013: RMB7,323,000) for the year ended 31 December 2014. For details, please refer to note 30 to the financial statements.

持續關連交易

根據上市規則，於本年度，本集團以下交易構成本公司不獲豁免的持續關連交易（「持續關連交易」）：

向漳平市九鵬溪生態旅遊發展有限公司（「關連方」）銷售

該關聯方由吳哲彥先生及其母親分別擁有85%及10%。

本集團已自二零一零年十二月起與關連方進行一連串交易，向關連方銷售木屋的部件及構件。為規管上述交易，本集團已於二零一二年六月十五日與關連方訂立木屋構件及休閒家居用品之銷售及採購框架協議（「關連方協議」），據此，本集團截至二零一四年十二月三十一日止三個年度向關連方銷售木屋的部件及構件，價格乃經參考生產成本及提供予獨立第三方的價格經公平磋商後協定。該關聯方協議已經重續並延長至二零一五年十二月三十一日。

預期截至二零一四年及二零一五年十二月三十一日止年度內，本集團於關連方協議項下的銷售總額分別將不會超過年度上限人民幣8百萬元及人民幣20百萬元。

截至二零一四年十二月三十一日止年度，本集團向關連方作出的銷售總額為人民幣7,474,000元（二零一三年：人民幣7,323,000元）。有關詳情請參閱財務報表附註30。

Directors' Report (Continued)

董事會報告 (續)

The independent non-executive Directors have reviewed these connected transactions and confirmed that such transactions were:

- entered into in the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company, KPMG, have confirmed in a letter to the Board that nothing has come to their attention that caused them to believe that the Continuing Connected Transactions in the year ended 31 December 2014 (i) had not been approved by the Board of the Company, (ii) were not entered into, in all material respects, in accordance with the pricing policies of the Group, (iii) were not entered into, in material respects, in accordance with the relevant agreements governing such transactions, and (iv) had exceeded the cap disclosed in the Company's prospectus dated 25 June 2012.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are provided under note 30 to the financial statements, and none of which constitutes a discloseable connected transaction as defined under the Listing Rules.

獨立非執行董事已審閱此等關連交易並確認該等交易乃：

- 於本集團一般日常業務過程中訂立；
- 按正常商業條款，或倘沒有足夠可予比較交易判斷其是否按正常商業條款，則按不遜於本集團給予獨立第三方或從獨立第三方接受的條款進行；及
- 符合規管該等交易的有關協議，且其條款屬公平合理，並符合本公司股東之整體利益。

本公司核數師畢馬威會計師事務所已致函董事會確認，彼等並無發現任何事項致使彼等認為截至二零一四年十二月三十一日止年度之持續關連交易(i)尚未經本公司董事會批准、(ii)在所有重大方面並未有根據本集團之價格政策訂立、(iii)在所有重大方面並未有根據規管該等交易之有關協議訂立及(iv)已超逾本公司日期為二零一二年六月二十五日之招股章程所披露之上限。

關聯方交易

在日常業務過程中進行重大關聯方交易的詳情載於財務報表附註30，當中概無交易構成上市規則所界定的須予披露關連交易。

Directors' Report (Continued)

董事會報告 (續)

DEED OF NON-COMPETITION

The Company entered into a deed of non-competition (the “Deed of Non-Competition”) with Mr. Wu Zheyang and Green Seas Capital Limited (collectively referred to as the “Controlling Shareholders”) on 15 June 2012 so as to better safeguard the Group from any potential competition and to formalise the principles for the management of potential conflicts between them and to enhance our corporate governance in connection with the listing of the Company’s shares on the Stock Exchange.

The independent non-executive Directors have reviewed compliance by the Controlling Shareholders and confirm that based on confirmations and information provided by each of the Controlling Shareholders, they were in compliance with the Deed of Non-Competition during the Year.

The independent non-executive Directors were not required to review any matter in relation to compliance and enforcement of the Deed of Non-Competition during the Year.

TAX RELIEF AND EXEMPTION

The Company is not aware that any holders of securities of the Company are entitled to any tax relief or exemption by reason of their holding of such securities.

AUDITOR

KPMG will retire and, being eligible, offer themselves for re-appointment. A resolution for the reappointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Wu Zheyang

Chairman

Hong Kong, 26 March 2015

不競爭契據

本公司已於二零一二年六月十五日與吳哲彥先生及 Green Seas Capital Limited (統稱「控股股東」) 訂立不競爭契據(「不競爭契據」)，以更好地保障本集團免受任何潛在競爭，並規範針對彼等之間潛在衝突的管理原則，以及就本公司股份於聯交所上市加強本集團的企業管治。

獨立非執行董事已審閱控股股東的合規情況，並確認基於各控股股東所提供的確認書及資料，彼等於本年度內已遵守不競爭契據。

獨立非執行董事毋須在本年度內審閱有關遵守及執行不競爭契據的任何事宜。

稅務減免

本公司並不知悉本公司證券之任何持有人因其持有有關證券而享有任何稅務減免。

核數師

畢馬威會計師事務所將會退任，並符合資格且願意應聘連任。續聘畢馬威會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

代表董事會

主席

吳哲彥

香港，二零一五年三月二十六日

Board of Directors and Senior Management

董事會及高級管理層

Biographies of each member of the board of directors and senior management team are set out below:

EXECUTIVE DIRECTORS

Wu Zheyang (Mr. Wu), aged 35, is an executive Director, chairman and chief executive officer of the Company. Mr. Wu was appointed as a Director on 17 October 2011. He joined Fujian Zhangping Kimura Forestry Products Co. Ltd (“Zhangping Kimura”) as a workshop director since 1997 and obtained knowledge and experiences in the timber products industry including the production process, research and development works and the invention process of new timber products. Mr. Wu became the general manager in May 2000 and the director and legal representative of Zhangping Kimura in January 2006.

Mr. Wu graduated from Sichuan University in June 2009 with a Diploma in business administration (Distance education). Mr. Wu is the visiting professor of Central South University of Forestry and Technology and Fujian Agriculture and Forestry University. Mr. Wu is a son of Mr. Wu Dongping and a nephew of Mr. QS Wu.

Wu Qingshan (Mr. QS Wu), aged 46, was appointed as a Director on 15 June 2012. Mr. QS Wu is currently in charge of marketing and production management for the Group. Mr. QS Wu has over 24 years of experience in timber products enterprise management. Before joining the Group, Mr. QS Wu served as a deputy director of Zhangping Textile Machinery Factory (漳平市紡織器材廠副廠長) from 1993 to 1995 and a technician of Zhangping Xinan Timber Processing Factory (漳平市溪南木材綜合加工廠) from 1986 to 1993. Since the foundation of the Group in 1995, Mr. QS Wu has been a director and a deputy general manager of Zhangping Kimura.

Mr. QS Wu is an uncle of Mr. Wu and a brother-in-law of Mr. Wu Dongping.

各董事會及高級管理層成員的履歷如下：

執行董事

吳哲彥(吳先生)，35歲，本公司執行董事、主席兼行政總裁。吳先生於二零一一年十月十七日獲委任為董事。彼自一九九七年起加入福建省漳平木村林產有限公司(「漳平木村」)擔任車間主任，並獲得木材產品行業(包括生產流程、研發工程及新木材產品的開發流程)的知識及經驗。吳先生於二零零零年五月擔任總經理，並於二零零六年一月擔任漳平木村的董事兼法人代表。

吳先生於二零零九年六月畢業於四川大學，獲得工商管理文憑(遠距教育)。吳先生為中南林業科技大學及福建農林大學客座教授。吳先生為吳冬平先生之子，吳青山先生之侄。

吳青山(吳青山先生)，46歲，於二零一二年六月十五日獲委任為董事。吳青山先生目前主要負責本集團的市場營銷兼生產管理事宜。吳青山先生有逾24年的木材製品企業的管理經驗。在加入本集團前，吳青山先生曾於一九九三年至一九九五年期間擔任漳平市紡織器材廠副廠長一職，於一九八六年至一九九三年期間擔任漳平市溪南木材綜合加工廠技術員一職。於一九九五年本集團創立後，吳青山先生一直擔任漳平木村董事兼副總經理。

吳青山先生為吳先生的姑父，吳冬平先生的妹夫。

Board of Directors and Senior Management (Continued)

董事會及高級管理層 (續)

Xie Qingmei (Ms. Xie), aged 47, was appointed as a Director on 15 June 2012. Ms. Xie is primarily responsible for procurement matters in respect of the Group. She has over 12 years of experience in corporate management and procurement. Ms. Xie joined the Group in 1999, and she has been a deputy general manager of Zhangping Kimura since 2001 and a director of Zhangping Kimura since 2006. Ms. Xie was in charge of the sales department of Zhangping Kimura as well as supervising procurement from June 1999 to December 2000, and has been running the procurement department of Zhangping Kimura since 2003.

NON-EXECUTIVE DIRECTORS

Wu Dongping, aged 60, is a non-executive Director of the Company since 15 June 2012 and is also the founder of our Group. Mr. Wu Dongping was the chief engineer of Zhangping Kimura from February 2006 to November 2010. Before the founding of the Group, Mr. Wu Dongping was the chairman and the general manager of Zhangping Kimura from December 1995 to January 2006 and the director of Zhangping Textile Machinery Factory in Fujian (福建省漳平市紡織器材廠) from December 1992 to November 1995, respectively. Mr. Wu Dongping has been a member of the Technical Committee of Structural Use of Wood under the National Committee of Standardisation Technology of Timber (全國木材標準化技術委員會結構用木材分技術委員會). He was elected as a member of The 4th Preservation Committee of Wood Industry Institute, Chinese Society of Wood Industry (中國林學會木材工業分會木材研究所保護研究會第四屆委員會) in April 2007 and was elected to the position of vice president of the China Wood Preservation Industry Association (中國木材保護工業協會) in October 2011. Mr. Wu Dongping has over 20 years of experience in the fields of wood processing, preservation and timber structures. Mr. Wu Dongping has participated in, on behalf of our Group, the drafting of two PRC national and forestry industry standards, and has been involved in the reviewing of PRC national and forestry industry standards.

Mr. Wu Dongping is the father of Mr. Wu and the brother-in-law of Mr. QS Wu.

謝清美(謝女士)，47歲，於二零一二年六月十五日獲委任為董事。謝女士主要負責本集團的採購事宜，彼在企業管理及採購方面擁有逾12年的豐富經驗。謝女士於一九九九年加入本集團，分別自二零零一年及二零零六年起一直擔任漳平木村副總經理及漳平木村董事。謝女士自一九九九年六月起至二零零零年十二月止負責漳平木村銷售部並兼管採購事宜，且自二零零三年開始負責管理漳平木村的採購部門。

非執行董事

吳冬平，60歲，本集團的創辦人，自二零一二年六月十五日起為本公司非執行董事。吳冬平先生自二零零六年二月起至二零一零年十一月止於漳平木村擔任總工程師一職。在創立本集團前，吳冬平先生曾分別自一九九五年十二月起至二零零六年一月止期間擔任漳平木村董事長兼總經理，並自一九九二年十二月起至一九九五年十一月止期間擔任福建省漳平市紡織器材廠廠長。吳冬平先生為全國木材標準化技術委員會結構用木材分技術委員會委員。彼於二零零七年四月當選中國林學會木材工業分會木材研究所保護研究會第四屆委員會委員，並於二零一一年十月當選為中國木材保護工業協會副會長。吳冬平先生在木材加工、保護及木結構技術領域擁有超過20年的經驗。吳冬平先生曾兩次代表本集團參與起草國家行業標準及林業行業標準，並參與國家行業標準及林業行業標準的審議工作。

吳冬平先生為吳先生的父親，吳青山先生的妻舅。

Board of Directors and Senior Management (Continued)

董事會及高級管理層(續)

Lee Kong Wai, Conway (Mr. Lee), aged 59, has over 30 years of experience in public accounting and auditing, corporate finance, merger and acquisition and initial public offerings. Mr. Lee served at Ernst & Young from September 1980 to September 2009. Mr. Lee was a partner of Ernst & Young and held key leadership positions in the development of Ernst & Young in China. Mr. Lee graduated from Kingston University (formerly known as Kingston Polytechnic) in London with a Bachelor's degree in Arts in July 1980 and further obtained his postgraduate diploma in business from Curtin University of Technology in Australia in February 1988.

Mr. Lee is currently an independent non-executive director of China Modern Dairy Holdings Ltd. (stock code: 1117), West China Cement Limited (stock code: 2233), Chaowei Power Holdings Limited (stock code: 951), GOME Electrical Appliances Holding Limited (stock code: 493), Tibet 5100 Water Resources Holdings Ltd (stock code: 1115), NVC Lighting Holding Limited (stock code: 2222), Yashili International Holdings Ltd (stock code: 1230), GCL New Energy Holdings Limited (formerly Same Time Holdings Limited) (stock code: 451), China Rundong Auto Group Limited (stock code: 1365) and WH Group Limited (stock code: 288), all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and CITIC Securities Company Limited, a company listed on the Stock Exchange (stock code: 6030) and the Shanghai Stock Exchange (stock code: 600030). From October 2009 to August 2013, Mr. Lee served as an independent non-executive director of China Taiping Insurance Holdings Company Limited, a company listed on the Stock Exchange (stock code: 966). From September 2009 to December 2011, Mr. Lee served as an independent non-executive director of Sino Vanadium Inc., a company listed on the TSX Venture Exchange (stock code: SVX).

Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants respectively. Since 2007, Mr. Lee has been a member of Chinese People's Political Consultative Conference of Hunan Province.

李港衛(李先生)，59歲，於執業會計及審核、公司財務、合併及收購以及首次公開發售方面擁有逾30年經驗。李先生於一九八零年九月至二零零九年九月任職於安永會計師事務所。李先生曾擔任安永會計師事務所合夥人，並在安永會計師事務所中國業務的發展中擔任領導職務。李先生於一九八零年七月畢業於倫敦金斯頓大學(前稱為金斯頓理工學院)，獲得文學學士學位，並於一九八八年二月獲頒發澳洲科廷科技大學的商學深造文憑。

李先生現為中國現代牧業控股有限公司(股份代號：1117)、中國西部水泥有限公司(股份代號：2233)、超威動力控股有限公司(股份代號：951)、國美電器控股有限公司(股份代號：493)、西藏5100水資源控股有限公司(股份代號：1115)、雷士照明控股有限公司(股份代號：2222)、雅士利國際控股有限公司(股份代號：1230)及協鑫新能源控股有限公司(前稱Same Time Holdings Limited)(股份代號：451)、中國潤東汽車集團有限公司(股份代號：1365)及萬洲國際有限公司(股份代號：288)(上述均為在香港聯合交易所有限公司(「聯交所」)主板上市的公司)及中信證券股份有限公司(一間在聯交所(股份代號：6030)及上海證券交易所(股份代號：600030)上市的公司)的獨立非執行董事。由二零零九年十月至二零一三年八月，李先生為中國太平保險控股有限公司(一間在聯交所上市的公司)(股份代號：966)之獨立非執行董事。由二零零九年九月至二零一一年十二月，李先生為Sino Vanadium Inc.(一間在多倫多證券交易所創業板(股份代號：SVX)上市的公司)之獨立非執行董事。

李先生為英格蘭及威爾斯特許會計師協會會員、澳洲特許會計師公會會員、英國特許會計師公會會員、香港會計師公會會員及澳門註冊會計師公會會員。自二零零七年起，李先生一直為中國人民政治協商會議湖南省委員。

Board of Directors and Senior Management (Continued)

董事會及高級管理層 (續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lam Hin Chi (Mr. Lam), aged 50, was appointed as an independent non-executive Director of the Company since 15 June 2012. Mr. Lam is a fellow member of The Association of Chartered Certified Accountants, and an associate member of The Chartered Institute of Management Accountants, The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants, respectively. Mr. Lam graduated from The Hong Kong Polytechnic University with a Professional Diploma in Management Accountancy and a Bachelor of Arts degree (Honours) in Accountancy. Mr. Lam has over 26 years of experience in finance, audit and accounting. Mr. Lam was a senior personnel of a number of companies listed on the Main Board of the Stock Exchange.

Mr. Lam is currently an independent non-executive director of VST Holdings Limited (stock code: 856), which is listed on the Main Board of the Stock Exchange.

Professor Jin Zhongwei (Professor Jin), aged 77, was appointed as an independent non-executive Director of the Company since 15 June 2012. He is an expert in wood preservation with over 37 years of experience in wood preservation. Professor Jin graduated from Nanjing Forestry College in 1961 and majored in forestry products chemical processing. He studied wood preservation and modification technologies in the United States as a government-appointed scholar from 1981 to 1983, and was a visiting scholar at Oregon State University and Mississippi State University from 1994 to 1995 respectively.

獨立非執行董事

藍顯賜(藍先生)，50歲，自二零一二年六月十五日起獲委任為本公司獨立非執行董事。藍先生分別為英國特許公認會計師公會資深會員，亦為英國特許管理會計師公會、英格蘭及威爾斯特許會計師公會及香港會計師公會會員。藍先生畢業於香港理工大學，獲管理會計學專業文憑及會計學(榮譽)文學士學位。藍先生在財務、審計及會計範疇有超過26年經驗。藍先生曾為多間在聯交所主板上市的公司的高級人員。

藍先生現為偉仕控股有限公司(股份代號：856)之獨立非執行董事，該公司於聯交所主板上市。

金重為教授(金教授)，77歲，自二零一二年六月十五日起獲委任為本公司獨立非執行董事。彼為木材保護領域專家，在木材保護研究領域擁有逾37年的經驗。金教授於一九六一年畢業於南京林業學院，主修林業產品化學加工。他曾於一九八一年至一九八三年期間以公派學者身份赴美國進修學習木材保護與改性技術，於一九九四年至一九九五年分別擔任美國俄勒岡州立大學和密西西比州立大學訪問學者。

Board of Directors and Senior Management (Continued)

董事會及高級管理層(續)

Professor Su Wenqiang (Professor Su), aged 59, was appointed as an independent non-executive Director of the Company since 15 June 2012. Professor Su has more than 30 years of experience in the research of forestry and timber products. Professor Su was awarded as Model Member of the Communist Party (優秀共產黨員) from 2006 to 2007, and was appointed as various positions in timber industry, e.g., council member of Standing Committee of the Heilongjiang Province Chemistry Society (黑龍江省化工學會理事會) (in December 2004), committee member of Wood Science Institute of the Chinese Society of Forestry (中國林學會木材科學分會) (in April 2010), member of Board of Experts of Standardisation Committee of China Timber and Wood Products Distribution Association Wood Preservation Committee (中國木材與木製品流通協會木材防腐專業委員會專家指導委員會) (in December 2009), member of Board of Experts Committee of Standardisation Committee of China Wood Preservation Industry Association (中國木材保護工業協會專家委員會) (in October 2011), committee member of the Wood Preservation Research Committee of the Wood Science Institute of the Chinese Society of Forestry (中國林學會木材科學分會木材保護研究會委員會) (in April 2007) and editor of editorial committee of Biomass Chemical Engineering published by Institute of Chemical Industry of Forest Products (中國林業科學研究院林產化學工業研究所《生物質化學工程》) (in December 2010). Professor Su graduated from Northeast Forestry University in July 1982, major in professional chemical processing of forestry products (林產化學加工工程專業), and obtained a Doctorate Degree in December 2008.

SENIOR MANAGEMENT

Chen Tianfu (Mr. Chen), aged 49, is the chief financial officer of our Group. Since joining our Group in 2009, Mr. Chen has been responsible for our Group's financial management affairs. Prior to joining our Group, Mr. Chen was in charge of the financial departments of Jiangxi Sanhua Real Estate Co. Ltd. (江西三華置業有限公司) and Fujian Dufeng Sugar Factory (福建省度峰糖廠) respectively. Mr. Chen has over 20 years of experience in corporate financial management and possesses the qualifications of an accountant in the PRC. Mr. Chen graduated from Fujian Quanzhou Supply and Sales School (福建省泉州供銷學校) in 1986 majoring in financial accounting with a secondary vocational school diploma.

蘇文強教授(蘇教授)，59歲，於二零一二年六月十五日起獲委任為本公司的獨立非執行董事。蘇教授於林學及木製品研究領域有超過30年資歷。蘇教授於二零零六年至二零零七年期間，榮獲優秀共產黨員的稱號，並獲委任木材行業的多個職位，例如黑龍江省化工學會理事會理事(於二零零四年十二月)、中國林學會木材科學分會委員會委員(於二零一零年四月)、中國木材與木製品流通協會木材防腐專業委員會專家指導委員會委員(於二零零九年十二月)、中國木材保護工業協會專家委員會委員(於二零一一年十月)、中國林學會木材科學分會木材保護研究會委員會委員(於二零零七年四月)及中國林業科學研究院林產化學工業研究所《生物質化學工程》編輯委員會編委(於二零一零年十二月)。蘇教授於一九八二年七月畢業於東北林業大學，主修林產化學加工工程專業，並於二零零八年十二月獲得博士學位。

高級管理層

陳天福(陳先生)，49歲，為本集團首席財務官。陳先生自二零零九年起加入本集團至今，一直負責本集團的財務管理事務。陳先生在加入本集團前，曾於江西三華置業有限公司及福建省度峰糖廠擔任財務部門負責人職務。陳先生在企業財務管理方面擁有逾20年經驗，擁有中國會計師資格。陳先生於一九八六年畢業於福建省泉州供銷學校主修財務會計，並取得中專文憑。

Board of Directors and Senior Management (Continued)

董事會及高級管理層 (續)

Wong Wai Lun (Mr. Wong), aged 31, joined our Group in January 2014, is the group financial controller and company secretary of the Group. Mr. Wong is responsible for our Group's accounting and financial management. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and has over 9 years of experience in the field of accounting and auditing services. Prior to joining our Group, Mr. Wong was an audit manager of KPMG. Mr. Wong obtained a Bachelor Degree in Commerce from the University of Queensland, Australia in 2004.

黃偉倫(黃先生)，31歲，於二零一四年一月加入本集團，為本集團的集團財務總監及公司秘書。黃先生負責本集團的會計及財務管理。黃先生為香港會計師公會會員，並於會計及審核服務範疇擁有逾9年經驗。加入本集團前，黃先生於畢馬威會計師事務所擔任審計經理。黃先生於二零零四取得澳洲昆士蘭大學商學士學位。

Independent Auditor's Report

獨立核數師報告



Independent auditor's report to the shareholders of
Merry Garden Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Merry Garden Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 62 to 164, which comprise the consolidated and company statements of financial position as at 31 December 2014, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

獨立核數師報告
致美麗家園控股有限公司股東
(於開曼群島註冊成立的有限公司)

我們已審計美麗家園控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載列於第62頁至第164頁的綜合財務報表。此綜合財務報表包括於二零一四年十二月三十一日的綜合及公司財務狀況表，及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要和其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的《國際財務報告準則》及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公允的反映及落實其認為編制綜合財務報表所必要的內部監控，使綜合財務報表的列報不存在因欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見。我們僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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

Independent Auditor's Report (Continued)

獨立核數師報告(續)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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 Company and of the Group as at 31 December 2014 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2015

審計涉及執行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證據。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有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而公允地呈列綜合財務報表相關的內部控制，以設計適當的審計程序，但並非為對公司的內部控制的有效性發表意見。審計亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計證據是充分和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而公允地反映 貴公司及 貴集團於二零一四年十二月三十一日的事務狀況及 貴集團截至該日止年度的溢利和現金流量，並已根據香港《公司條例》的披露要求妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一五年三月二十六日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

		Note	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
		附註		
Turnover	營業額	4	701,231	475,051
Cost of sales	銷售成本		(522,818)	(323,317)
Gross profit	毛利		178,413	151,734
Other revenue	其他收入	5(a)	17,888	23,070
Other net gain	其他收益淨額	5(b)	2,172	48,683
Selling and distribution expenses	銷售及分銷開支		(21,714)	(13,818)
Administrative expenses	行政開支		(56,279)	(46,979)
Profit from operations	經營溢利		120,480	162,690
Finance costs	融資成本	6(a)	(11,326)	(5,463)
Profit before taxation	除稅前溢利	6	109,154	157,227
Income tax	所得稅	7(a)	(18,344)	(32,806)
Profit for the year	年內溢利		90,810	124,421
Earnings per share	每股盈利			
Basic and diluted (RMB)	基本及攤薄(人民幣元)	11	0.08	0.12

The notes on pages 70 to 164 form part of these consolidated financial statements. Details of dividends payable to equity shareholders of the company attributable to the profit for the year are set out in note 28(b).

第70頁至第164頁的附註為本綜合財務報表的一部分。應付本公司權益持有人股息應佔年內溢利的詳情載於附註28(b)。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年內溢利	90,810	124,421
Other comprehensive income for the year (after tax adjustment)	年內其他全面收益 (經稅項調整後)		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益表的項目：</i>		
Exchange differences on translation of financial statements of subsidiaries outside the People's Republic of China (the "PRC"), net of nil tax	換算中華人民共和國 (「中國」) 境外附屬公司財務報表產生的匯兌差額，扣除零稅項	6	1,050
Total comprehensive income for the year	年內全面收益總額	90,816	125,471

The notes on pages 70 to 164 form part of these consolidated financial statements.

第70頁至第164頁的附註為本綜合財務報表的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2014 於二零一四年十二月三十一日
(Expressed in Renminbi) (以人民幣列示)

		Note	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	293,935	198,303
Lease prepayments	租賃預付款	13	50,290	51,307
Non-current prepayments for acquisitions of property, plant and equipment	收購物業、廠房及設備的非即期預付款	14	48,311	51,302
Interest in an associate	於聯營公司的權益	15	631	–
Other financial assets	其他金融資產	16	2,495	2,495
Deferred tax assets	遞延稅項資產	18(b)	5,414	4,821
			401,076	308,228
Current assets	流動資產			
Inventories	存貨	19	297,528	191,709
Current portion of lease prepayments	租賃預付款的即期部分	13	1,056	1,096
Trade and other receivables	貿易及其他應收款項	20	278,660	162,372
Entrusted loans	委託貸款	21	30,000	–
Pledged deposits	已抵押存款	22	99,268	68,601
Cash and cash equivalents	現金及現金等價物	23(a)	174,144	75,052
			880,656	498,830
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	19,356	23,937
Bank loans	銀行貸款	25	345,699	239,651
Current portion of deferred income	遞延收入的即期部分	26	1,163	1,179
Current taxation	即期稅項	18(a)	29,198	20,517
			395,416	285,284
Net current assets	流動資產淨值		485,240	213,546

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

At 31 December 2014 於二零一四年十二月三十一日
(Expressed in Renminbi) (以人民幣列示)

		Note	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
		附註		
Total assets less current liabilities	總資產減流動負債		886,316	521,774
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	27	67,397	25,097
Non-current portion of deferred income	遞延收入的非即期部分	26	19,527	18,314
Deferred tax liabilities	遞延稅項負債	18(b)	2,050	1,191
			88,974	44,602
NET ASSETS	資產淨值		797,342	477,172
CAPITAL AND RESERVES	資本及儲備			
Capital	資本	28(c)	11,053	8,135
Reserves	儲備		786,289	469,037
TOTAL EQUITY	權益總額		797,342	477,172

Approved and authorised for issue by the board of directors on 26 March 2015.

於二零一五年三月二十六日獲董事會批准及授權刊發。

Wu Zheyang

吳哲彥

Chairman

主席

Xie Qingmei

謝清美

Director

董事

The notes on pages 70 to 164 form part of these consolidated financial statements.

第70頁至第164頁的附註為本綜合財務報表的一部分。

Statement of Financial Position

財務狀況表

At 31 December 2014 於二零一四年十二月三十一日
(Expressed in Renminbi) (以人民幣列示)

		Note 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司的權益	17	356,181	117,306
Current assets	流動資產			
Deposits and other prepayments	按金及其他預付款	20	399	301
Cash and cash equivalents	現金及現金等價物	23(a)	85	47
			484	348
Current liabilities	流動負債			
Other payables	其他應付款項	24	2,409	1,179
Net current liabilities	流動負債淨額		(1,925)	(831)
Total assets less current liabilities	資產總值減流動負債		354,256	116,475
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	27	15,778	–
NET ASSETS	資產淨值		338,478	116,475
CAPITAL AND RESERVES	資本及儲備	28(a)		
Capital	資本		11,053	8,135
Reserves	儲備		327,425	108,340
TOTAL EQUITY	權益總額		338,478	116,475

Approved and authorised for issue by the board of directors on 26 March 2015.

於二零一五年三月二十六日獲董事會批准及授權刊發。

Wu Zheyang
吳哲彥
Chairman
主席

Xie Qingmei
謝清美
Director
董事

The notes on pages 70 to 164 form part of these consolidated financial statements.

第70頁至第164頁的附註為本綜合財務報表的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

		Attributable to equity holders of the Company 本公司權益持有人應佔					
		Share capital 股本 RMB'000 人民幣千元 (note 28(c)) (附註28(c))	Share premium 股份溢價 RMB'000 人民幣千元 (note 28(d)(i)) (附註28(d)(i))	Exchange reserve 匯兌儲備 RMB'000 人民幣千元 (note 28(d)(ii)) (附註28(d)(ii))	Statutory reserve 法定儲備 RMB'000 人民幣千元 (note 28(d)(iii)) (附註28(d)(iii))	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	8,135	126,262	3,031	24,612	200,201	362,241
Changes in equity for 2013:	二零一三年權益變動:						
Profit for the year	年內溢利	-	-	-	-	124,421	124,421
Other comprehensive income	其他全面收益	-	-	1,050	-	-	1,050
Total comprehensive income	全面收益總額	-	-	1,050	-	124,421	125,471
Dividends approved and paid in respect of the previous year	過往年度已批准及已付股息	-	(10,540)	-	-	-	(10,540)
Appropriations to statutory reserve	撥往法定儲備	-	-	-	14,162	(14,162)	-
		-	(10,540)	-	14,162	(14,162)	(10,540)
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及二零一四年一月一日	8,135	115,722	4,081	38,774	310,460	477,172
Changes in equity for 2014:	二零一四年權益變動:						
Profit for the year	年內溢利	-	-	-	-	90,810	90,810
Other comprehensive income	其他全面收益	-	-	6	-	-	6
Total comprehensive income	全面收益總額	-	-	6	-	90,810	90,816
Issue of shares upon placing	配售時發行股份	2,918	236,753	-	-	-	239,671
Dividends approved and paid in respect of the previous year	過往年度已批准及已付股息	-	(10,317)	-	-	-	(10,317)
Appropriations to statutory reserve	撥往法定儲備	-	-	-	8,517	(8,517)	-
		2,918	226,436	-	8,517	(8,517)	229,354
At 31 December 2014	於二零一四年十二月三十一日	11,053	342,158	4,087	47,291	392,753	797,342

The notes on pages 70 to 164 form part of these consolidated financial statements.

第70頁至第164頁的附註為本綜合財務報表的一部分。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

			2014	2013
			二零一四年	二零一三年
		<i>Note</i>	RMB'000	RMB'000
		<i>附註</i>	人民幣千元	人民幣千元
Operating activities	經營活動			
Cash (used in)/generated from operations	經營業務(所用)/所得現金	23(b)	(94,305)	33,988
Income tax paid	已付所得稅		(9,397)	(20,822)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額		(103,702)	13,166
Investing activities	投資活動			
Payment for the purchase of property, plant and equipment	就購買物業、廠房及設備付款		(105,550)	(136,076)
Receipt of government grants to subsidise capital expenditure	收取就資本開支的政府補助金		2,350	-
Interest received	已收利息		3,446	833
Payment for investment in an associate	支付於聯營公司的投資		(900)	-
Entrusted loans to a third party	應付第三方之委託貸款		(30,000)	-
Consideration received from land resumption	已收土地收儲代價		-	62,390
Proceeds of disposal of land use right	出售土地使用權所得款項		-	4,085
Proceeds for disposal of property, plant and equipment	出售物業、廠房及設備所得款項		49	3
Net cash used in investing activities	投資活動所用現金淨額		(130,605)	(68,765)

Consolidated Cash Flow Statement (Continued)

綜合現金流量表 (續)

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
	Note 附註		
Financing activities	融資活動		
Proceeds from new bank loans	新增銀行貸款所得款項	741,570	555,521
Repayments of bank loans	償還銀行貸款	(609,000)	(416,455)
Proceeds from issue of unsecured debentures	發行無抵押債券所得款項	15,778	-
Increase in pledged deposits	已抵押存款增加	(30,667)	(59,450)
Interest paid	已付利息	(13,617)	(8,495)
Dividend paid to equity shareholders of the company	支付本公司權益股東股息	(10,317)	(10,540)
Net proceeds from issue of shares upon placing, net of issuing costs	配售時發行股份的所得款項淨額，扣除發行開支	239,671	-
Net cash generated from financing activities	融資活動所得現金淨額	333,418	60,581
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	99,111	4,982
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	75,052	70,041
Effect of foreign exchange rate changes	匯率變動的影響	(19)	29
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	174,144	75,052
	23(a)		

The notes on pages 70 to 164 form part of these consolidated financial statements.

第70頁至第164頁的附註為本綜合財務報表的一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

1 GENERAL INFORMATION

Merry Garden Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 17 October 2011 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company was listed on the Stock Exchange on 6 July 2012.

The consolidated financial statements for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the “Group”). The consolidated financial statements were authorised for issue by the Directors on 26 March 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

1 一般資料

美麗家園控股有限公司(「本公司」)於二零一一年十月十七日根據開曼群島法例第22章公司法(一九六一年法例第3號，經綜合及修訂)在開曼群島註冊成立為獲豁免有限責任公司。本公司於二零一二年七月六日在聯交所上市。

截至二零一四年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。綜合財務報表獲董事會於二零一五年三月二十六日授權刊發。

2 重大會計政策

(a) 合規聲明

此等綜合財務報表乃按照一切適用國際財務報告準則(「國際財務報告準則」)編製，國際財務報告準則為國際會計準則委員會(「國際會計準則委員會」)頒佈的一切適用個別國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋。該等財務報表亦符合香港公司條例的適用披露要求(按載列於新香港公司條例(第622章)附表11第76至87條條文內有關第9部「賬目及審核」的過渡性及保留安排的規定，該等財務報表於本財政年度及比較期間繼續根據適用的前公司條例(第32章)的規定而作出披露)。此等財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露條文。本集團採納的重大會計政策摘要載列如下。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Statement of compliance (Continued)

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

These consolidated financial statements are presented in RMB, rounded to the nearest thousand. The measurement basis used in the preparation of the financial statements is the historical cost basis except that derivative financial instruments are stated at their fair value (see note 2(g)).

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

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

Judgements made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 3.

2 重大會計政策^(續)

(a) 合規聲明^(續)

國際會計準則委員會已頒佈若干新訂及經修訂國際財務報告準則，且於本集團的本會計期間首次生效或可供提早採用。首次應用此等新訂及經修訂國際財務報告準則所引致本會計期間及過往會計期間的任何會計政策變動已於此等財務報表內反映，有關資料載列於附註2(c)。

(b) 財務報表編製基準

此等綜合財務報表乃以人民幣呈報，並四捨五入至最接近千元。編製財務報表所採用的計量基準為歷史成本法，惟衍生金融工具乃以公平值列賬（見附註2(g)）。

根據國際財務報告準則，於編製財務報表時，管理層必須作出影響政策應用及資產、負債、收入及費用呈報金額的判斷、估計及假設。該等估計及相關假設乃根據過往經驗及在各種情況下被視為合理的各種其他因素為基礎，有關結果作為對無法自其他來源獲得的資產及負債的賬面值作出判斷的依據。實際結果可能有別於該等估計。

該等估計及相關假設會持續予以審閱。如會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂僅會在該期間內確認；如會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間和未來期間內確認。

管理層採納國際財務報告準則時所作對綜合財務報表有重大影響的判斷以及估計不明朗因素的主要來源在附註3中討論。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies

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

- Amendments to IFRS 10, IFRS 12 and IAS 27, *Investment entities*
- Amendments to IAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to IAS 36, *Recoverable amount disclosures for non-financial assets*
- IFRIC 21, *Levies*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended IFRSs are discussed below:

Amendments to IFRS 10, IFRS 12 and IAS 27, *Investment entities*

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended IFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

2 重大會計政策(續)

(c) 會計政策變動

國際會計準則委員會已頒佈若干於本集團及本公司的本會計期間首次生效的經修訂國際財務報告準則及一項新訂詮釋。其中，與本集團財務報表有關的變動如下：

- 經修訂國際財務報告準則第10號、國際財務報告準則第12號、國際會計準則第27號，*投資實體*
- 經修訂國際會計準則第32號，*抵銷金融資產及金融負債*
- 經修訂國際會計準則第36號，*非金融資產之可收回金額披露*
- 國際財務報告詮釋委員會第21號，*徵費*

本集團並無應用於本會計期間尚未生效的任何新訂準則或詮釋。採納新訂或經修訂國際財務報告準則的影響載述如下：

經修訂國際財務報告準則第10號、國際財務報告準則第12號、國際會計準則第27號，*投資實體*

有關修訂規定對合資格為經修訂國際財務報告準則第10號所定義投資主體之母公司提供綜合入帳豁免。投資主體必須通過損益以公平值評估附屬公司。由於本公司並不合資格為投資實體，該等修訂對該等財務報表產生並無影響。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Changes in accounting policies (Continued)

Amendments to IAS 32, Offsetting financial assets and financial liabilities

The amendments to IAS 32 clarify the offsetting criteria in IAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to IAS 36, Recoverable amount disclosures for non-financial assets

The amendments to IAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or CGU whose recoverable amount is based on fair value less costs of disposal. The amendments do not have a significant impact on the Group's financial statements.

IFRIC 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

2 重大會計政策^(續)

(c) 會計政策變動^(續)

經修訂國際會計準則第32號，抵銷金融資產及金融負債

國際會計準則第32號之修訂澄清國際會計準則第32號的抵銷條件。由於該等修訂與本集團已採用的政策一致，因此該等修訂對該等財務報表並無產生影響。

國際會計準則第36號之修訂，非金融資產之可收回金額披露

國際會計準則第36號之修訂乃修改已減值非金融資產的披露規定。其中，該等修訂擴大對可收回金額按公平值減出售成本計算的已減值資產或已減值現金產生單位的披露規定。該等修訂對本集團的財務報表並無影響。

國際財務報告詮釋委員會第21號，徵費

該詮釋就政府徵費負債的確認作出指引。該項修訂對該等財務報表無並無產生影響，因為該指引與本集團的現行會計政策一致。

(d) 附屬公司

附屬公司指本集團控制的實體。當本集團對參與該實體業務的浮動回報承擔風險或享有權利以及能透過對該實體行使權力影響該等回報時，即本集團對該實體擁有控制權。於評估本集團是否擁有該權力時，僅會考慮本集團或其他人士持有的實質權力。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Subsidiaries (Continued)

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)).

(e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(k)(i)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

2 重大會計政策(續)

(d) 附屬公司(續)

於附屬公司的投資自控制權開始當日計入綜合財務報表，直至控制權終止當日為止。集團內公司間的結餘、交易及現金流量，以及集團內公司間交易所產生的任何未變現溢利，在編製綜合財務報表時均全數抵銷。集團內公司間交易所產生的未變現虧損則僅在無出現減值證據的情況下以與抵銷未變現溢利的相同的方法抵銷。

於本公司的財務狀況表中，於附屬公司的投資按成本減值虧損列賬(見附註2(k))。

(e) 聯營公司

聯營公司指本集團或本公司擁有重大影響力，但並無單獨或共同控制其管理事宜(包括參與財務及營運決策)之實體。

於聯營公司的投資在綜合財務報表中以權益法入賬。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司收購當日可識別資產淨值之公平值超出投資成本的部分(如有)作出調整。此後，該投資因本集團所佔被投資公司資產淨值份額於收購後的變動及與投資有關之任何減值虧損作出調整(見附註2(k)(i))。收購當日超出成本的任何部分、本集團年內應佔被投資公司收購後的稅後業績以及任何減值虧損於綜合損益表確認，而本集團應佔被投資公司收購後的稅後其他全面收益項目於綜合損益及其他全面收益表內確認。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Associates (Continued)

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

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

(f) Other investments in equity securities

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

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

Investments in equity securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends earned on these investments.

2 重大會計政策(續)

(e) 聯營公司(續)

當本集團應佔聯營公司的虧損超出應佔權益時，本集團的權益將調減至零，並且不再確認其他虧損，惟倘本集團須承擔法定或推定責任，或代表被投資公司付款則除外。就此而言，本集團的權益是按權益法計算的投資賬面值加上實質上屬於本集團對聯營公司投資淨額一部分的本集團長期權益。

本集團與其聯營公司交易所產生的未變現損益，以本集團所佔被投資公司的權益為限抵銷，惟倘有證據顯示未變現虧損是由於所轉讓資產出現減值所致，則即時於損益確認。

(f) 其他股本證券投資

本集團及本公司股本證券投資(於附屬公司的投資除外)的政策如下：

股本證券投資最初以公平值(亦即其交易價格)列賬，除非確定於初始確認時的公平值有別於交易價格，且該公平值以相同資產或負債在活躍市場的報價作依據，或採用僅輸入可觀察市場數據的估值技術。成本包括應佔交易成本，惟並不包括以下所述情況。該等投資其後將根據其分類按下列方式列賬：

持作買賣股本證券的投資分類為流動資產。任何應佔交易成本均於產生時於損益表確認。公平值於各報告期間結束時重新計量，而任何所得損益均於損益表內確認。損益表內所確認的收益或虧損淨額並無計及該等投資所賺取的任何股息。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Other investments in equity securities

(Continued)

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

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

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)).

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

2 重大會計政策(續)

(f) 其他股本證券投資(續)

如於股本證券的投資並不屬於任何上述類別，則其分類為可供出售證券。公平值於各報告期間結束時重新計量，而任何所得損益均於其他綜合收益內確認及於權益內的公平值儲備分開累計。除此之外，相同工具於活躍市場並無報價且其公平值無法可靠計量的股本證券投資乃按成本減減值虧損後於綜合財務狀況表內確認(見附註2(k))。股本證券的股息收入根據附註2(u)(v)所載政策於損益內確認。

當投資遭終止確認或減值時(見附註2(k))，於權益確認的累計盈虧會重新分類至損益。投資乃於本集團承諾購買/銷售投資當日或有關投資到期時確認/終止確認。

(g) 衍生金融工具

衍生金融工具初步按公平值確認。公平值於各結算日結束時重新計量。重新計量至公平值所產生的損益即時於損益表內確認。

(h) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬(見附註2(k)(ii))。

物業、廠房及設備的自建項目成本包括材料成本、直接工資、拆卸及搬遷項目以及恢復資產所在地原貌的成本的初步估計(如有關)及適當比例的生產間接費用及借貸成本(見附註2(w))。

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Property, plant and equipment (Continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

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

— Buildings	The shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years after the date of completion
— Leasehold improvement	Over the unexpired term of lease but no more than 5 years
— Plant and machinery	10 years
— Furniture, fittings and equipment	5 years
— Motor vehicles	5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 重大會計政策 (續)

(h) 物業、廠房及設備 (續)

物業、廠房及設備項目報廢或出售時產生的盈虧乃按出售所得款項淨額與項目的賬面值之間的差額釐定，盈虧於報廢或出售日期於損益表內確認。

於下述估計可使用年期內使用直線法計算折舊，以抵銷物業、廠房及設備項目的成本減其估計剩餘價值(如有)計算：

— 樓宇	以未滿租約期與估計可使用年期較短者計算(即於竣工日期後不超過20年)
— 租賃物業裝修	以租賃期限但不超過5年計算
— 廠房及機器	10年
— 傢俬、裝置及設備	5年
— 汽車	5年

資產的可使用年期及其剩餘價值(如有)每年均被檢討一次。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Construction in progress

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see note 2(k)(ii)). Cost comprises direct costs of construction and installation during the construction period. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

No depreciation is provided in respect of the construction in progress until it is substantially completed and ready for its intended use.

(j) Leased assets

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

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2 重大會計政策(續)

(i) 在建工程

在建工程指建造中的物業、廠房及設備以及待安裝的設備，按成本扣除減值虧損列賬(見附註2(k)(ii))。成本包括建造期間的直接建造及安裝成本。在資產大致上可作擬定用途時，該等成本將停止資本化，在建工程則撥入物業、廠房及設備項目內。

在建工程在大致竣工及可作擬定用途前，並不計提任何折舊。

(j) 租賃資產

倘本集團決定有關一項或一連串交易的安排將特定資產的使用權按協定期間轉移以換取一筆或多筆款項，則有關安排屬或包含租賃。有關決定乃按評估安排的性質作出，而不論有關安排是否屬法定形式的租賃。

(i) 租予本集團的資產的分類

本集團根據租約持有的資產，且租約使所有權的絕大部分風險和回報均轉移至本集團，則有關資產會分類為根據融資租賃持有。不會轉移所有權的絕大部分風險和回報的租約乃分類為經營租賃。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Leased assets (Continued)

(ii) Operating lease charges

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

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

(k) Impairment of assets

(i) Impairment of trade and other receivables, entrusted loans and investment in equity securities

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

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

2 重大會計政策^(續)

(j) 租賃資產^(續)

(ii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，否則租賃付款按該租賃期所涵蓋的會計年期以等額分期記入損益表。收到的租賃優惠均在損益表中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期內在損益表扣除。

以經營租賃持有的土地的成本按直線法在租賃期內攤銷。

(k) 資產減值

(i) 貿易及其他應收款項、委託貸款及股本證券投資的減值

貿易及其他應收款項、委託貸款及以成本或攤銷成本列賬或分類為可供出售證券的股本證券投資，會在每個報告期間結束時檢閱，以確定有否客觀減值證據。減值的客觀證據包括以下一項或多項引起本集團注意的虧損事件的可觀察資料：

- 債務人出現重大財務困難；
- 違反合約，例如拖欠或逾期償還利息或本金；

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Impairment of assets (Continued)

(i) Impairment of trade and other receivables, entrusted loans and investment in equity securities (Continued)

- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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

- For investment in an associate accounted for under the equity method in the consolidated financial statements (see note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

2 重大會計政策(續)

(k) 資產減值(續)

(i) 貿易及其他應收款項、委託貸款及股本證券投資的減值(續)

- 債務人很可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境的重大改變對債務人有不利影響；及
- 於股本工具的投資的公平值大幅或長期下跌至低於其成本。

倘有證據顯示出現減值，則會按下列方法釐定及確認任何減值虧損：

- 就綜合財務報表之以權益法確認之於聯營公司投資(見附註2(e))，減值虧損乃根據附註2(k)(ii)以該項投資之可收回金額與其賬面值比較予以計量。倘用以釐定可收回金額之估計發生重大變化，則減值虧損可根據附註2(k)(ii)予以撥回。
- 就以成本列賬的非上市股本證券而言，減值虧損根據金融資產的賬面值與(如貼現的影響屬重大)按同類金融資產的當時市場回報率貼現的估計未來現金流量兩者間的差額計量。按成本列賬的股本證券的減值虧損不予撥回。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Impairment of assets (Continued)

(i) Impairment of trade and other receivables, entrusted loans and investment in equity securities (Continued)

- For trade and other receivables and entrusted loans carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

- For other receivables carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated recoverable amount.

2 重大會計政策^(續)

(k) 資產減值^(續)

(i) 貿易及其他應收款項、委託貸款及股本證券投資的減值^(續)

- 就按攤銷成本列賬的貿易及其他應收款項及委託貸款而言，減值虧損根據資產的賬面值與(如貼現的影響屬重大)按金融資產原有實際利率(即在首次確認該等資產時計算的實際利率)貼現的估計未來現金流量現值兩者間的差額計量。倘該等金融資產具備類似風險特徵，例如類似的逾期情況，且並無個別評估為減值，則有關評估會一同進行。— 同評估減值的金融資產的未來現金流量基於與該類資產具有類似信貸風險特徵的資產的過往虧損經驗。

若於其後期間，減值虧損數額減少，而有關減少可客觀地與在確認減值虧損後發生的事件聯繫，則減值虧損會透過損益撥回。減值虧損撥回不得導致資產賬面值超出在過往年度並無確認減值虧損的情況下釐定的金額。

- 就按成本列賬的其他應收款項而言，減值虧損按金融資產賬面值與估計可收回金額的差額計量。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Impairment of assets (Continued)

(i) Impairment of trade and other receivables, entrusted loans and investment in equity securities (Continued)

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

(ii) Impairment of other assets

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

- property, plant and equipment;
- lease prepayments;
- non-current prepayments for acquisitions of property, plant and equipment; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

2 重大會計政策(續)

(k) 資產減值(續)

(i) 貿易及其他應收款項、委託貸款及股本證券投資的減值(續)

減值虧損從相應的資產中直接撇銷，惟就可收回性被視為可疑但並非甚微的計入貿易及其他應收款項中的應收款項確認的減值虧損除外。在此情況下，呆賬的減值虧損以撥備賬記錄。倘本集團確認收回的機會甚微，則視為不可收回金額會直接從貿易應收款項中撇銷，而在撥備賬中就該債務保留的任何金額會被撥回。倘之前計入撥備賬的款項在其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接撇銷的款項均於損益表中確認。

(ii) 其他資產的減值

本集團於每個報告期間結束時檢討內外資料來源，以鑒定以下資產可有減值或原已確認的減值虧損不再存在或可有減少的跡象：

- 物業、廠房及設備；
- 租賃預付款；
- 收購物業、廠房及設備的非即期預付款；及
- 於本公司財務狀況表內的於附屬公司的投資。

倘若任何此等跡象存在，則會估計有關資產的可收回金額。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

— Calculation of recoverable amount

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

— Recognition of impairment losses

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

2 重大會計政策^(續)

(k) 資產減值^(續)

(ii) 其他資產的減值^(續)

— 計算可收回金額

資產的可收回金額為其公平值減去銷售成本與其使用價值兩者中的較高者。評估使用價值時，本集團以除稅前的貼現率計算估計未來現金流量的現值，而該貼現率反映當時市場對貨幣時間價值及該項資產的特有風險的評估。如某項資產產生的現金流量不能獨立於其他資產所產生的現金流量，則可收回金額按可獨立產生現金流量的最小資產組合（即現金產生單位）計算。

— 確認減值虧損

每當資產（或其所屬的現金產生單位）的賬面值超過其可收回金額，即會在損益表內確認減值虧損。就現金產生單位確認的減值虧損，按比例分配減少單位（或該組單位）其他資產的賬面值，惟資產賬面值不會減少至低於其本身的公平值減銷售成本（若能計量）或使用價值（若能釐定）。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

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

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

2 重大會計政策(續)

(k) 資產減值(續)

(ii) 其他資產的減值(續)

— 減值虧損回撥

當釐定可收回金額時採納的估計有正面改變時，減值虧損將會回撥。減值虧損的回撥金額以假設過往年度並無確認減值虧損而計算的資產賬面值為限。減值虧損的回撥於確認回撥當年計入損益表。

(iii) 中期財務報告及減值

根據上市規則，本集團須按國際會計準則第34號中期財務報告編製財政年度首六個月的中期財務報告。本集團於中期期末採用與財政年度年末相同的減值測試、確認及撥回標準(見附註2(k)(i)及(ii))。

於中期期間就按成本列賬的可供出售股本證券及非上市股本證券確認的減值虧損不會於往後期間撥回(即使在與該中期期間相關的財政年度年末時並無或只有少數減值虧損需要確認的情況下)。因此，可供出售股本證券的公平值倘於同一年度餘下期間或在任何其他往後的期間有所增加，則該增加須於其他全面收益而非於損益中確認。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(l) Inventories

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

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

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

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

(m) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in note 2(u)(ii). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

2 重大會計政策^(續)

(l) 存貨

存貨以成本及可變現淨值的較低者列賬。

成本乃按加權平均成本公式計算，並包括所有採購成本、加工成本及其他使存貨達致其現時地點及狀況而產生的成本。

可變現淨值指正常業務過程中的估計售價減估計完成成本及估計銷售費用。

於售出存貨時，該等存貨的賬面值在相關收益確認的期間確認為成本。任何撇減存貨至可變現淨值的金額及存貨的所有虧損於撇減或出現虧損的期間內確認為成本。回撥任何撇減存貨的金額於出現回撥的期間確認為存貨成本的減額。

(m) 工程合約

工程合約乃就一項或一組資產的工程而與一名客戶特定協商的合約，客戶可特別指明設計的主要構架組成元素。合約收益的會計政策載於附註2(u)(ii)。倘若能可靠地估計工程合約的結果，便根據合約於各報告期間結束時的完成程度將合約成本確認為支出。倘若合約總成本可能超過合約總收入，預計的虧損便會即時確認為支出。倘若無法可靠地估計工程合約的結果，合約成本便會在發生期間確認為支出。

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Construction contracts (Continued)

Construction contracts in progress at the end of each reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the consolidated statement of financial position as the “Gross amount due from customers for contract work” (as an asset) under “Trade and other receivables” or the “Gross amount due to customers for contract work” (as a liability) under “Trade and other payables”, as applicable. Progress billings not yet paid by the customer are included under “Trade and other receivables”. Amounts received before the related work is performed are presented as “Receipts in advance” under “Trade and other payables”.

(n) Trade and other receivables and entrusted loans

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

(o) Interest-bearing borrowings

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

2 重大會計政策 (續)

(m) 工程合約 (續)

於各報告期間結束時尚在進行中的工程合約，乃按已產生的成本加上已確認的溢利，再減去已確認的虧損及進度款項後的淨額列賬，並呈列於綜合財務狀況表作為「貿易及其他應收款項」下的「應收客戶的合約工程總額」（作為資產）或「貿易及其他應付款項」下的「應付客戶的合約工程總額」（作為負債）（倘適用）。客戶尚未支付的進度款項乃計入「貿易及其他應收款項」內。於相關工程進行前所收取的金額乃計入「貿易及其他應付款項」下的「預收款項」內。

(n) 貿易及其他應收款項以及委託貸款

貿易及其他應收款項以及委託貸款先按公平值確認，其後採用實際利息法按攤銷成本減呆賬減值撥備入賬（見附註2(k)(i)），但如應收款項為向關聯方提供的並無固定償還期的免息貸款或其貼現影響並不重大則除外。在該等情況下，應收款項將按成本減呆賬減值撥備入賬（見附註2(k)(i)）。

(o) 計息借貸

計息借貸初步按公平值減應佔交易成本的方式確認。在初步確認後，計息借貸以攤銷成本連同初步確認金額與於借款期內在損益表內確認的贖回價值之間的差額，以及用實際利息法計算的任何利息及應付費用列賬。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(r) Employee benefits

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

(s) Income tax

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

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

2 重大會計政策^(續)

(p) 貿易及其他應付款項

貿易及其他應付款項按公平值初始確認，其後按攤銷成本入賬，但如貼現影響並不重大，則按成本入賬。

(q) 現金及現金等價物

現金及現金等價物包括銀行結餘及手頭現金、銀行及其他金融機構活期存款，以及可即時轉換為已知金額現金的短期及高流通性投資，其價值變動風險並不重大，並在購入起計三個月內到期。

(r) 僱員福利

工資、年度花紅、帶薪年假、定額供款退休計劃的供款及非貨幣福利成本於僱員提供相關服務年度內計付。倘推延付款或結算且影響重大時，則按有關金額的現值列賬。

(s) 所得稅

年內所得稅包括即期稅項及遞延稅項資產及負債的變動。即期稅項及遞延稅項資產及負債的變動乃於損益表內確認，惟與於其他綜合收益確認或直接於權益確認的項目有關者則除外，在該等情況下有關稅額分別於其他綜合收益確認或直接於權益確認。

即期稅項乃年內應課稅收入的預期應繳稅項(稅率為於結算日已頒佈或實質頒佈的稅率)及以往年度應繳稅項的任何調整。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

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

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

2 重大會計政策(續)

(s) 所得稅(續)

遞延稅項資產及負債分別源自可扣稅及應課稅暫時差額，即財務申報的資產及負債的賬面值與彼等稅基的差額。遞延稅項資產亦源自未動用稅項虧損及未動用稅項抵免。

除若干少數例外情況外，將於可能有日後應課稅溢利抵銷可動用資產時確認所有遞延稅項負債及遞延稅項資產。在現有可扣稅暫時差額有關同一稅務主管機構及同一課稅實體，並預期在可扣稅暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可撥回或結轉的期間撥回的情況下，可支持因可扣稅暫時差額而產生的遞延稅項資產的未來應課稅溢利，會包括由現有應課稅暫時差額撥回而產生的部分。如該等差額與相同稅務機關及相同稅務實體有關，並預期可於動用稅項虧損或稅項抵免期間撥回，則釐定現有應課稅暫時差額是否足以確認源自未動用稅項虧損及稅項抵免的遞延稅項資產時，亦採納相同準則。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

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

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

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

2 重大會計政策^(續)

(s) 所得稅^(續)

確認遞延稅項資產及負債的少數例外情況包括不影響會計或應課稅溢利的資產或負債的初次確認所產生的暫時性差異(如不屬於業務合併的一部分)以及有關於附屬公司投資的暫時性差異，如屬應課稅差異，則僅限於本集團可以控制撥回的時間且在可預見的將來不大可能撥回的差異，如屬可扣稅差異，則僅限於很可能在將來撥回的差異。

已確認的遞延稅項金額乃按照資產及負債賬面值的預期變現或清償方式，根據於結算日已頒佈或實質頒佈的稅率計算。遞延稅項資產及負債不予貼現。

遞延稅項資產的賬面值會於各報告期間結束時進行檢討，並在不再可能產生足夠的應課稅溢利以使用有關的稅務利益時作調減。若可能存在足夠的應課稅溢利供利用，則任何該等扣減將被撥回。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Income tax (Continued)

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

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

(t) Provisions and contingent liabilities

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

2 重大會計政策(續)

(s) 所得稅(續)

即期稅項結餘及遞延稅項結餘與其變動將分開列示，且不會對銷。倘本公司或本集團有法定行使權以即期稅項資產抵銷即期稅項負債，且符合下列附帶條件，則即期稅項資產及遞延稅項資產可分別抵銷即期稅項負債及遞延稅項負債：

- 對於即期稅項資產及負債，本公司或本集團計劃按淨額結算或同時變現資產及清償負債；或
- 對於遞延稅項資產及負債，則該等資產及負債須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一課稅實體；或
 - 計劃在預期須清償或收回大額遞延稅項負債或資產的每個未來期間，按淨額或同時變現即期稅項資產與清償即期稅項負債的不同課稅實體。

(t) 撥備及或然負債

當本公司或本集團因過往事件而須承擔法律或推定責任，而履行該責任可能會導致經濟利益外流，並可作出可靠的估計時，則須就該等時間或數額不定的負債計提撥備。倘金額涉及重大時間價值，則有關撥備按履行責任的預期開支的現值列賬。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Provisions and contingent liabilities (Continued)

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

(u) Revenue recognition

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

(i) Sale of goods

Revenue is recognised when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Contract revenue

When the outcome of a construction contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

2 重大會計政策^(續)

(t) 撥備及或然負債^(續)

倘不大可能發生經濟利益流出，或相關金額未能可靠估計，則須披露有關責任為或然負債，惟不可能發生經濟利益流出者除外。當潛在責任須視乎一項或多項未來事件是否發生方可確定是否存在，則該等責任亦披露為或然負債，惟經濟利益流出發生機會甚微者除外。

(u) 收益確認

收益乃按已收或應收代價的公平值計量。倘本集團可能獲得經濟利益，且收益及成本(如適用)能可靠計量，則按下列方式於損益表內確認收益：

(i) 銷售貨品

收益於客戶接受貨物及所有權的有關風險及回報時確認。收益不包括增值稅或其他銷售稅，且須扣除任何貿易折讓。

(ii) 合約收益

當工程合約的結果能可靠估計，來自固定價格合約的收益採用完工比例法確認，按當時已產生合約成本對合約的估計合約成本總額的比例計量。

當工程合約的結果無法可靠估計，則僅按有可能收回的已產生合約成本確認收益。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Revenue recognition (Continued)

(iii) Interest income

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

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. An unconditional government grant is recognised in profit or loss as other revenue when the grant becomes receivable.

(v) Dividends

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

(v) Translation of foreign currencies

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

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

2 重大會計政策(續)

(u) 收益確認(續)

(iii) 利息收入

銀行存款的利息收入按實際利息法累計確認。

(iv) 政府補助金

倘可合理保證本集團將收取政府補助金且符合其附帶條件，則政府補助金會首先於財務狀況表確認。補償本集團產生開支的政府補助金於相關開支產生的相同期間有系統地於損益表中認為收益。補償本集團資產成本的補助金於資產可使用年期內有系統地於損益表確認為遞延收入。無條件政府補助金乃於收取時在損益中確認為其他收益。

(v) 股息

未上市投資的股息收入乃於股東有權收取有關款項時確認。

(v) 外幣兌換

期內進行的外幣交易乃按適用於交易日期的匯率換算。以外幣計值的貨幣資產及負債乃按適用於報告期間結束時的匯率換算。匯兌收益及虧損於損益表內確認。

以外幣按歷史成本計量的非貨幣資產及負債乃按適用於交易日期的匯率換算。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Translation of foreign currencies (Continued)

The results of operations with functional currency other than Renminbi are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation with functional currency other than Renminbi, the cumulative amount of the exchange differences relating to that operation with functional currency other than Renminbi is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

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

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

2 重大會計政策^(續)

(v) 外幣兌換^(續)

功能貨幣並非人民幣的經營業績乃按與於交易日期的匯率相若的匯率換算為人民幣。財務狀況表項目乃按於報告期間結束時匯率換算為人民幣。有關匯兌差額於其他綜合收入確認及於匯兌儲備的權益內獨立累計。

在出售以人民幣以外的功能貨幣計值的業務時，與該業務有關的匯兌差額累計金額乃於確認出售損益時由權益重新分類為損益。

(w) 借貸成本

直接涉及收購、建造及生產資產(即必須於一定時間後方能投入作擬定用途或出售的資產)的借貸成本均會資本化作為該資產的部分成本。其他借貸成本於其產生期間確認為開支。

借貸成本乃於產生資產的開支、產生借貸成本及有關籌備資產作其擬定用途或出售所需的活動進行時資本化作為達標資產的部分成本。當所有有關籌備達標資產作其擬定用途或出售所需的活動大致上中斷或完成時，即暫時中止或停止資本化借貸成本。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) Both entities are joint ventures of the same third party.
 - (4) One entity is a joint venture of a third party and the other entity is an associate of the same third party or vice versa.
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (6) The entity is controlled or jointly-controlled by a person identified in (i).

2 重大會計政策(續)

(x) 關聯方

- (i) 倘一名人士符合下列條件，則該名人士或其近親與本集團有關聯：
 - (1) 控制或共同控制本集團；
 - (2) 對本集團有重大影響；或
 - (3) 為本集團或本集團母公司的主要管理層成員。
- (ii) 倘一間實體符合下列任何條件，則該實體與本集團有關聯：
 - (1) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
 - (2) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業)。
 - (3) 兩間實體均為同一第三方的合營企業。
 - (4) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司，反之亦然。
 - (5) 實體為本集團或與本集團有關聯的實體就僱員福利設立的離職福利計劃。
 - (6) 實體受(i)所述人士控制或受共同控制。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Related parties (Continued)

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

(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

(y) Segment reporting

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

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

2 重大會計政策^(續)

(x) 關聯方^(續)

(ii) 倘一間實體符合下列任何條件，則該實體與本集團有關聯：^(續)

(7) (i)(1)所述人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

某名人士的近親指在與該實體進行交易的過程中預計會影響該名人士或受其影響的家庭成員。

(y) 分部呈報

經營分部及綜合財務報表所呈報的各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提供予本集團最高層管理人員的財務資料而確定。

就財務申報而言，個別重要營運分部不會聚合呈報，除非有關分部具有類似經濟特徵以及在產品及服務性質、生產程序性質、客戶類型或類別、分銷產品或提供服務所採用的方式及監管環境性質方面類似。倘獨立而言並非屬重要的營運分部共同擁有上述大部分特徵，則可聚合呈報。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Key sources of estimation uncertainty

The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

(i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles or changes in market conditions. Management reassesses these estimations at the end of the reporting period to ensure inventory is shown at the lower of cost and net realisable value.

(ii) Impairment of trade receivables and entrusted loans

Management determines the impairment of trade receivables and entrusted loans on a regular basis. This estimate is based on the credit history of its debtors and current market conditions. If the financial conditions of the customers were to deteriorate, actual write-off would be higher than estimated. Management reassesses the impairment of trade receivables and entrusted loans at the end of the reporting period.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The management reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

3 會計判斷及估計

估計不明朗因素的主要來源

本集團相信，下列關鍵會計政策涉及編製綜合財務報表所用的最重大判斷及估計。

(i) 存貨可變現淨值

存貨可變現淨值為日常業務過程中的估計售價減估計完工成本及分銷成本。該等估計乃基於現行市況及銷售類似性質產品的過往經驗進行。其可能因競爭對手為應對重大的產業週期或市況變動而作出的行動發生重大變動。管理層於結算日重新評估該等估計，以確保存貨以成本及可變現淨值中的較低者列賬。

(ii) 貿易應收款項及委託貸款的減值

管理層會定期釐定貿易應收款項的減值。該等估計乃基於其債務人的信譽記錄及現行市況作出。倘債務人的財務狀況惡化，則實際銷賬將高於估計。管理層會於結算日重估貿易應收款項及委託貸款的減值。

(iii) 折舊

物業、廠房及設備項目乃經計及估計剩餘價值後於資產的估計使用年期內按直線基準折舊。管理層會定期審閱資產的估計使用年期，以釐定任何報告期間內所記錄的折舊開支金額。使用年期乃根據本集團的類似資產的過往經驗及經計及預計技術變動計算。倘實際情況與過往估計存在重大差異，則會調整未來期間的折舊開支。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(iv) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. Management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of these transactions are reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets, if any, are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

4 TURNOVER AND SEGMENT REPORTING

(a) Turnover

The principal activities of the Group are manufacturing and sales of outdoor wooden products, engaging in projects of outdoor wooden products including the provision of design and installation services, retail sales of outdoor wooden products through self-operated retail shops, and manufacturing and sales of renewable energy products.

Turnover represents

- (i) the sales value of goods sold to customers less returns, discounts, and value added taxes and other sales tax; and
- (ii) contract revenue derived from projects of outdoor wooden products including the provision of design and installation services.

3 會計判斷及估計(續)

估計不明朗因素的主要來源(續)

(iv) 所得稅

釐定所得稅撥備涉及對若干交易未來稅項優惠的判斷。管理層會審慎評估交易的稅項影響及相應建立的稅項撥備。該等交易的稅項優惠會定期被檢視，以計及稅務法的所有變更。遞延稅項資產乃就可扣除暫時差額作出確認。由於該等遞延稅項資產僅可在可能獲得未來應課稅溢利時確認，故管理層須評估未來應課稅溢利的可能性。倘未來應課稅溢利可能有助於遞延稅項資產收回，則會不斷審閱管理層評估及確認額外遞延稅項資產(如有)。

4. 營業額及分部呈報

(a) 營業額

本集團的主要業務為生產及銷售戶外木製品、從事戶外木製品項目(包括提供設計及安裝服務)、透過自營零售店零售戶外木製品及生產及銷售再生能源產品。

營業額指

- (i) 售予客戶貨品的銷售價值減退貨、折扣及增值稅與其他銷售稅項；及
- (ii) 從事戶外木製品項目(包括提供設計及安裝服務)所得的合約收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

4 TURNOVER AND SEGMENT REPORTING

(Continued)

(a) Turnover (Continued)

The amount of each significant category of revenue recognised in turnover is analysed as follows:

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of outdoor wooden products	銷售戶外木製品	659,016	465,830
Retail sales of wooden products	零售木製品	24,245	8,356
Contract revenue derived from projects of outdoor wooden products including the provision of design and installation services	從事戶外木製品項目 (包括提供設計及安裝服務) 所得的合約收入	1,469	865
Sales of renewable energy products	銷售再生能源產品	16,501	-
		701,231	475,051

No individual external customers accounted for 10% or more of the Group's revenue for the years ended 31 December 2014 and 2013.

Details of concentrations of credit risk arising from these customers are set out in note 31(a). Further details regarding the Group's principal activities are disclosed below.

4. 營業額及分部呈報 (續)

(a) 營業額 (續)

於營業額內確認的各重大類別收入的金額分析如下：

	2014	2013
	二零一四年	二零一三年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Sales of outdoor wooden products	659,016	465,830
Retail sales of wooden products	24,245	8,356
Contract revenue derived from projects of outdoor wooden products including the provision of design and installation services	1,469	865
Sales of renewable energy products	16,501	-
	701,231	475,051

截至二零一四年及二零一三年十二月三十一日止年度，概無個別外部客戶佔本集團收入的10%或以上。

有關該等客戶導致的集中信貸風險的詳情載於附註31(a)。有關本集團主要業務的進一步詳情披露如下。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

4 TURNOVER AND SEGMENT REPORTING

(Continued)

(b) Segment reporting

In a manner consistent with how the Group manages its business and the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified four reportable segments, namely Manufacturing and sales of wooden products, Retail business, Projects of outdoor wooden products and Manufacturing and sales of renewable energy products. No operating segments have been aggregated to form the above reportable segments.

- Manufacturing and sales of wooden products: manufacturing and sales of outdoor wooden products to both domestic and overseas customers, and trading of timber.
- Retail business: retail sales of outdoor wooden products through self-operated retail shops.
- Projects of outdoor wooden products: engaged in projects of outdoor wooden products including the provision of design and installation services to domestic customers.
- Manufacturing and sales of renewable energy products: manufacturing and sales of biomass pellet fuel to both domestic and overseas customers.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Reportable segment revenue represents the revenue derived from the Group's external customers by Manufacturing and sales of wooden products, Retail business, Projects of outdoor wooden products and Manufacturing and sales of renewable energy products, respectively.

4. 營業額及分部呈報^(續)

(b) 分部呈報

按照與本集團管理其業務一致的方式，及與就資源分配及表現評估向本集團最高管理層內部呈報資料一致的方式，本集團已確定四個可呈報分部，即生產及銷售木製品、零售業務、戶外木製品項目及生產及銷售再生能源產品。本集團並無聚合經營分部以構成上述可呈報分部。

- 生產及銷售木製品：向國內外客戶生產及銷售戶外木製品及木材貿易。
- 零售業務：透過自營零售店零售戶外木製品。
- 戶外木製品項目：從事戶外木製品項目，包括向本地客戶提供設計及安裝服務。
- 生產及銷售再生能源產品：生產及銷售生物質顆粒燃料予國內外客戶。

(i) 分部業績

為評估分部表現及於各分部間分配資源，本集團高級管理層按下列基準監察來自各可呈報分部的業績：

可呈報分部收入指生產及銷售木製品、零售業務、戶外木製品項目及生產及銷售再生能源產品。分別從本集團外部客戶所得的收入。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

4 TURNOVER AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results (Continued)

The measure used for reportable segment profit/(loss) is “profit/(loss) after taxation (excluding the after tax effect of government subsidies and land resumption)” of Manufacturing and sales of wooden products, Retail business, Projects of outdoor wooden products and Manufacturing and sales of renewable energy products, respectively.

A measurement of segment assets and liabilities is not provided regularly to the Group’s most senior executive management and accordingly, no segment assets or liabilities information is presented.

Information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2014 and 2013 is set out below:

		2014 二零一四年				
		Manufacturing and sales of wooden products 生產及 銷售木製品 RMB'000 人民幣千元	Retail business 零售業務 RMB'000 人民幣千元	Projects of outdoor wooden products 戶外 木製品項目 RMB'000 人民幣千元	Manufacturing and sales of renewable energy products 生產及銷售 再生能源產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue derived from the Group's external customers	源自本集團外部客戶的收入	659,016	24,245	1,469	16,501	701,231
Inter-segment revenue	分部間收入	22,726	-	-	463	23,189
Reportable segment revenue	可呈報分部收入	681,742	24,245	1,469	16,964	724,420
Reportable segment profit (profit after taxation (excluding the after tax effect of government subsidies and land resumption))	可呈報分部溢利 (除稅後溢利 (不包括政府補貼及土地收儲之稅後影響))	84,721	1,290	59	3,496	89,566

4. 營業額及分部呈報(續)

(b) 分部呈報(續)

(i) 分部業績(續)

就可呈報分部溢利/(虧損)採用的計量單位為生產及銷售木製品、零售業務、戶外木製品項目及生產及銷售再生能源產品。各自的「除稅後溢利/(虧損) (不包括政府補貼及土地收儲之稅後影響)」。

分部資產及負債的計量乃不定期向本集團最高管理層提供，故並無呈報分部資產或負債資料。

於截至二零一四年及二零一三年十二月三十一日止年度，就資源分配及分部表現評估向本集團最高管理層提供的有關本集團可呈報分部的資料載列如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

4 TURNOVER AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results (Continued)

				2013 二零一三年			
		Manufacturing and sales of wooden products 生產及 銷售木製品 RMB'000 人民幣千元	Retail business 零售業務 RMB'000 人民幣千元	Projects of outdoor wooden products 戶外 木製品項目 RMB'000 人民幣千元	Manufacturing and sales of renewable energy products 生產及銷售 再生能源產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
Revenue derived from the Group's external customers	源自本集團外部客戶 的收入	465,830	8,356	865	-	475,051	
Inter-segment revenue	分部間收入	5,984	-	-	-	5,984	
Reportable segment revenue	可呈報分部收入	471,814	8,356	865	-	481,035	
Reportable segment profit/(loss) (profit/(loss) after taxation (excluding the after tax effect of government subsidies and land resumption))	可呈報分部溢利/(虧損) (除稅後溢利/(虧損) (不包括政府補貼及 土地收儲之稅後影響))	82,164	(4,384)	(193)	-	77,587	

4. 營業額及分部呈報 (續)

(b) 分部呈報 (續)

(i) 分部業績 (續)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

4 TURNOVER AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenue and reportable segment profit

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收入		
Reportable segment revenue	可呈報分部收入	724,420	481,035
Elimination of inter-segment revenue	抵銷分部間收入	(23,189)	(5,984)
Consolidated turnover	綜合營業額	701,231	475,051
Profit	溢利		
Reportable segment profit derived from the Group's external customers	源自本集團外部客戶的可呈報分部溢利	89,566	77,587
Government subsidies and gain from land resumption (net of tax)	政府補貼及土地收儲收益(扣除稅項)	10,628	50,384
Unallocated head office and corporate expenses	未分配總辦事處及公司開支	(9,384)	(3,550)
Consolidated profit after taxation	綜合除稅後溢利	90,810	124,421

4. 營業額及分部呈報(續)

(b) 分部呈報(續)

(ii) 可呈報分部收入與可呈報分部溢利的對賬

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

4 TURNOVER AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(iii) Geographic information

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

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
The PRC (place of domicile)	中國(所在地)	390,886	231,616
North America	北美洲	244,737	165,141
Europe	歐洲	43,314	30,205
Asia Pacific (exclusive of the PRC)	亞太區(不包括中國)	22,294	48,089
		310,345	243,435
		701,231	475,051

4. 營業額及分部呈報(續)

(b) 分部呈報(續)

(iii) 地域資料

下表載列有關本集團源自外部客戶收入的地理位置的資料。客戶的地理位置以貨品交付地點或服務提供地點為準。

5 OTHER REVENUE AND OTHER NET GAIN

(a) Other revenue

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest income on bank deposits	銀行存款利息收入	3,446	833
Government subsidies	政府補貼	14,170	22,237
Others	其他	272	-
		17,888	23,070

5 其他收入及其他收益淨額

(a) 其他收入

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5 OTHER REVENUE AND OTHER NET GAIN

(Continued)

(a) Other revenue (Continued)

The Group received unconditional government subsidies of RMB13,017,000 (2013: RMB17,765,000) for the year ended 31 December 2014. These government subsidies were granted to Fujian Zhangping Kimura Forestry Products Co, Ltd. ("Zhangping Kimura") for subsidising various expenses already incurred and were recognised as other revenue when they became receivable.

The Group recognised government subsidies as deferred income which compensates the Group for the cost of its land use right and the cost of infrastructure development. Government subsidies (deferred income) of RMB1,153,000 (2013: RMB4,472,000) were recognised as other revenue for the year ended 31 December 2014, which is on a systematic basis over the useful life of the relevant assets (note 26).

(b) Other net gain

5 其他收入及其他收益淨額(續)

(a) 其他收入(續)

截至二零一四年十二月三十一日止年度，本集團收取無條件政府補貼人民幣13,017,000元(二零一三年：人民幣17,765,000元)。漳平木村林產有限公司(「漳平木村」)獲授此等政府補貼以補貼其已產生的多項開支及於可收取時確認為其他收入。

本集團將作為補償本集團土地使用權成本及基礎設施開發成本的政府補貼確認為遞延收入。截至二零一四年十二月三十一日止年度，政府補貼(遞延收入)人民幣1,153,000元(二零一三年：人民幣4,472,000元)已確認為其他收入，此乃按有關資產的可使用年期有系統地確認(附註26)。

(b) 其他收益淨額

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Gain from land resumption (note)	土地收儲收益(附註)	-	44,802
Net foreign exchange gain	匯兌收益淨額	4,356	2,722
Net gain on disposal of land use right	出售土地使用權收益淨額	-	146
Net gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備收益/(虧損)淨額	45	(4)
Changes in fair value of derivative financial instruments	衍生金融工具公平值變動	(2,229)	1,629
Others	其他	-	(612)
		2,172	48,683

Note: On 8 March 2013, Zhangping Kimura entered into a land resumption agreement with Zhangping Land Reserve Centre, an administrative body of the local government authority at Zhangping, Fujian province in relation to the land resumption of eight parcels of land at Fushan Industrial Zone (the "Land") for a consideration of RMB62,390,000 (the "Consideration"). Upon the completion of the land resumption transaction in July 2013, the Group recognised a gain of RMB44,802,000, which represented the Consideration received less the aggregate carrying value of the Land and immovable structures erected on the Land totalling RMB17,588,000 (see notes 12 and 13).

附註：於二零一三年三月八日，漳平木村與漳平市土地收購儲備中心(中國福建省漳平市地方政府機關轄下的行政部門)就八幅位於富山工業區的土地(「該土地」)的土地收儲事宜訂立土地收儲協議，代價為人民幣62,390,000元(「代價」)。於二零一三年七月完成土地收儲交易後，本集團已確認收益人民幣44,802,000元，為已收代價減該土地及該土地上固定建築物之總賬面值所得款項合共人民幣17,588,000元(見附註12及13)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

6 除稅前溢利

除稅前溢利經扣除下列各項後得出：

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(a) Finance costs	(a) 融資成本		
Interest expense on bank loans and interest-bearing borrowings wholly repayable within five years	須於五年內悉數償還銀行貸款及計息借貸的利息開支	13,617	8,495
Less: Interest expense capitalised into construction in progress*	減：撥入在建工程的已資本化利息開支*	(2,291)	(3,032)
		11,326	5,463

* The borrowing costs have been capitalised at a rate of 3.48% (2013: 4.14%) per annum for the year ended 31 December 2014.

* 截至二零一四年十二月三十一日止年度的借貸成本已按3.48%(二零一三年：4.14%)的年率資本化。

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(b) Staff costs	(b) 員工成本		
Salaries, wages and other benefits	薪金、工資及其他福利	30,456	24,896
Contributions to defined contribution retirement schemes	定額供款退休計劃供款	3,367	4,224
		33,823	29,120

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

6 PROFIT BEFORE TAXATION (Continued)

Profit before taxation is arrived at after charging: (continued)

Pursuant to the relevant labour rules and regulations in the PRC, the Group's entities in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local authorities whereby the entities are required to make contributions to the Schemes based on a percentage of the eligible employees' salaries during the years ended 31 December 2014 and 2013. Contributions to the Schemes vest immediately. Under the Schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

6 除稅前溢利 (續)

除稅前溢利經扣除下列各項後得出：(續)

根據中國的有關勞動法則及法規，本集團位於中國的實體參加地方當局籌辦的定額供款退休福利計劃(「有關計劃」)，據此，有關實體須於截至二零一四年及二零一三年十二月三十一日止年度按合資格僱員薪酬的一定百分比向有關計劃作出供款。對有關計劃作出的供款即時歸屬。根據有關計劃，現有及退休僱員的退休福利由相關計劃管理機構支付，除年度供款外，本集團無進一步責任。

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
(c) Other items	(c) 其他項目		
Cost of inventories# (note 19(b))	存貨成本# (附註 19(b))	522,818	323,317
Depreciation of property, plant and equipment	物業、廠房及設備折舊	15,196	10,142
Amortisation of lease prepayments	租賃預付款攤銷	1,057	1,337
Operating lease charges for properties	物業經營租約支出	2,256	2,090
Research and development costs	研發成本	28,894	19,572
Auditors' remuneration	核數師酬金	1,270	1,597

Cost of inventories includes RMB40,742,000 (2013: RMB28,749,000) for the year ended 31 December 2014 relating to staff costs, depreciation and research and development costs, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

截至二零一四年十二月三十一日止年度，存貨成本包括人民幣40,742,000元(二零一三年：人民幣28,749,000元)是涉及員工成本、折舊及研發成本，有關金額亦已計入於上文或附註6(b)就每類該等開支單獨披露的總金額內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

7 綜合損益表內的所得稅

(a) 綜合損益表內的稅項指：

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax – PRC corporate income tax	即期稅項 – 中國企業所得稅		
Provision for the year	年內撥備	18,078	30,803
Withholding tax – the PRC	預扣稅 – 中國		
Dividend withholding tax	股息預扣稅	–	521
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (note 18(b))	產生及轉回暫時差異 (附註 18(b))	266	1,482
		18,344	32,806

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

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

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

7 綜合損益表內的所得稅 (續)

(b) 按適用稅率計算的稅項開支與會計溢利的對賬：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	109,154	157,227
Notional tax on profit before taxation, calculated at the rates applicable in the tax jurisdictions concerned (note (i))	除稅前溢利的名義稅項，按有關稅務司法權區適用的稅率計算 (附註 (i))	28,011	41,197
Effect of PRC tax concession (note (ii))	中國稅務優惠的影響 (附註 (ii))	(9,887)	(9,776)
PRC dividend withholding tax (note (iv))	中國股息預扣稅 (附註 (iv))	516	131
Effect of utilising tax losses not recognised in prior years	動用過往年度未確認稅項虧損的影響	(56)	-
Effect of non-deductible expenses	不可扣除開支的影響	2,135	3,004
Effect of research and development expense bonus deduction (note (iii))	研發開支加計扣除額的影響 (附註 (iii))	(2,375)	(1,750)
Actual tax expense	實際稅項開支	18,344	32,806

Notes:

(i) The Group's PRC subsidiaries are subject to PRC corporate income tax at the statutory rate of 25% unless otherwise specified.

Taxation for subsidiaries in other jurisdictions is charged at the appropriate current rates of taxation ruling in relevant jurisdictions respectively.

No provision was made for Hong Kong Profits Tax as the Group did not earn any assessable profits subject to Hong Kong Profits Tax during the years ended 31 December 2014 and 2013.

附註：

(i) 本集團的中國附屬公司須按25%法定稅率繳納中國企業所得稅，另有指明者除外。

於其他司法權區的附屬公司的稅項分別按有關司法權區的現行適當稅率計算。

截至二零一四年及二零一三年十二月三十一日止年度，本集團並無賺取須繳納香港利得稅的任何應課稅溢利，故並無就香港利得稅計提撥備。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

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

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(Continued)

Notes: (Continued)

- (ii) Zhangping Kimura applied and was approved for the High and New Technology Enterprise (“HNTE”) qualification under the PRC Corporate Income Tax Law and its relevant regulations during 2013, and therefore is entitled to the preferential income tax rate of 15% for a period of three years from 2013 to 2015.
- (iii) According to the PRC Corporate Income Tax Law and its relevant regulations, qualified research and development expenses are subject to income tax deductions at 150% on the amount actually incurred.
- (iv) According to the PRC Corporate Income Tax Law and its relevant regulations, dividends receivable by non-PRC resident corporate investors from PRC resident enterprises are subject to withholding income tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. Under the tax arrangement between the Mainland of China and Hong Kong Special Administrative Region and the relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds a 25% equity interest or more of a PRC enterprise is entitled to a reduced tax rate of 5%. The Group’s subsidiary in Hong Kong is a qualified Hong Kong tax resident and therefore entitled a reduced withholding tax rate of 5%.

Since the Group can control the quantum and timing of distribution of profits of the Group’s subsidiaries in the PRC, deferred tax liabilities are only recognised to the extent that such profits are expected to be distributed through dividend payment by the Group’s PRC subsidiaries in the foreseeable future. As at 31 December 2014, deferred tax liabilities not recognised relating to the undistributed profits of the Group’s PRC subsidiaries to overseas holding company amounted to RMB278,022,000 (2013: RMB204,336,000).

7 綜合損益表內的所得稅(續)

(b) 按適用稅率計算的稅項開支與會計溢利的對賬：(續)

附註：(續)

- (ii) 漳平木村已於二零一三年根據中國企業所得稅法及其相關法規申請並獲得高新技術企業(「高新技術企業」)的認證資格，故於二零一三年至二零一五年三年期間有權享有15%的優惠所得稅稅率。
- (iii) 根據中國企業所得稅法及其相關法規，合資格研發開支可按實際產生金額的150%扣除所得稅。
- (iv) 根據中國企業所得稅法及其相關法規，非中國居民投資者從中國居民企業源自二零零八年一月一日起賺取的溢利的應收股息須按10%的稅率繳納預扣稅，惟稅務條約或安排作出減免則另作別論。根據中國內地與香港特別行政區之間的稅務安排及相關法規，身為中國企業的「實益擁有人」並持有25%或以上股權的合資格香港稅務居民可享獲寬減稅率5%。本集團於香港的附屬公司為合資格香港稅務居民，因此可享獲寬減預扣稅率5%。

由於本集團可控制分派本集團於中國的附屬公司的溢利的金額及時間，故遞延稅項負債僅以預期於可見將來透過本集團中國附屬公司支付股息而分派的有關溢利為限確認。於二零一四年十二月三十一日，有關本集團中國附屬公司向海外控股公司的未分派溢利的未確認遞延稅項負債為人民幣278,022,000元(二零一三年：人民幣204,336,000元)。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

8 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 78 of Schedule II to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

8 董事薪酬

根據新香港公司條例(第622章)附表二第78條規定，並參考前香港公司條例(第32章)第161條規定，董事薪酬披露如下：

		2014 二零一四年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Wu Zheyang	吳哲彥	1,073	-	30	7	1,110
Wu Qingshan	吳青山	216	-	20	7	243
Xie Qingmei	謝清美	144	-	14	7	165
		1,433	-	64	21	1,518
Non-executive directors	非執行董事					
Wu Dongping	吳冬平	144	-	12	7	163
Lee Kong Wai, Conway	李港衛	368	-	-	-	368
		512	-	12	7	531
Independent non-executive directors	獨立非執行董事					
Lam Hin Chi	藍顯賜	95	-	-	-	95
Jin Zhongwei	金重為	98	-	-	-	98
Su Wenqiang	蘇文強	98	-	-	-	98
		291	-	-	-	291
		2,236	-	76	28	2,340

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

8 DIRECTORS' REMUNERATION (Continued)

8 董事薪酬(續)

		2013 二零一三年				
		Salaries, allowances and benefits in kind 薪金、津貼及 董事袍金	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	Total 總計	
		Directors' fees				
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors	執行董事					
Wu Zheyang	吳哲彥	360	-	-	7	367
Wu Qingshan	吳青山	216	-	-	7	223
Xie Qingmei	謝清美	144	-	-	7	151
		720	-	-	21	741
Non-executive director	非執行董事					
Wu Dongping	吳冬平	144	-	-	7	151
Independent non-executive directors	獨立非執行董事					
Lam Hin Chi	藍顯賜	98	-	-	-	98
Jin Zhongwei	金重為	98	-	-	-	98
Su Wenqiang	蘇文強	98	-	-	-	98
		294	-	-	-	294
		1,158	-	-	28	1,186

During the years ended 31 December 2014 and 2013, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 9 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2014 and 2013.

於截至二零一四年及二零一三年十二月三十一日止年度，本集團概無向董事或下文附註9所載的任何最高薪酬人士支付或應付任何款項，作為吸引彼等加盟本集團或於加盟本集團後的獎金，或作為離職補償。於截至二零一四年及二零一三年十二月三十一日止年度，董事概無根據任何安排放棄或同意放棄任何薪酬。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2013: three) are directors for the year ended 31 December 2014, whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other two (2013: two) individuals are as follows:

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他薪酬	1,424	1,792
Retirement scheme contributions	退休計劃供款	13	10
		1,437	1,802

The emoluments of the two individuals (2013: two individuals) with the highest emoluments are within the following bands:

		2014	2013
		二零一四年	二零一三年
		Number of	Number of
		individuals	individuals
		人數	人數
Nil to HK\$1,000,000	零至1,000,000港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
		2	2

10 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDER OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company include a loss of RMB6,291,000 (2013: RMB1,757,000) which has been dealt with in the financial statements of the Company.

9 最高薪酬人士

截至二零一四年十二月三十一日止年度，五名最高薪酬人士中，三名為董事(二零一三年：三名)，彼等的薪酬於附註8披露。餘下兩名人士(二零一三年：兩名)的薪酬總額如下：

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他薪酬	1,424	1,792
Retirement scheme contributions	退休計劃供款	13	10
		1,437	1,802

兩名最高薪酬人士(二零一三年：兩名)的薪酬介乎下列範圍：

		2014	2013
		二零一四年	二零一三年
		Number of	Number of
		individuals	individuals
		人數	人數
Nil to HK\$1,000,000	零至1,000,000港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
		2	2

10 本公司權益持有人應佔溢利

本公司權益持有人應佔綜合溢利包括虧損人民幣6,291,000元(二零一三年：人民幣1,757,000元)，該虧損已於本公司財務報表中處理。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

11 EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2014 is based on the profit attributable to equity shareholders of the Company of RMB90,810,000 (2013: RMB124,421,000) and weighted average of 1,141,438,000 shares (2013: 1,000,000,000 shares) in issue during the year ended 31 December 2014, calculated as follows:

Weighted average number of ordinary shares

11 每股盈利

截至二零一四年十二月三十一日止年度的每股基本盈利乃按截至二零一四年十二月三十一日止年度的本公司權益持有人應佔溢利人民幣90,810,000元(二零一三年：人民幣124,421,000元)，以及1,141,438,000股已發行股份(二零一三年：1,000,000,000股股份)的加權平均數計算，載列如下：

普通股的加權平均數

		Number of shares 股份數目	
		2014 二零一四年 '000 千股	2013 二零一三年 '000 千股
Issued ordinary shares at 1 January	於一月一日的已發行普通股	1,000,000	1,000,000
Effect of issue of shares upon placing on 26 June 2014 (note 28(c)(i))	於二零一四年六月二十六日 配售時發行股份的影響 (附註28(c)(i))	103,013	-
Effect of issue of shares upon placing on 7 October 2014 (note 28(c)(ii))	於二零一四年十月七日配售時 發行股份的影響(附註28(c)(ii))	38,425	-
Weighted average number of ordinary shares at 31 December	於十二月三十一日的普通股 加權平均數	1,141,438	1,000,000

There were no potential dilutive ordinary shares during the years ended 31 December 2014 and 2013 and, therefore, diluted earnings per share are the same as the basic earnings per share.

由於截至二零一四年及二零一三年十二月三十一日止年度並無潛在攤薄普通股，故每股攤薄盈利與每股基本盈利相同。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

12 PROPERTY, PLANT AND EQUIPMENT

The Group

12 物業、廠房及設備

本集團

		Buildings	Leasehold improvement	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房及機器	傢俬、裝置及設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：							
At 1 January 2013	於二零一三年一月一日	67,769	2,538	25,151	3,181	4,906	41,519	145,064
Additions	添置	3,033	1,047	27,100	1,136	1,174	57,548	91,038
Transfers	轉撥	84,857	-	3,124	-	-	(87,981)	-
Disposals in respect of land resumption (note 5(b))	處理有關土地收儲(附註5(b))	(9,474)	-	(3,558)	(851)	-	-	(13,883)
Disposals	出售	-	-	-	-	(235)	-	(235)
At 31 December 2013	於二零一三年十二月三十一日	146,185	3,585	51,817	3,466	5,845	11,086	221,984
At 1 January 2014	於二零一四年一月一日	146,185	3,585	51,817	3,466	5,845	11,086	221,984
Additions	添置	2,473	2,058	10,869	792	227	94,413	110,832
Transfers	轉撥	19,213	-	-	-	-	(19,213)	-
Disposals	出售	-	-	-	-	(97)	-	(97)
At 31 December 2014	於二零一四年十二月三十一日	167,871	5,643	62,686	4,258	5,975	86,286	332,719
Accumulated depreciation:	累計折舊：							
At 1 January 2013	於二零一三年一月一日	8,917	137	5,201	1,454	2,221	-	17,930
Charge for the year	年內支出	3,893	1,556	3,639	440	614	-	10,142
Written back on disposals in respect of land resumption (note 5(b))	處理有關土地收儲(附註5(b))	(2,395)	-	(1,531)	(309)	-	-	(4,235)
Written back on disposals	出售時撥回	-	-	-	-	(156)	-	(156)
At 31 December 2013	於二零一三年十二月三十一日	10,415	1,693	7,309	1,585	2,679	-	23,681
At 1 January 2014	於二零一四年一月一日	10,415	1,693	7,309	1,585	2,679	-	23,681
Charge for the year	年內支出	7,467	862	5,366	665	836	-	15,196
Written back on disposals	出售時撥回	-	-	-	-	(93)	-	(93)
At 31 December 2014	於二零一四年十二月三十一日	17,882	2,555	12,675	2,250	3,422	-	38,784
Net book value:	賬面淨值：							
At 31 December 2014	於二零一四年十二月三十一日	149,989	3,088	50,011	2,008	2,553	86,286	293,935
At 31 December 2013	於二零一三年十二月三十一日	135,770	1,892	44,508	1,881	3,166	11,086	198,303

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

12 PROPERTY, PLANT AND EQUIPMENT

(Continued)

Buildings which are held for own use are situated in the PRC. At 31 December 2014, buildings with net book value of RMB92,200,000 (2013: RMB52,784,000) and plant and machinery with net book value of RMB50,102,000 (2013: RMB9,413,000) were pledged to banks for certain banking facilities granted to the Group (see note 25(c)).

12 物業、廠房及設備^(續)

位於中國的樓宇持有作自用。於二零一四年十二月三十一日，賬面淨值為人民幣92,200,000元(二零一三年：人民幣52,784,000元)的樓宇及賬面淨值為人民幣50,102,000元(二零一三年：人民幣9,413,000元)的廠房及機器已抵押作為本集團的若干銀行融資的抵押(請見附註25(c))。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

13 LEASE PREPAYMENTS

13 租賃預付款

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost:	成本：		
At 1 January	於一月一日	54,605	67,901
Disposals in respect of land resumption (note 5(b))	處理有關土地收儲 (附註5(b))	-	(9,246)
Disposals	出售	-	(4,050)
At 31 December	於十二月三十一日	54,605	54,605
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	2,202	2,354
Charge for the year	年內支出	1,057	1,337
Written back on disposals in respect of land resumption (note 5(b))	處理有關土地收儲時撥回 (附註5(b))	-	(1,306)
Written back on disposals	出售時撥回	-	(183)
At 31 December	於十二月三十一日	3,259	2,202
Net book value:	賬面淨值：		
At 31 December	於十二月三十一日	51,346	52,403
Represented by:	即：		
Current portion	即期部分	1,056	1,096
Non-current portion	非即期部分	50,290	51,307
		51,346	52,403

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

13 LEASE PREPAYMENTS (Continued)

The lease prepayments represent costs of obtaining the land use rights in respect of land located in the PRC and the capitalised costs relating to dredging and leveling of land. These leases expire between 2047 and 2062.

At 31 December 2014, land use rights with an aggregate carrying amount of RMB51,346,000 (2013: RMB52,403,000) were pledged as securities for certain banking facilities granted to the Group (see note 25(c)).

14 NON-CURRENT PREPAYMENTS FOR ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT

The amount mainly represented prepayments for construction in progress and buildings. An analysis of non-current prepayments for acquisitions of property, plant and equipment is as follows:

13 租賃預付款(續)

租賃預付款指為取得位於中國的的土地的土地使用權而產生的成本，以及有關土地挖掘及平整的資本化成本。此等租賃於二零四七年至二零六二年屆滿。

於二零一四年十二月三十一日，賬面總值為人民幣51,346,000元(二零一三年：人民幣52,403,000元)的土地使用權已就本集團的若干銀行融資抵押予銀行(見附註25(c))。

14 收購物業、廠房及設備的非即期預付款

該金額主要指在建工程及樓宇預付款。收購物業、廠房及設備的非即期預付款分析如下：

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayment for acquisition of a property (note (a))	收購物業的預付款(附註(a))	23,250	23,250
Prepayment for acquisition of a piece of land (note (b))	收購一塊土地的預付款(附註(b))	4,661	-
Prepayment for construction of manufacturing complex (note (c))	建造綜合製造廠的預付款(附註(c))	7,965	-
Prepayment for dwelling and levelling cost (note (d))	平整土地成本的預付款(附註(d))	-	27,240
Prepayment for other constructions and property, plant and equipment	其他建築以及物業、廠房及設備的預付款	12,435	812
		48,311	51,302

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

14 NON-CURRENT PREPAYMENTS FOR ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) On 22 July 2013, Zhangping Kimura entered into an agreement (the "Acquisition Agreement") with an independent third party (the "Vendor") for the purchase of a property located at No. 996, Dong Huan Road, Jing Cheng Street, Zhangping City, Fujian province (the "Property") for a consideration of RMB46,500,000. Zhangping Kimura paid RMB23,250,000 to the Vendor on the same date as a deposit pursuant to the terms of the Acquisition Agreement. The remaining portion of the consideration will be paid to the Vendor at different stages after the completion of the construction of the Property. At 31 December 2014, the construction of the Property has not yet been completed and the deposit payment of RMB23,250,000 (2013: RMB23,250,000) is included as non-current prepayments for acquisition of property, plant and equipment in the consolidated statement of financial position.
- (b) On 26 December 2014, Zhangping Kimura entered into an agreement (the "Land Acquisition Agreement") with Zhangping City Bureau of Land and Resources ("Bureau of Land and Resources") for the purchase of a piece of land ("Land A") adjacent to Zone C of the Group's manufacturing complex of approximately 75,037 square meters for a consideration of RMB12,010,000. Zhangping Kimura has paid RMB4,661,000 to Bureau of Land and Resources as a deposit pursuant to the terms of the Land Acquisition Agreement. The remaining portion of the consideration will be paid to Bureau of Land and Resources in two installments pursuant to the terms of the Land Acquisition Agreement.
- (c) On 29 December 2014, Zhangping Kimura entered into a construction contract (the "Construction Contract") with an independent construction company (the "Construction Company") for the construction of production plants in Zone C of the Group's manufacturing complex of approximately 105,000 square meters for an aggregate consideration of RMB152,020,000. Zhangping Kimura has paid RMB61,172,000 to the Construction Company pursuant to the terms of the Construction Contract, comprising RMB7,965,000 and RMB53,207,000 as non-current prepayment for property, plant and equipment and construction in progress, respectively.

14 收購物業、廠房及設備的非即期預付款 (續)

附註：

- (a) 於二零一三年七月二十二日，漳平木村與一名獨立第三方（「賣方」）就購買位於福建省漳平市菁城街道東環路996號的物業（「該物業」）訂立協議（「收購協議」），代價為人民幣46,500,000元。根據收購協議的條款，漳平木村於同日支付人民幣23,250,000元作按金。代價餘額部分將於該物業完成興建後向賣方分階段支付。於二零一四年十二月三十一日，該物業建造尚未竣工。按金付款人民幣23,250,000元（二零一三年：人民幣23,250,000元）於綜合財務狀況表內入賬列為收購物業、廠房及設備的非即期預付款。
- (b) 於二零一四年十二月二十六日，漳平木村與漳平市國土資源局（「國土資源局」）就購買本集團綜合製造廠C區鄰近一幅約75,037平方米的土地（「土地A」）訂立一份協議（「土地購買協議」），代價為人民幣12,010,000元。漳平木村已根據土地購買協議條款向國土資源局支付人民幣4,661,000元作為按金。代價的餘下部分將根據土地購買協議的條款分兩期支付予國土資源局。
- (c) 於二零一四年十二月二十九日，漳平木村與一家獨立建築公司（「建築公司」）就於本集團約105,000平方米的綜合製造廠C區上興建生產廠房訂立施工合同（「施工合同」），總代價為人民幣152,020,000元。漳平木村已根據施工合同條款向建築公司支付人民幣61,172,000元，包括人民幣7,965,000元及人民幣53,207,000元分別列為物業、廠房及設備以及在建工程的非即期預付款。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

14 NON-CURRENT PREPAYMENTS FOR ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

(d) In February 2013, Zhangping Kimura entered into an agreement (the "Agreement") with the developer of Fushan Industrial Zone which is authorised by the relevant land authorities (the "Developer") that granted Zhangping Kimura the right to commence dwelling and levelling activities on Land A in Zone C of the Group's manufacturing complex. The Group has incurred dwelling and levelling costs on Land A of approximately RMB27,240,000 at 31 December 2013. At 31 December 2013, since the land auction procedure has not been commenced by the relevant land authorities, the Group was unable to enter into the procedure for procuring the relevant land use right certificate of Land A and the amount is included as non-current prepayments for acquisition of property, plant and equipment.

At 31 December 2014, Zhangping Kimura has entered into Land Acquisition Agreement with Bureau of Land and Resources for the purchase of Land A (see note 14(b)) and the balance of dwelling and levelling costs incurred on Land A is included in construction in progress.

14 收購物業、廠房及設備的非即期預付款(續)

附註：(續)

(d) 於二零一三年二月，漳平木村與經有關土地當局授權的富山工業區發展商(「發展商」)訂立協議(「協議」)，授予漳平木村權利開始在本集團於綜合製造廠C區的土地A上開展平整土地工程。於二零一三年十二月三十一日，本集團就土地A產生平整土地成本約人民幣27,240,000元。於二零一三年十二月三十一日，因相關土地當局尚未開始土地拍賣程序，本集團未能制定程序以取得土地A之相關土地使用權證，而相關金額計入收購物業、廠房及設備的非即期預付款。

於二零一四年十二月三十一日，漳平木村與國土資源局訂立土地收購協議以購買土地A(見附註14(b))，而土地A產生之平整土地成本結餘計入在建工程。

15 INTEREST IN AN ASSOCIATE**15 於聯營公司權益**

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share of net assets	應佔資產淨值	631	-

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

15 INTEREST IN AN ASSOCIATE (Continued)

Details of the Group's interest in the associate are as follows:

Name of associate	Place of establishment and operation	Particulars of paid up capital	Proportion of ownership interest		Principal activity
			Group's effective interest	Held by a subsidiary	
聯營公司名稱	成立及經營地點	實繳資本詳情	本集團的實際權益	由附屬公司持有	主要活動
Jiangxi Lvyuan Trading Co., Ltd. ("Lvyuan") 江西綠源貿易有限公司(「綠源」)	The PRC 中國	RMB2,000,000 人民幣 2,000,000元	45%	45%	Trading of imported timber 買賣進口木材

Lvyuan is accounted for using the equity method in the consolidated financial statements.

15 於聯營公司權益 (續)

本集團於聯營公司的權益詳情如下：

綠源於綜合財務報表內採用權益法入賬。

Summary of financial information of the associate:

該聯營公司的財務資料摘要：

		2014 二零一四年 RMB'000 人民幣千元
Gross amounts of the associate's Assets	聯營公司以下各項的總數額 資產	8,713
Liabilities	負債	(6,713)
Equity	權益	2,000
Revenue	收入	1,801
Loss and total comprehensive income for the year	年度虧損及全面收益總額	-
Reconciled to the Group's interests in the associate	與本集團於聯營公司的權益對賬	
Gross amounts of net assets of the associate	聯營公司資產淨值總額	2,000
Group's effective interest	本集團的實際權益	45%
Group's share of net assets of the associate	本集團應佔聯營公司的資產淨值	900
Elimination of share of unrealised profits arising from unsold inventories of the associate	抵銷應佔聯營公司未售存貨產生之未變現溢利	(269)
Carrying amount in the consolidated financial statements	於綜合財務報表的賬面值	631

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

16 OTHER FINANCIAL ASSETS

16 其他金融資產

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Available-for-sale equity securities: 可供出售股本證券：			
Unlisted equity securities, at cost	未上市股本證券，按成本	2,495	2,495

The above financial assets represent investment in equity securities of a PRC local bank in Zhangping City, Fujian Province. The investment does not have a quoted price in an active market for an identical instrument and whose fair value cannot be reliably measured.

上述金融資產指於中國福建省漳平市地方銀行的股本證券投資。該投資對於相同工具而言於活躍市場並無報價及其公平值無法可靠計量。

17 INTERESTS IN SUBSIDIARIES

17 於附屬公司的權益

		The Company	
		本公司	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unlisted shares, at cost	非上市股份，按成本	-	-
Amounts due from subsidiaries	應收附屬公司款項	356,181	117,306
		356,181	117,306

The investment cost represented the investment in Green Oceans Investment Holdings Limited of 10 United States Dollars ("USD").

投資成本指於Green Oceans Investment Holdings Limited投資的10美元(「美元」)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

17 INTERESTS IN SUBSIDIARIES (Continued)

Amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The directors regard amounts due from subsidiaries as non-current assets and as “interests in subsidiaries” as they do not intend to request repayment of these amounts from the subsidiaries within 12 months of the end of the reporting period.

Details of the subsidiaries are set out below. The class of shares held is ordinary unless otherwise stated.

17 於附屬公司的權益 (續)

應收附屬公司款項為無抵押、免息且無固定還款期限。董事將應收附屬公司款項視為非流動資產及「於附屬公司的權益」，此乃由於彼等無意要求附屬公司於報告期間結束後十二個月內償還此等款項。

有關附屬公司的詳情載列如下。除另有註明外，所持有的股份均為普通股。

Name of company	Place and date of incorporation/ establishment	Particulars of issued and paid up/ registered capital	Attributable equity interest held by the Company		Principal activities
			Direct	Indirect	
公司名稱	註冊成立/成立地點及日期	已發行及繳足資本/註冊資本的詳情	本公司所持應佔股權	本公司所持應佔股權	主要業務
			直接	間接	
Green Oceans Investment Holdings Limited	The British Virgin Islands (“BVI”) 7 November 2011	10 shares of USD1 each	100%	–	Investment holding
Green Oceans Investment Holdings Limited	英屬處女群島 (「英屬處女群島」) 二零一一年十一月七日	10股每股1美元的股份			投資控股
King Wood (Hong Kong) Holding Limited 木村(香港)控股有限公司	Hong Kong 5 August 2010 香港 二零一零年八月五日	10,000 shares 10,000股	–	100%	Sales of outdoor wooden products 銷售戶外木製品
Zhangping Kimura (notes (i) and (iii)) 漳平木村(附註(i)及(iii))	The PRC 17 December 1995 中國 一九九五年十二月十七日	Registered capital of RMB250,000,000 註冊資本 人民幣250,000,000元	–	100%	Manufacturing and sales of outdoor wooden products 生產及銷售戶外木製品

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

17 INTERESTS IN SUBSIDIARIES (Continued)

17 於附屬公司的權益(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立 地點及日期	Particulars of issued and paid up/ registered capital 已發行及繳足 資本/註冊資本 的詳情	Attributable equity interest held by the Company 本公司所持 應佔股權		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Zhangping Kimura Merry Garden Wooden Structure Design and Installation Co., Ltd. (notes (ii) and (iii))	The PRC 12 June 2010	Registered capital of RMB1,000,000	-	100%	Engaged in projects of outdoor wooden products including the provision of design and installation services
漳平市木村美麗家園木結構設計 安裝有限公司(附註(ii)及(iii))	中國 二零一零年六月十二日	註冊資本 人民幣1,000,000元			從事戶外木製品項目， 包括提供設計及 安裝服務
Merry Garden (Shanghai) Household Co., Ltd. (notes (ii) and (iii))	The PRC 24 February 2012	Registered capital of RMB1,000,000	-	100%	Retail sales of outdoor wooden products through self-operated retail shops
美麗家園(上海)家居有限公司 (附註(ii)及(iii))	中國 二零一二年二月二十四日	註冊資本 人民幣1,000,000元			透過自營零售店零售 戶外木製品
Merry Garden (Xiamen) Household Co., Ltd. (notes (ii) and (iii))	The PRC 14 November 2012	Registered capital of RMB5,000,000	-	100%	Retail sales of outdoor wooden products through self-operated retail shops
美麗家園(廈門)家居有限公司 (附註(ii)及(iii))	中國 二零一二年十一月十四日	註冊資本 人民幣5,000,000元			透過自營零售店零售 戶外木製品
Merry Garden (Fuzhou) Household Co., Ltd. (notes (ii) and (iii))	The PRC 5 December 2012	Registered capital of RMB500,000	-	100%	Retail sales of outdoor wooden products through self-operated retail shops
美麗家園(福州)家居有限公司 (附註(ii)及(iii))	中國 二零一二年十二月五日	註冊資本 人民幣500,000元			透過自營零售店零售 戶外木製品

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

17 INTERESTS IN SUBSIDIARIES (Continued)

17 於附屬公司的權益 (續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立 地點及日期	Particulars of issued and paid up/ registered capital 已發行及繳足 資本/註冊資本 的詳情	Attributable equity interest held by the Company 本公司所持 應佔股權		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Merry Garden (Sanming) Household Co., Ltd. (notes (ii) and (iii))	The PRC 19 December 2012	Registered capital of RMB500,000	–	100%	Retail sales of outdoor wooden products through self-operated retail shops
美麗家園(三明)家居有限公司 (附註(ii)及(iii))	中國 二零一二年十二月十九日	註冊資本 人民幣500,000元			透過自營零售店零售 戶外木製品
Merry Garden (US) Inc.	The United States of America 10 January 2013	100 share of USD1 each	–	100%	Sales of outdoor wooden products
Merry Garden (US) Inc.	美國 二零一三年一月十日	100股每股1美元的股份			銷售戶外木製品
Zhangping Merry Garden Import and Export Co. Ltd. ("MG Import and Export") (note (ii) and (iii))	The PRC 27 February 2013	Registered capital of RMB30,000,000	–	100%	Trading of timber and sales of outdoor wooden products
漳平市美麗家園進出口有限公司 ("美麗家園進出口") (附註(ii)及(iii))	中國 二零一三年二月二十七日	註冊資本 人民幣30,000,000元			木材貿易及銷售戶外 木製品
Merry Garden (Australia) Pty. Ltd.	Australia 10 April 2014	1 share at Australian Dollar 1	–	100%	Investment holding
Merry Garden (Australia) Pty. Ltd.	澳洲 二零一四年四月十日	1股值1澳元的股份			投資控股

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

17 INTERESTS IN SUBSIDIARIES (Continued)

17 於附屬公司的權益(續)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立 地點及日期	Particulars of issued and paid up/ registered capital 已發行及繳足 資本/註冊資本 的詳情	Attributable equity interest held by the Company 本公司所持 應佔股權		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Merry Garden Biomass Energy Holdings Limited 美麗家園生物質能源控股有限公司	Hong Kong 10 October 2014 香港 二零一四年十月十日	1 share 1股	-	100%	Investment holding 投資控股
Zhangping Merry Garden Biomass Energy Development Ltd. (note (iv)) 漳平市美麗家園生物質能源 發展有限公司(附註(iv))	The PRC 31 March 2014 中國 二零一四年三月三十一日	Registered capital of RMB30,000,000 註冊資本 人民幣30,000,000元	-	100%	Manufacturing and sales of renewable energy products 生產及銷售再生 能源產品

Notes:

- (i) This entity is a wholly foreign-owned enterprise established in the PRC.
- (ii) These entities are limited liability companies established in the PRC and are wholly-owned subsidiaries of Zhangping Kimura.
- (iii) The English translation of the company names is for reference only. The official names of these companies are in Chinese.
- (iv) This entity is a limited liability company established in the PRC and is a wholly-owned subsidiary of MG Import and Export.

附註：

- (i) 此實體為於中國成立的外商獨資企業。
- (ii) 該等實體為於中國成立的有限責任公司及漳平木村的全資附屬公司。
- (iii) 該等公司的英譯名稱僅供參考，其正式名稱以中文為準。
- (iv) 該實體為一間於中國成立之有限公司且為美麗家園進出口的全資附屬公司。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

18 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group

(a) Current taxation in the consolidated statement of financial position represents:

18 於綜合財務狀況表中的所得稅

本集團

(a) 於綜合財務狀況表中的即期稅項指：

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	20,517	10,015
Charged to profit or loss	計入損益表	18,078	31,324
PRC corporate income tax paid	已付中國企業所得稅	(9,397)	(20,822)
At 31 December	於十二月三十一日	29,198	20,517

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

18 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

The Group (Continued)

(b) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Deferred income	Unrealised profits on inventories	Unrealised gain on derivative financial instruments	PRC dividend withholding tax	Interest capitalisation	Total
	遞延收入	存貨的未變現溢利	衍生金融工具的未變現收益	中國股息預扣稅	利息資本化	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元

Deferred tax arising from: 遞延稅項來自：

At 1 January 2013	於二零一三年一月一日	5,990	214	(32)	(1,060)	-	5,112
(Charged)/credited to profit or loss (note 7(a))	(扣自)/計入損益表 (附註 7(a))	(1,117)	12	(246)	(131)	-	(1,482)
At 31 December 2013	於二零一三年十二月三十一日	4,873	226	(278)	(1,191)	-	3,630
At 1 January 2014	於二零一四年一月一日	4,873	226	(278)	(1,191)	-	3,630
Credited/(charged) to profit or loss (note 7(a))	計入/(扣自)損益表 (附註 7(a))	299	(41)	335	(516)	(343)	(266)
At 31 December 2014	於二零一四年十二月三十一日	5,172	185	57	(1,707)	(343)	3,364

18 於綜合財務狀況表中的所得稅 (續)

本集團 (續)

(b) 已確認的遞延稅項資產及負債

年內於綜合財務狀況表中已確認的遞延稅項資產/(負債)部分及變動如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

18 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

The Group (Continued)

(b) Deferred tax assets and liabilities recognised

(Continued)

Reconciliation to consolidated statement of financial position:

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Net deferred tax asset recognised in the consolidated statement of financial position 於綜合財務狀況表中確認的遞稅項資產淨值	5,414	4,821
Net deferred tax liabilities recognised in the consolidated statement of financial position 於綜合財務狀況表中確認的遞稅項負債淨值	(2,050)	(1,191)
	3,364	3,630

19 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

18 於綜合財務狀況表中的所得稅 (續)

本集團(續)

(b) 已確認的遞延稅項資產及負債(續)

於綜合財務狀況表中對賬如下：

19 存貨

(a) 於綜合財務狀況表中的存貨包括：

	The Group 本集團	
	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Raw materials 原材料	178,445	82,925
Work in progress 在製品	35,293	26,843
Finished goods 製成品	83,790	81,941
	297,528	191,709

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

19 INVENTORIES (Continued)

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

19 存貨(續)

(b) 已確認為開支並計入損益的存貨額分析如下：

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying amount of inventories sold	已售存貨的賬面值	522,818	323,317

20 TRADE AND OTHER RECEIVABLES**20 貿易及其他應收款項**

		The Group		The Company	
		本集團		本公司	
		2014	2013	2014	2013
		二零一四年	二零一三年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	192,329	103,712	-	-
Trade receivable from an associate	應收聯營公司的貿易款項	8,100	-	-	-
Amount due from a related company (note 30(c))	應收關聯公司款項 (附註30(c))	-	6,155	-	-
Total trade receivables	貿易應收款項總額	200,429	109,867	-	-
Prepayment for raw materials	原材料預付款	62,938	27,847	-	-
Deposits and other prepayments	按金及其他預付款	2,459	1,661	399	301
Derivative financial instruments (note 31(d))	衍生金融工具(附註31(d))	867	2,071	-	-
Gross amount due from customers for contract work (note (i))	應收客戶合同工程總額 (附註(i))	2,781	3,040	-	-
VAT recoverable	可收回增值稅	5,112	16,291	-	-
Other receivables	其他應收款項	4,074	1,595	-	-
		278,660	162,372	399	301

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

20 TRADE AND OTHER RECEIVABLES (Continued)

Note:

- (i) The aggregate amount of costs incurred plus recognised profits less recognised losses to date, included in the gross amount due from customers for contract work at 31 December 2014 was RMB21,108,000 (2013: RMB19,477,000). This balance includes retention receivables at 31 December 2014 of RMB1,582,000 (2013: RMB1,533,000), of which RMB386,000 (2013: RMB337,000) was expected to be recovered after more than one year.

All of the trade and other receivables, apart from those balances specified in (i) above, are expected to be recovered or recognised as expense within one year.

(a) Ageing analysis

As at 31 December 2014, the ageing analysis of trade and bills receivables (which are included in trade and other receivables), based on invoice date and net of allowances of doubtful debts, is as follows:

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month	於1個月內	88,706	65,411
1 to 2 months	1至2個月	43,930	21,222
2 to 3 months	2至3個月	31,800	12,446
Over 3 months	超過3個月	35,993	10,788
		200,429	109,867

Trade and bills receivables are normally due within 15 days to 3 months from the date of billing. Further details of the Group's credit policy are set out in note 31(a).

20 貿易及其他應收款項(續)

附註:

- (i) 於二零一四年十二月三十一日的應收客戶合同工程總額內包括已產生總成本加已確認溢利減截至當日的已確認虧損為人民幣21,108,000元(二零一三年:人民幣19,477,000元)。此結餘包括於二零一四年十二月三十一日的保留應收款項人民幣1,582,000元(二零一三年:人民幣1,533,000元)，其中人民幣386,000元(二零一三年:人民幣337,000元)預計將於一年後收回。

除上文(i)指明的該等結餘外，預計所有貿易及其他應收款項將於一年內收回或確認為開支。

(a) 賬齡分析

於二零一四年十二月三十一日，按發票日期並扣除呆賬備抵的貿易應收款項及應收票據(已計入貿易及其他應收款項)賬齡分析如下:

貿易應收款項及應收票據一般於出具發票日期起計15日至3個月內到期。有關本集團信貸政策的進一步詳情載於附註31(a)。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

20 TRADE AND OTHER RECEIVABLES (Continued)**(b) Trade debtors that are not impaired**

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current	即期	156,405	97,764
Less than 1 month past due	逾期少於1個月	43,203	11,948
1 to 3 months past due	逾期1至3個月	100	3
More than 3 months but less than 12 months past due	逾期超過3個月但少於12個月	573	-
More than 12 months past due	逾期超過12個月	148	152
Amounts past due	逾期款項	44,024	12,103
		200,429	109,867

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

20 貿易及其他應收款項(續)**(b) 不作減值的貿易應收賬款**

並無個別或共同視作減值的貿易應收款項及應收票據賬齡分析如下：

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current	即期	156,405	97,764
Less than 1 month past due	逾期少於1個月	43,203	11,948
1 to 3 months past due	逾期1至3個月	100	3
More than 3 months but less than 12 months past due	逾期超過3個月但少於12個月	573	-
More than 12 months past due	逾期超過12個月	148	152
Amounts past due	逾期款項	44,024	12,103
		200,429	109,867

未逾期或減值的應收款項涉及多個近期並無違約記錄的客戶。

逾期但並無減值的應收款項涉及一批與本集團具良好往績記錄的獨立客戶。根據過往經驗，由於信貸質素並無重大轉變，且認為該等結餘仍可悉數收回，故管理層相信毋須就該等結餘作出減值準備。本集團並無就該等結餘持有任何抵押品。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

21 ENTRUSTED LOANS

As at 31 December 2014, the Group has entered into three (2013: nil) entrusted loan arrangements with an independent third party amounting to RMB6,000,000, RMB12,000,000 and RMB12,000,000, respectively, through a PRC state-owned bank. The loans are unsecured, interest-bearing at 10% per annum and repayable within one year. The entrusted loans were neither past due nor impaired.

22 PLEDGED DEPOSITS

Pledged deposits with banks have been placed as security for banking facilities and derivative financial instruments issued by banks to the Group (see note 20, note 24 and note 25(c)).

23 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated statement of financial position and consolidated cash flow statement comprise:

21 委託貸款

於二零一四年十二月三十一日，本集團已透過一間中國國有銀行與獨立第三方訂立三份(二零一三年：無)分別達人民幣6,000,000元、人民幣12,000,000元及人民幣12,000,000元之委託貸款協議。該等貸款為無抵押、按年利率10%計息及須於一年內償還。該等委託貸款既未逾期亦未減值。

22 已抵押存款

抵押予銀行的存款已用作銀行向本集團發出銀行融資及衍生金融工具的抵押(見附註20、附註24及附註25(c))。

23 現金及現金等價物

(a) 於綜合財務狀況表及綜合現金流量表內的現金及現金等價物包括：

		The Group 本集團		The Company 本公司	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Deposits with banks and other financial institutions	銀行及其他財務機構存款	99,231	49,000	-	-
Cash at bank and in hand	銀行及手頭現金	74,913	26,052	85	47
		174,144	75,052	85	47

At 31 December 2014, cash and cash equivalents in the amount of RMB101,264,000 (2013: RMB70,804,000) are denominated in RMB and are deposited in the PRC in the ordinary course of business. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

於二零一四年十二月三十一日，為數人民幣101,264,000元(二零一三年：人民幣70,804,000元)乃以人民幣計值，並於日常業務過程中存放於中國。人民幣並非可自由兌換的貨幣，從中國匯出資金須受中國政府頒佈的外匯管制法例及法規所限制。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

23 CASH AND CASH EQUIVALENTS (Continued)

(b) Reconciliation of profit before taxation to cash (used in)/generated from operations:

23 現金及現金等價物(續)

(b) 除稅前溢利與經營業務(所用)／所得現金對賬如下：

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note		
	附註		
Profit before taxation	除稅前溢利	109,154	157,227
Adjustments for:	就以下各項作出調整：		
Interest expense	利息開支	11,326	5,463
Depreciation	折舊	15,196	10,142
Amortisation of lease prepayments	租賃預付款攤銷	1,057	1,337
Amortisation of deferred income	遞延收入攤銷	(1,153)	(4,472)
Net foreign exchange loss	外匯虧損淨值	2,244	1,000
Interest income	利息收入	(3,446)	(833)
Elimination of share of unrealised profits arising from unsold inventories of the associate	抵銷應佔聯營公司未售存貨產生之未變現溢利	269	-
Net gain on disposal of land use right	出售土地使用權收益淨額	-	(146)
Gain from land resumption	土地收儲收益	-	(44,802)
Net (gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)／虧損淨額	(45)	4
Changes in working capital:	營運資金變動：		
Increase in inventories	存貨增加	(105,809)	(119,410)
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)／減少	(117,209)	19,546
(Decrease)/increase in trade and other payables	貿易及其他應付款項(減少)／增加	(5,889)	8,932
Cash (used in)/generated from operations	經營業務(所用)／所得現金	(94,305)	33,988

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

24 TRADE AND OTHER PAYABLES

24 貿易及其他應付款項

		The Group 本集團		The Company 本公司	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Trade payables (note 24(a))	貿易應付款項(附註24(a))	3,167	10,840	-	-
Receipts in advance	預收款項	2,015	2,736	-	-
Derivative financial instruments (note 31(d))	衍生金融工具 (附註31(d))	1,247	222	-	-
Amount due to a director	應付一名董事款項	769	-	713	-
Amount due to a related company (note 30(c))	應付關聯公司款項 (附註30(c))	283	-	-	-
Other payables and accruals (note 24(b))	其他應付款項及 應計費用(附註24(b))	11,875	10,139	1,696	1,179
		19,356	23,937	2,409	1,179

All of the above balances are expected to be settled within one year or repayable on demand.

所有上述結餘預計將於一年內償付或按要求償還。

(a) A maturity analysis of the trade payables is as follows:

As at 31 December 2014, the maturity analysis of the trade payables balance is as follows:

(a) 貿易應付款項的到期日分析如下：

於二零一四年十二月三十一日，貿易應付款項的到期日分析如下：

		The Group 本集團	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Due within 1 month or on demand	1個月內到期償付或按要求償付	1,970	2,317
Due after 1 month but within 3 months	1個月後但3個月內到期償付	1,197	8,523
		3,167	10,840

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

24 TRADE AND OTHER PAYABLES (Continued)

(b) An analysis of the payables and accruals is as follows:

		The Group 本集團		The Company 本公司	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Salaries, wages, bonus and other accrued benefits	薪金、工資、花紅及其他應計福利	2,346	2,567	-	-
Payables for the purchase of property, plant and equipment	購買物業、廠房及設備的應付款項	1,608	2,473	-	-
Other tax payables	其他應付稅項	585	1,545	-	-
Professional fee payables	應付專業費用	1,556	1,179	1,427	1,179
Transportation fee payables	應付運輸費用	3,573	2,016	-	-
Others	其他	2,207	359	269	-
		11,875	10,139	1,696	1,179

24 貿易及其他應付款項(續)

(b) 本集團其他應付款項及應計費用分析如下：

25 BANK LOANS

(a) At 31 December 2014, the bank loans were repayable as follows:

		The Group 本集團	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within 1 year or on demand	一年內或按要求	345,699	239,651
After 1 year but within 2 years	一年後但兩年內	10,619	2,500
After 2 years but within 5 years	兩年後但五年內	41,000	22,597
		51,619	25,097
		397,318	264,748

25 銀行貸款

(a) 於二零一四年十二月三十一日，須償還的銀行貸款如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

25 BANK LOANS (Continued)

(b) At 31 December 2014, the bank loans were secured as follows:

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank loans (note 25(c))	銀行貸款(附註25(c))		
— secured	— 有抵押	234,019	155,657
— unsecured	— 無抵押	163,299	109,091
		397,318	264,748

(c) The amounts of banking facilities available to the Group and the utilisation at 31 December 2014 are set out as follows:

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Banking facilities available	可獲取的銀行融資		
— secured	— 有抵押	368,425	349,107
— unsecured	— 無抵押	186,604	140,236
		555,029	489,343
Amounts utilised	已動用金額		
— bank loans	— 銀行貸款	397,318	264,748

25 銀行貸款 (續)

(b) 於二零一四年十二月三十一日，有抵押銀行貸款如下：

(c) 於二零一四年十二月三十一日，本集團可獲取的銀行融資及其動用情況如下：

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

25 BANK LOANS (Continued)

- (c) The amounts of banking facilities available to the Group and the utilisation at 31 December 2014 are set out as follows:

(Continued)

The secured banking facilities were secured by the following assets with carrying values as follows:

25 銀行貸款(續)

- (c) 於二零一四年十二月三十一日，本集團可獲取的銀行融資及其動用情況如下：(續)

有抵押銀行融資以下列資產的賬面值作抵押：

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Pledged deposits (note 22)	已抵押存款(附註22)	98,221	64,000
Buildings (note 12)	樓宇(附註12)	92,200	52,784
Plant and machinery (note 12)	廠房及機器(附註12)	50,102	9,413
Lease prepayments (note 13)	租賃預付款(附註13)	51,346	52,403
		291,869	178,600

During 2013 and 2014, all of the Group's banking facilities were subject to the fulfilment of certain covenants, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. The Group has an unsecured bank loan with a carrying amount of RMB11,834,000 at 31 December 2014 (2013: Nil). The loan contains certain ratio covenants for which the Group did not meet the net profit ratio of not less than 20% for the year ended 31 December 2014 as stated in the loan agreement. However, the bank did not exercise the rights to request for early repayment nor charge additional interest to the Group. The loan was fully repaid according to the maturity date at 24 January 2015. Except for the above, none of the covenants relating to drawn down facilities had been breached during 2013 and 2014. Details of the Group's management of liquidity risk are set out in note 31(b).

於二零一三年及二零一四年，本集團的所有銀行融資均受履行與財務機構訂立的借貸安排中一般常見的若干契約所規限。倘本集團違反契約，則已支取的信貸將須按要求償還。本集團定期監控確保其遵守有關契約。本集團於二零一四年十二月三十一日有賬面值人民幣11,834,000元的無抵押銀行貸款(二零一三年：無)。貸款包含若干比率契約，但本集團並無達到截至二零一四年十二月三十一日止年度淨溢利率不低於20%(如貸款協議所載)的要求。然而，銀行並無行使權利要求提早償還亦無向本集團收取額外利息。該貸款於二零一五年一月二十四日按到期日悉數償還。除上述外，於二零一三年及二零一四年，本集團概無違反任何有關已支取信貸的契約。有關本集團管理流動資金風險的詳情載於附註31(b)。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

25 BANK LOANS (Continued)

(d) Included in secured and unsecured bank loans of the Group as at 31 December 2014 were bills discounted with recourse totalling RMB43,983,000 and RMB3,442,000 (31 December 2013: RMB30,396,000 and RMB19,965,000) respectively.

25 銀行貸款(續)

(d) 於二零一四年十二月三十一日，本集團有抵押及無抵押銀行貸款包括具追索權貼現票據分別合計人民幣43,983,000元及人民幣3,442,000元(二零一三年十二月三十一日：人民幣30,396,000元及人民幣19,965,000元)。

26 DEFERRED INCOME

The movements of deferred income are as follows:

26 遞延收入

遞延收入變動如下：

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at 1 January	於一月一日的結餘	19,493	23,965
Additions during the year	年內添置	2,350	-
Government grant recognised in profit or loss as other revenue (note 5(a))	於損益表確認為其他收入的政府補貼(附註5(a))	(1,153)	(4,472)
Balance at 31 December	於十二月三十一日的結餘	20,690	19,493
Represented by:	即：		
Current portion	即期部分	1,163	1,179
Non-current portion	非即期部分	19,527	18,314
		20,690	19,493

Deferred income represented government subsidies that compensated the Group for the cost of its land use right and the cost of infrastructure development which are recognised in profit or loss on a systematic basis over the useful life of the assets (note 5(a)).

遞延收入指政府補貼，用於賠償本集團的土地使用權成本及基礎設施發展成本，於資產的可使用年期內有系統地於損益表內確認(附註5(a))。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

27 NON-CURRENT INTEREST-BEARING BORROWINGS

(a) The analysis of the carrying amount of non-current interest-bearing borrowings is as follows:

		The Group 本集團		The Company 本公司	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Bank loans (note 25)	銀行貸款(附註25)				
– secured	– 已抵押	30,000	25,097	–	–
– unsecured	– 無抵押	21,619	–	–	–
		51,619	25,097	–	–
Unsecured debentures 5% 2017 (note 27(b))	票息5%的二零一七年 無抵押債券 (附註27(b))	15,778	–	15,778	–
		67,397	25,097	15,778	–

(b) Significant terms and repayment schedule of non-bank borrowings

Debentures

The Group has entered into agreements with two individual third parties issuing unsecured debentures with principal amounting to HK\$20,000,000. The debentures are bearing interest at 5% per annum, unsecured and repayable on 29 August 2017.

27 非流動計息借款

(a) 非流動計息借款賬面值之分析如下：

(b) 非銀行借款之重大條款及償還安排

債券

本集團已與兩名第三方個人訂立協議，發行本金額20,000,000港元的無抵押債券。相關債券按年息5%計算，為無抵押且應於二零一七年八月二十九日償還。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

28 CAPITAL, RESERVES AND DIVIDENDS

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

(a) Movements in components of equity

The Company

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
Balance at 1 January 2013	於二零一三年一月一日的結餘	8,135	126,262	(433)	(1,518)	132,446
Changes in equity for 2013:	二零一三年的權益變動：					
Loss for the year	年內虧損	-	-	-	(1,757)	(1,757)
Other comprehensive income	其他全面收益	-	-	(3,674)	-	(3,674)
Total comprehensive income for the year	年內全面收益總額	-	-	(3,674)	(1,757)	(5,431)
Dividends approved and paid in respect of the previous year	首次公開發售時發行股份， 扣除發行開支	-	(10,540)	-	-	(10,540)
Balance at 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及 二零一四年一月一日的結餘	8,135	115,722	(4,107)	(3,275)	116,475
Changes in equity for 2014:	二零一四年的權益變動：					
Loss for the year	年內虧損	-	-	-	(6,291)	(6,291)
Other comprehensive income	其他全面收益	-	-	(1,060)	-	(1,060)
Total comprehensive income for the year	年內全面收益總額	-	-	(1,060)	(6,291)	(7,351)
Issue of shares upon placing	配售時發行股份	2,918	236,753	-	-	239,671
Dividends approved and paid in respect of the previous year	過往年度已批准及 已付股息	-	(10,317)	-	-	(10,317)
Balance at 31 December 2014	二零一四年十二月三十一日的結餘	11,053	342,158	(5,167)	(9,566)	338,478

28 資本、儲備及股息

有關本集團綜合權益各部分的期初及期末餘額對賬載列於綜合權益變動表。本公司權益單獨部分於年初及年末的變動詳情如下：

(a) 權益部分的變動

本公司

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(b) Dividends

- (i) Dividends payable and proposed to equity shareholders of the Company attributable to the year:

Final dividend proposed after the end of the reporting period of HK\$0.005 (equivalent to approximately RMB0.004) per ordinary share (2013: HK\$0.013 (equivalent to approximately RMB0.0103) per ordinary share)	報告期末後建議派發的末期股息每股普通股0.005港元(相當於約人民幣0.004元)(二零一三年: 0.013港元(相當於約人民幣0.0103元))
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The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

Bonus Issue

The Board also proposed that bonus shares will be issued on the basis of one bonus share for every 100 Shares held to shareholders after the end of the reporting period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.013 (equivalent to approximately RMB0.0103) per ordinary share (2013: HK\$0.013 (equivalent to approximately RMB0.0105) per ordinary share)	於本年度內批准及派付上一個財政年度的末期股息每股普通股0.013港元(相當於約人民幣0.0103元)(二零一三年: 0.013港元(相當於人民幣0.0105元))
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28 資本、儲備及股息(續)

(b) 股息

- (i) 於下列年度應付及建議向本公司權益持有人派發的股息詳情:

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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5,409	10,317
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於報告期末後建議派發的末期股息並未於報告期末確認為負債。

派发紅股

董事會亦於報告期後建議向股東以每持有100股股獲發一股紅股之基準發行紅股。

- (ii) 於本期間批准及派付於上一個財政年度應付本公司權益持有人股息:

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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10,317	10,540
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Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Share capital

Authorised and issued share capital

		2014 二零一四年		2013 二零一三年	
		Number of shares 股份數目 (‘000) (千股)	Amount 金額 HK\$’000 千港元	Number of shares 股份數目 (‘000) (千股)	Amount 金額 HK\$’000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each at 1 January and 31 December	於一月一日及十二月 三十一日每股面值 0.01 港元的普通股	10,000,000	100,000	10,000,000	100,000

		2014 二零一四年		2013 二零一三年	
		Number of shares 股份數目 (‘000) 千股	Amount 金額 HK\$’000 千港元	Number of shares 股份數目 (‘000) 千股	Amount 金額 HK\$’000 千港元
Ordinary shares, issued and fully paid:	普通股、發行及繳足：				
At 1 January	於一月一日	1,000,000	10,000	1,000,000	10,000
Issue of shares upon placing on 26 June 2014 (note (i))	於二零一四年六月 二十六日配售時 發行股份(附註(i))	200,000	2,000	-	-
Issue of shares upon placing on 7 October 2014 (note (ii))	於二零一四年十月七日 配售時發行股份 (附註(ii))	165,000	1,650	-	-
		1,365,000	13,650	1,000,000	10,000
Equivalent to (RMB’000)	相當於(人民幣千元)		11,053		8,135

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(c) Share capital (Continued)

Authorised and issued share capital (Continued)

Notes:

- (i) On 26 June 2014, an aggregate of 200,000,000 ordinary shares of HK\$0.01 each were issued to not less than six placees, who and whose ultimate beneficial owners are independent third parties, at a price of HK\$0.8 per share. The net proceeds would be retained for capital expenditure to increase production capacity of the Group's products and as general working capital of the Group. The shares issued rank pari passu with other shares in issue in all respects.
- (ii) On 7 October 2014, an aggregate of 165,000,000 ordinary shares of HK\$0.01 each were issued to not less than six placees, who and whose ultimate beneficial owners are independent third parties, at a price of HK\$0.93 per share. The net proceeds would be retained for capital expenditure to increase production capacity of the Group's products, potential merger and acquisitions should appropriate opportunities arise and where the Directors considers it in the interest of the Group to do so, and as general working capital of the Group. The shares issued rank pari passu with other shares in issue in all respects.

(d) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issue of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

28 資本、儲備及股息(續)

(c) 股本(續)

法定及已發行股本(續)

附註：

- (i) 於二零一四年六月二十六日，合計200,000,000股每股0.01港元普通股已按每股0.8港元之價格發行予不少於六名承配人(彼等及其最終實益擁有人為獨立第三方)。所得款項淨額將會保留為資本開支以提升本集團產品之生產能力以及本集團之一般營運資金。所發行股份於所有方面與其他已發行股份享有等同權益。
- (ii) 於二零一四年十月七日，合計165,000,000股每股0.01港元普通股已按每股0.93港元之價格發行予不少於六名承配人(彼等及其最終實益擁有人為獨立第三方)。所得款項淨額將會保留為資本開支以提升本集團產品之生產能力、潛在併購(倘有適當機會及當董事認為其符合本集團利益時)以及本集團之一般營運資金。所發行股份於所有方面與其他已發行股份享有等同權益。

(d) 儲備性質及目的

(i) 股份溢價

股份溢價指本公司的股份面值與發行本公司股份所收取所得款項之間的差額。

根據開曼群島公司法，本公司股份溢價賬內的基金可供分派予本公司的股東，惟緊隨建議分派股息日期後，本公司須能夠償付一般業務過程中到期的債務。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(d) Nature and purpose of reserves (Continued)

(ii) Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of the entities with functional currency other than Renminbi. The reserve is dealt with in accordance with the accounting policy set out in note 2(v).

(iii) Statutory reserve

Transfers from retained profits to PRC statutory reserve are made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

The subsidiaries in the PRC are required to appropriate 10% of its after-tax profit, as determined in accordance with the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory general reserve can be used to make good prior years' losses, if any, and may be converted into paid-up capital provided that the balance after such conversion is not less than 25% of the registered capital.

(e) Distributable reserves

The aggregate amounts of reserves available for distribution to equity shareholders of the Company were RMB327,425,000 (2013: RMB108,340,000).

After the end of the reporting period, the directors proposed a final dividend of HK\$0.005 (equivalent to approximately RMB0.004) (2013: HK\$0.013 (equivalent to approximately RMB0.0103)) per ordinary share, amounting to RMB5,409,000 (2013: RMB10,317,000). This dividend has not been recognised as a liability at the end of reporting period.

28 資本、儲備及股息(續)

(d) 儲備性質及目的(續)

(ii) 匯兌儲備

匯兌儲備包括以人民幣以外的功能貨幣換算各間實體財務報表所產生的所有外幣差額。該儲備乃根據附註2(v)所載的會計政策處理。

(iii) 法定儲備

自保留盈利轉撥至中國法定儲備乃根據相關中國規則及規例以及本公司在中國成立的附屬公司的組織章程細則進行，並已獲相關董事會批准。

中國的附屬公司須撥出10%的除稅後溢利(其乃根據中國會計規則及規例釐定)至一般法定儲備，直至儲備結餘達註冊資本的50%為止。轉撥至儲備須在向股東分派股息前進行。

一般法定儲備可用於補償過往年度虧損(如有)，並可轉換至繳足股本，惟有關轉換後的結餘不得低於註冊資本的25%。

(e) 可分派儲備

可向本公司權益股東分派之儲備總額為人民幣327,425,000元(二零一三年：人民幣108,340,000元)。

於報告期末後，董事建議派發末期股息每股普通股0.005港元(相當於約人民幣0.004元)(二零一三年：0.013港元(相當於約人民幣0.0103元))，合共人民幣5,409,000元(二零一三年：人民幣10,317,000元)。於報告期末，此股息尚未被確認為負債。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

28 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurate with the level of risk and by securing access to financing at a reasonable cost.

The Group defined "capital" as including all components of equity. Trade balances and short-term bank loans that arise in the course of ordinary business are not regarded by the Group as capital. On this basis, the amount of capital employed by the Group at 31 December 2014 were RMB797,342,000 (2013: RMB477,172,000).

The Group manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustment to the capital structure in light of changes in economic conditions affecting the Group.

Except for the banking facilities which require the fulfilment of certain covenants as disclosed in note 25(c), neither the Company nor any of the subsidiaries are subject to externally imposed capital requirements in either prior or current year.

28 資本、儲備及股息(續)

(f) 資本管理

本集團管理資本的主要目標是透過與風險程度匹配的產品及服務定價及透過按合理成本取得融資，保障本集團持續經營的能力，以便其能繼續為股東帶來回報及為其權益持有者帶來利益。

本集團將「資本」定義為包括所有權益部分。本集團在一般業務過程中產生的貿易結餘及短期銀行貸款不被視為資本。按此基準，本集團於二零一四年十二月三十一日擁有的資本金額為人民幣797,342,000元(二零一三年：人民幣477,172,000元)。

本集團管理其資本架構，以維持更高股東回報間的結餘，該等回報可能具有更高的借貸及健全資本狀況所具有的優勢及保障，並就影響本集團的經濟狀況變動對資本架構進行調整。

除須達成附註25(c)所披露的若干契約的銀行信貸外，於去年度或本年度，本公司或任何附屬公司均毋須在外部施加資本需求。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

29 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2014 not provided for in these consolidated financial statements were as follows:

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted for	已訂約	124,469	30,240
Authorised but not contracted for	已授權但未訂約	-	-
		124,469	30,240

- (b) At 31 December 2014, the total future minimum lease payments under non-cancellable operating leases in respect of rental of offices and retail shops are repayable as follows:

		The Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年內	1,284	818
After 1 year but within 5 years	一年後五年內	208	62
		1,492	880

The leases typically run for an initial period of one to five years, with an option to renew when all terms are renegotiated. None of the leases include contingent rentals.

29 承擔

- (a) 於此等綜合財務報表內未作出撥備且於二零一四年十二月三十一日尚未償還資本承擔如下：

- (b) 於二零一四年十二月三十一日，有關辦公室及零售店租金的不可撤銷經營租約項下須償還的未來最低租賃付款總額如下：

租約一般初步為期一年至五年不等，可於所有條款重新磋商時續期。該等租約均不包括或然租金。

綜合財務報表附註^(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

30 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed in notes 8, 9, 15, 20 and 23 of these consolidated financial statements, the Group entered into the following significant related party transactions during the years presented.

(a) Name and relationship with related parties

During the years presented, the directors are of the view that related parties of the Group include the following entity:

Name of party

關聯方名稱

Zhangping Jiupengxi Ecological Tourism Development Company Limited (“Jiupengxi”)
漳平市九鵬溪生態旅遊發展有限責任公司
(「九鵬溪」)
Jiangxi Lvyuan Trading Co., Ltd. (“Lvyuan”)
江西綠源貿易有限公司(「綠源」)

The English translation of the name is for reference only.
The official name of these related parties is in Chinese.

Relationships

關係

A private company controlled by Wu Zheyuan.
Wu Zheyuan is a director of the Company.
吳哲彥控制的私營公司。
吳哲彥為本公司董事。
An associate of the Group.
本集團之聯營公司。

英文譯名僅供參考，此等關聯方的正式名稱概以中文為準。

30 重大關聯方交易

除此等綜合財務報表附註8、9、15、20及23所披露的關聯方資料外，本集團於所示年度訂立下列重大關聯方交易。

(a) 關聯方名稱及與關聯方的關係

於所示年度，董事認為，本集團的關聯方包括下列實體：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

30 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Significant related party transactions

Particulars of significant related party transactions during the years presented are as follows:

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Sales of wooden products to Lvyuan 向綠源銷售木製品	10,256	-
Sales of wooden products to and contract revenue of outdoor wooden products projects derived from Jiupengxi 向九鵬溪銷售木製品及來自九鵬溪戶外木製品項目合約收益	7,474	7,323

The directors confirm that the above sales and purchase transactions are entered into with trading terms similar to those with third parties.

(b) 重大關聯方交易

所示年度內重大關聯方交易的詳情如下：

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Sales of wooden products to Lvyuan 向綠源銷售木製品	10,256	-
Sales of wooden products to and contract revenue of outdoor wooden products projects derived from Jiupengxi 向九鵬溪銷售木製品及來自九鵬溪戶外木製品項目合約收益	7,474	7,323

董事確認，上述買賣交易乃以與彼等與第三方訂立的類似交易條款訂立。

(c) Amounts due from/(to) a related company

	RMB'000 人民幣千元
Amount due from/(to) Jiupengxi	應收/(應付)九鵬溪款項
Balance at	結餘於
— 1 January 2013	— 二零一三年一月一日 724
— 31 December 2013 and 1 January 2014	— 二零一三年十二月三十一日及二零一四年一月一日 6,155
— 31 December 2014	— 二零一四年十二月三十一日 (283)
Maximum balance outstanding	最高未償還結餘
— during 2014	— 於二零一四年 14,068
— during 2013	— 於二零一三年 6,155

The amount due from/(to) a related company was arisen from normal sales transactions. It was unsecured, interest-free and expected to be settled according to credit term which is similar to that with third parties.

(c) 應收/(應付)關聯公司款項

RMB'000
人民幣千元

應收/(應付)關聯公司款項乃源自一般銷售交易。該等款項為無抵押、免息及預期將根據其與第三方類似的信用條款償付。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

30 MATERIAL RELATED PARTY TRANSACTIONS (Continued)**(d) Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	2,915	1,840
Retirement scheme contributions	退休計劃供款	49	47
		2,964	1,887

Total remuneration was included in "staff costs" (see note 6(b)).

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of the transactions with Jiupengxi above (note 30(b)) constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

30 重大關聯方交易(續)**(d) 主要管理層人員薪酬**

本集團主要管理層人員(包括附註8所披露的已付本公司董事的款項及附註9所披露的若干最高薪酬僱員)薪酬如下:

	2014	2013
	二零一四年	二零一三年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Short-term employee benefits	2,915	1,840
Retirement scheme contributions	49	47
	2,964	1,887

總薪酬乃計入「員工成本」(見附註6(b))。

(e) 關連交易適用之上市規則

上文載述與九鵬溪進行之關聯方交易(附註30(b))構成上市規則第14A章界定之關連交易或持續關連交易。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate, currency and commodity price arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Management has a credit policy in place and the exposure to these credit risks is monitored on an ongoing basis.

In respect of cash and cash equivalents, the Group only places deposits with major financial institutions, which management believe are of high credit rating.

In respect of trade and other receivables, the Group usually requires upfront payment for sales of goods to new customers. For export sales, the Group generally requests settlement by letter of credit issued by financial institutions or by wire transfer for certain customers with good trading history. Individual credit evaluations are performed on all new customers requiring credit over a certain amount and are also performed on existing customers on a periodic basis. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group offers 15 to 60 days of credit to export sales customers with good trading history and offers 1 to 3 months of credit to the existing domestic sales customers. Generally, debtors with significant overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

31 金融風險管理及公平值

在本集團的正常業務過程中會產生信貸風險、流動資金風險、利率風險、貨幣風險、商品價格風險及業務風險。

本集團所承擔的此等風險及本集團管理此等風險所採用金融風險管理政策及慣例於下文闡述。

(a) 信貸風險

本集團的信貸風險主要來自貿易及其他應收款項以及現金及現金等價物。管理層已制訂信貸政策，並持續監察所面對的此等信貸風險。

本集團的現金及現金等價物僅存於管理層認為擁有高信貸評級的主要金融機構。

就貿易及其他應收款項而言，本集團通常要求新客戶就銷售貨物支付預付款。就出口銷售而言，本集團通常要求以金融機構開具的信用證或電匯（就若干經營歷史良好的客戶而言）結算。本集團對所有要求若干信貸額度的新客戶均會進行個別信用評估，亦定期對現有客戶進行個別信用評估。此等評估專注於客戶過往的到期支付記錄以及當前的支付能力，或會考慮客戶特定資料以及客戶經營所在地的經濟環境。本集團向具良好貿易記錄的出口銷售客戶授出15至60日的信貸期及對現有國內銷售客戶授出1至3個月的信貸期。一般而言，結餘嚴重逾期者，須首先結清應收款項的所有未償還結餘，才會獲授進一步的信貸。一般而言，本集團並無自客戶處取得抵押品。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

In respect of entrusted loans receivables, the Group assesses the credit quality of each entrusted loan borrower before granting any new entrusted loans. The Group has also assessed the financial ability of the entrusted loan borrower to determine the recoverability of the entrusted loan receivables at the end of the reporting period.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2014, 3% (2013: 1%), of the total trade and other receivables was due from the Group's largest customer and 6% (2013: 22%), was due from the five largest customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose it to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 20.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

31 金融風險管理及公平值(續)

(a) 信貸風險(續)

於授出任何新增委託貸款前，本集團就應收委託貸款評估各委託貸款借款人之信貸質素。本集團亦已評估委託貸款借款人之財務能力以釐定應收委託貸款於報告期末之可收回程度。

本集團所面對的信貸風險，主要受各客戶的個別特徵所影響，而並非來自客戶所經營的行業或所在的國家，因此當本集團面對個別客戶的重大風險時，將產生高度集中的信貸風險。於二零一四年十二月三十一日，貿易及其他應收款項總額中有3%（二零一三年：1%）為應收本集團最大客戶的欠款，而6%（二零一三年：22%）則為應收五大客戶的欠款。

所承受的最大信貸風險指經扣除任何減值撥備後，各項金融資產於綜合財務狀況表中的賬面值。本集團並無作出任何令其承擔信貸風險的擔保。

有關本集團因貿易應收款項承受的信貸風險的進一步量化披露，載於附註20。

(b) 流動資金風險

本集團的政策為定期監察其流動資金需求，確保符合貸款契約的規定，以確保本集團維持足夠的現金儲備及從主要金融機構取得充足的承諾貸款額，進而滿足其短期及長期流動資金所需。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

The following table details the remaining contractual maturities at 31 December 2014 of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company are required to settle these liabilities.

The Group

		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flow	Carrying amount at 31 December
		一年內或 按要求	超過一年 但少於二年	超過二年 但少於五年	訂約未貼現 現金流量總額	於十二月三十一日 的賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank loans and interest bearing borrowings	銀行貸款及計息借貸	355,791	14,439	59,523	429,753	413,096
Trade and other payables	貿易及其他應付款項	19,356	-	-	19,356	19,356
		375,147	14,439	59,523	449,109	432,452

31 金融風險管理及公平值 (續)

(b) 流動資金風險 (續)

下表詳列本集團及本公司非衍生金融負債於二零一四年十二月三十一日的剩餘合約到期日，該金融負債乃基於合約未貼現現金流量（包括使用合約利率或（倘浮動）於報告期末現行利率計算的利息付款）以及本集團及本公司被要求結算此等負債的最早日期而計算。

本集團

		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flow	Carrying amount at 31 December
		一年內或 按要求	超過一年 但少於二年	超過二年 但少於五年	訂約未貼現 現金流量總額	於十二月三十一日 的賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank loans and interest bearing borrowings	銀行貸款及計息借貸	244,900	3,964	24,810	273,674	264,748
Trade and other payables	貿易及其他應付款項	23,937	-	-	23,937	23,937
		268,837	3,964	24,810	297,611	288,685

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

The Company

		2014 二零一四年				Balance sheet carrying amount
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual undiscounted cash flow	資產負債表的賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Other payables	其他應付款項	2,409	—	—	2,409	2,409
Interest bearing borrowings	計息借貸	789	789	16,567	18,145	15,778
		3,198	789	16,567	20,554	18,187

		2013 二零一三年			Balance sheet carrying amount
		Within 1 year or on demand	contractual undiscounted cash flow	Total contractual undiscounted cash flow	資產負債表的賬面值
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Other payables	其他應付款項		1,179	1,179	1,179

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

(c) 利率風險

本集團的利率風險主要來自借款。按浮動利率及固定利率計息的借款分別為本集團帶來現金流量利率風險及公平值利率風險。如管理層所監察，本集團的利率狀況載於下文(i)。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's total borrowings at 31 December 2014:

		2014 二零一四年		2013 二零一三年	
		Effective interest rate 實際利率 %	Amount 金額 RMB'000 人民幣千元	Effective interest rate 實際利率 %	Amount 金額 RMB'000 人民幣千元
Fixed rate borrowings:	定息借款：				
RMB, Euros and USD bank loans	人民幣、歐元及美元銀行貸款	1.54%– 7.80%	177,912	0.78%– 7.80%	139,580
Unsecured debentures	無抵押債券	5%	15,778	–	–
Variable rate borrowings:	浮息借款：				
RMB and USD bank loans	人民幣及美元銀行貸款	1.23%– 8.05%	219,406	1.51%– 8.53%	125,168
Total net borrowings	總借款淨額		413,096		264,748
Net fixed rate borrowings as a percentage of total net borrowings	定息借款淨額佔總借款淨額的百分比		47%		53%

(ii) Sensitivity analysis

At 31 December 2014, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB1,865,000 (2013: RMB1,064,000). Other components of equity would not be affected by the changes in interest rates.

31 金融風險管理及公平值(續)

(c) 利率風險(續)

(i) 利率狀況

下表詳列二零一四年十二月三十一日本集團借款總額的利率狀況：

(ii) 敏感度分析

於二零一四年十二月三十一日，在所有其他變數保持不變的情況下，利率整體上升/下降100個基點估計會導致本集團的除稅後溢利及保留溢利減少/增加約人民幣1,865,000元(二零一三年：人民幣1,064,000元)。權益的其他部分將不受利率變動的影響。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis (Continued)

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis at 31 December 2013 has been performed on the same basis.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in USD and Euros, currencies other than the functional currency of the entity to which they relate.

The Group is also exposed to currency risk associated with the bank borrowings as the Group's borrowings are denominated in RMB, USD and Euros.

During the years presented, the Group entered into foreign currency forward contracts with major state-owned banks in the PRC mainly to acquire RMB to mitigate against currency risk on receivables denominated in USD and Euros. All of the forward exchange contracts have maturities of less than one year.

31 金融風險管理及公平值(續)

(c) 利率風險(續)

(ii) 敏感度分析(續)

上述敏感度分析指出本集團的除稅後溢利(及保留溢利)將產生的即時變動。敏感度分析假設利率變動於結算日已經發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨公平值利率風險的該等金融工具。就本集團於報告期末持有的浮息非衍生工具產生的現金流量利率風險而言，對本集團除稅後溢利(及保留溢利)的年度化影響以因利率變動而產生的利息支出或收入作出估計。於二零一三年十二月三十一日，該分析已按相同基準進行。

(d) 貨幣風險

本集團面對的貨幣風險，主要為以實體功能貨幣以外與其相關的貨幣(美元及歐元)計值的銷售及採購(產生應收款項、應付款項及現金結餘)而衍生的貨幣風險。

由於本集團的借款乃以人民幣、美元及歐元計值，因此本集團亦面臨銀行借款相關的貨幣風險。

所示年度內，本集團與中國的大型國有銀行訂立外幣遠期合約買入人民幣以降低以美元及歐元計值的應收賬款的貨幣風險。所有遠期外匯合約的到期時間均為結算日後一年以內。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk (Continued)

At 31 December 2014, the Group had foreign currency forward contracts with their fair values recognised as derivative financial instruments (assets) of RMB867,000 (2013: RMB2,071,000) and derivative financial instruments (liabilities) of RMB1,247,000 (2013: RMB222,000) and are included within "Trade and other receivables" (note 20) and "Trade and other payables" (note 24) respectively. The changes in fair value of the foreign currency forward contracts were recognised in the consolidated statement of profit or loss (note 5(b)).

(i) Exposure to currency risk

The following table details the Group's exposure at 31 December 2014 to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the end of reporting period. Differences resulting from the translation of the financial statements of the entities with functional currency other than RMB into the Group's presentation currency are excluded.

The Company does not have any significant financial assets or liabilities denominated in currencies other than its functional currency and it is not exposed to significant currency risk.

31 金融風險管理及公平值(續)

(d) 貨幣風險(續)

於二零一四年十二月三十一日，本集團外幣遠期合約按公平值確認人民幣867,000元(二零一三年：人民幣2,071,000元)為衍生金融工具(資產)及人民幣1,247,000元(二零一三年：人民幣222,000元)為衍生金融工具(負債)，並分別計入「貿易及其他應收款項」(附註20)及「貿易及其他應付款項」(附註24)，外幣遠期合約的公平值變動乃於綜合損益表(附註5(b))中確認。

(i) 貨幣風險

下表詳列本集團於二零一四年十二月三十一日因實體以功能貨幣以外的貨幣計值相對應的已確認資產或負債而產生的貨幣風險。為方便呈列，風險額以人民幣列示，使用報告期末的利率換算，惟將以人民幣以外的功能貨幣列賬的實體財務報表換算成本集團的呈列貨幣產生的差額則除外。

本公司並無任何重大金融資產或負債以其功能貨幣以外的貨幣計值，亦無承受重大貨幣風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued) 31 金融風險管理及公平值(續)

(d) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

The Group

		2014 二零一四年				2013 二零一三年			
		USD 美元	Euros 歐元	HK\$ 港元	RMB 人民幣	USD 美元	Euros 歐元	HK\$ 港元	RMB 人民幣
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and other receivables	貿易及其他應收款項	36,495	45	-	-	30,118	50	-	-
Cash and cash equivalents	現金及現金等價物	69,798	290	1	292	3,809	298	-	16
Bank loans	銀行貸款	(196,762)	-	(11,834)	-	(171,573)	-	-	-
Trade and other payables	貿易及其他應付款項	(3,330)	-	-	-	(232)	-	-	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	(93,799)	335	(11,833)	292	(137,878)	348	-	16

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. Other components of equity would not be affected by changes in the foreign exchange rates.

(ii) 敏感度分析

下表列示所有其他風險變數不變的情況下，本集團的除稅後溢利(及保留溢利)因於匯率的合理可能變動(本集團須就此變動承受重大風險)而產生的即時變動。權益的其他部分將不受外幣匯率變動的影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

The Group

31 金融風險管理及公平值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

本集團

		2014 二零一四年		2013 二零一三年	
		Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下降)	Increase/ (decrease) in profit after tax and retained profits 除稅後溢利 及保留溢利 上升/(下降) RMB'000 人民幣千元	Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下降)	Increase/ (decrease) in profit after tax and retained profits 除稅後溢利 及保留溢利 上升/(下降) RMB'000 人民幣千元
USD	美元	5% (5)%	(3,986) 3,986	5% (5)%	(5,860) 5,860
Euros	歐元	5% (5)%	14 (14)	5% (5)%	17 (17)
HK\$ against RMB	港元兌人民幣	5% (5)%	(503) 503	5% (5)%	- -
RMB against HK\$	人民幣兌港元	5% (5)%	12 (12)	5% (5)%	1 (1)

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

Results of the analysis as presented above represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis at 31 December 2013 has been performed on the same basis.

(e) Commodity price risk

The major raw materials used in the production of the Group's products include, fir and pinewood. The Group is exposed to fluctuations in the prices of these raw materials which are influenced by the global market as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes. The Group monitors its commodity price risk by widening its supply base and performs bulk purchase when the price of raw materials is low.

31 金融風險管理及公平值(續)

(d) 貨幣風險(續)

(ii) 敏感度分析(續)

上文呈列的分析結果指本集團各實體的除稅後溢利及權益以各自的功能貨幣計值於為呈列目的而按報告期末的匯率兌換成人民幣後的即時影響總額。

敏感度分析假設外幣匯率變動已應用至重新計算本集團持有的金融工具，而該等金融工具使本集團於報告期末面對外匯風險。分析不包括兌換海外業務財務報表至本集團呈列貨幣時可能出現的差額。於二零一三年十二月三十一日，分析已按相同的基準進行。

(e) 商品價格風險

用於生產本集團產品所用主要原材料包括杉木及松木。本集團面臨該等原材料價格波動的風險，而該等原材料的價格受全球市場及區域性供求狀況的影響。原材料價格的波動可能對本集團的財務表現產生不利影響。本集團不曾訂立任何商品衍生工具對沖潛在商品價格變動。本集團透過拓寬供應基礎及在原材料價格較低時進行批量採購的方式監管商品價格風險。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair values

(i) Financial instruments carried at fair value

Fair value hierarchy

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

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

31 金融風險管理及公平值(續)

(f) 公平值

(i) 按公平值列賬目的金融工具

公平值等級制度

下表呈列目標集團投資物業的公平值，該等物業於結算日按經常性基準計量，並分類為香港財務報告準則第13號：公平值計量定義的三級公平值架構。將公平值計量分類的等級乃經參考如下估值方法所用數據的可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據(即於計量日同類資產或負債於活躍市場之未經調整報價)計量的公平值
- 第二級估值：使用第二級輸入數據(即未能達到第一級的可觀察輸入數據)且並未使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為無市場數據的輸入數據
- 第三級估值：採用重大不可觀察數據計量的公平值

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair values (Continued)

(i) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

As at 31 December 2014 the Group's derivative financial instruments assets and liabilities amounting to RMB867,000 and RMB1,247,000 respectively (2013: assets and liabilities of RMB2,071,000 and RMB222,000 respectively) (notes 20 and 24) were carried at fair value, and these instruments fall into Level 2 of the fair value hierarchy described above.

During the years ended 31 December 2014 and 2013, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward exchange contracts in Level 2 is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the relevant government yield curve as at the end of reporting period plus an adequate constant credit spread.

There were no other financial assets or liabilities carried at fair value as at 31 December 2014 and 31 December 2013.

31 金融風險管理及公平值(續)

(f) 公平值(續)

(i) 按公平值列賬目的金融工具(續)

公平值等級制度(續)

於二零一四年十二月三十一日，本集團的衍生金融工具資產及負債分別合共人民幣867,000元及人民幣1,247,000元(二零一三年：資產及負債分別為人民幣2,071,000元及人民幣222,000元)(附註20及24)按公平值列賬，該等工具屬於上述第二級公平值等級。

截至二零一四年及二零一三年十二月三十一日止年度，第一級與第二級工具間並無轉移，亦無轉入第三級或自第三級轉出。本集團的政策為於公平值等級的各級在報告期末發生轉移時確認有關轉移。

第二級公平值計量使用的估值技術及輸入數據

第二級的遠期外匯合約公平值乃透過貼現合約遠期價格及扣除現有即期利率而釐定。所使用貼現率按於報告期末相關政府債券孳息率加足夠固定信貸息差而計算得出。

於二零一四年十二月三十一日及二零一三年十二月三十一日，概無其他按公平值列賬的金融資產或負債。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(f) Fair values (Continued)

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying values of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014 and 31 December 2013.

32 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2014, the directors consider the immediate and ultimate controlling party of the Group to be Green Seas Capital Limited, which is incorporated in BVI. This entity does not produce financial statement available for public use.

31 金融風險管理及公平值(續)

(f) 公平值(續)

(ii) 未按公平值列賬的金融工具公平值

本集團按成本或攤銷成本列賬的金融工具賬面值與彼等於二零一四年及二零一三年十二月三十一日的公平值並無重大差異。

32 直接及最終控股方

董事認為，於二零一四年十二月三十一日，本集團直接及最終控股方為Green Seas Capital Limited，該公司於英屬處女群島註冊成立。此實體並無編製公開財務報表。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2014 and which have not been adopted in the consolidated financial statements. These include the following which may be relevant to the Group.

33 截至二零一四年十二月三十一日止年度已頒佈尚未生效的修訂、新訂準則及詮釋的可能影響

截至此等綜合財務報表頒佈之日，國際會計準則理事會已頒佈多項修訂及新訂準則，其於截至二零一四年十二月三十一日止年度尚未生效，且並未於綜合財務報表內採納，當中包括下列可能與本集團有關的各項：

**Effective for accounting periods
beginning on or after
於下列日期開始或之後會計期間生效**

<i>Annual improvements to IFRSs 2010–2012 cycle</i> 國際財務報告準則二零一零年至二零一二年週期之年度改進	1 July 2014 二零一四年七月一日
<i>Annual improvements to IFRSs 2011–2013 cycle</i> 國際財務報告準則二零一一年至二零一三年週期之年度改進	1 July 2014 二零一四年七月一日
<i>Annual Improvements to IFRSs 2012–2014 cycle</i> 國際財務報告準則二零一二年至二零一四年週期之年度改進	1 January 2016 二零一六年一月一日
<i>Amendments to IAS 16 and IAS 38, Clarification of acceptable methods of depreciation and amortisation</i> 國際會計準則第16號及國際會計準則第38號修訂本 劃分可接受折舊及攤銷方式	1 January 2016 二零一六年一月一日
<i>IFRS 15, Revenue from contracts with customers</i> 國際財務報告準則第15號與客戶訂約之收入	1 January 2017 二零一七年一月一日
<i>IFRS 9, Financial instruments</i> 國際財務報告準則第9號金融工具	1 January 2018 二零一八年一月一日

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團正在對該等修訂、新訂準則及新訂詮釋預期在初步應用期間的影響作出評估。到目前為止，本集團認為，採納該等修訂、新訂準則及新訂詮釋對本集團的經營業績及財務狀況造成重大影響的可能性較小。

綜合財務報表附註(續)

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014 (Continued)

In addition, the requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the company's first financial year commencing after 3 March 2014 (i.e. the company's financial year which began on 1 January 2015) in accordance with section 358 of that Ordinance. The group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

33 截至二零一四年十二月三十一日止年度已頒佈尚未生效的修訂、新訂準則及詮釋的可能影響(續)

此外，根據新香港公司條例(第622章)第358條，第9部有關「賬目及審核」之規定已從本公司於二零一四年三月三日後之首個財政年度起(即本公司於二零一五年一月一日開始之財政年度)生效。本集團現正就公司條例之變更對綜合財務報表在初次應用第9部之期間之預期影響作出評估。現時之結論為將不可能有重大影響，並僅將主要影響綜合財務報表資料之呈報及披露。



美麗家園控股有限公司
MERRY GARDEN HOLDINGS LIMITED

Stock Code 股份代號:1237

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