



宏太控股有限公司 Wang Tai Holdings Limited

(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 1400

年度報告
Annual Report
2014



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CHAIRMAN'S STATEMENT

主席報告

The board of directors (the "Board") of Wang Tai Holdings Limited (the "Company") is pleased to present the consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2014.

RESULTS

2014 is a remarkable year for the Company for its successful initial public offering and listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 25 April 2014. The Company has raised net proceeds of approximately RMB128.7 million.

The People's Republic of China (the "PRC") government had taken an important measure to grant cotton farmers direct subsidies to substitute the previous policy on purchases and storage for last three years. A number of factors including the reform in cotton policy and the fall in selling price of cotton reserve caused the downward pressure on domestic cotton prices and the average selling prices of our products especially in the second half of 2014. However, as a result of the Group's effort, the average selling prices of our fabrics and yarn products in 2014 maintained at a similar level as that in 2013.

Having said that, we remained to be committed to satisfy the customers' demand for the quality and timely orders of our products. We achieved the targeted fabric production volume of around 37.9 million meters, representing an increase of approximately 9.5% over the amount of last year. However, as the demand for the yarn products decreased, the yarn production in 2014 was around 4,613.3 tonnes, representing a decrease of approximately 18.1% over the amount of last year. As a result, the Group recorded a total revenue of approximately RMB810.8 million in 2014 which was similar to that of 2013.

Increase in selling expenses, administrative expenses and finance costs with a share-based payment cost for the grant of the share options dragged down the profit for the year from approximately RMB75.0 million for the year ended 31 December 2013 to approximately RMB66.4 million for the year ended 31 December 2014.

宏太控股有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一四年十二月三十一日止年度之合併業績。

業績

二零一四年對本公司來說實在是難以忘懷的一年。本公司於二零一四年四月二十五日成功於香港聯合交易所有限公司(「交易所」)主板首次公開發售及上市，並已籌集所得款項淨額約為人民幣128.7百萬元。

中華人民共和國(「中國」)政府已採取重要措施，直接補貼棉農以取代過往三年採用的採購與貯藏政策。棉花政策改革及棉花儲備售價下降等多項因素對國內棉花價格及我們產品平均售價構成下行壓力，情況於二零一四年下半年尤其嚴重。然而，經過本集團努力，我們面料及紗線產品二零一四年的平均售價成功與二零一三年維持相近水平。

儘管如此，我們繼續承諾以優質及準時交貨滿足客戶的需求。我們的面料生產量達到約37.9百萬米的目標，較上年金額增長約9.5%，達到我們預期。然而，由於紗線產品需求下跌，二零一四年紗線生產約4,613.3噸，較去年的金額下跌約18.1%。結果，於二零一四年，本集團錄得總收益約人民幣810.8百萬元，與二零一三年相若。

銷售開支、行政開支及融資成本均告上升，連帶授出購股權涉及股份基礎付款開支，將截至二零一三年十二月三十一日止年度溢利約人民幣75.0百萬元拖低至截至二零一四年十二月三十一日止年度溢利約為人民幣66.4百萬元。

OUTLOOK

We expect that the textile market may not turnaround very quickly in the short run in 2015. The market price of fabrics and yarns may still be under pressure and the demand for the products may still be sluggish, but the price difference between domestic and overseas cotton is expected to continue to stand at a reasonable range. Under these circumstances, coupled with the progress made in cotton value-added-tax pilot reforms in a number of provinces across the PRC, cotton industry peers in the PRC are expected to be blessed with new stimulus. The directors of the Company (the "Directors") are cautiously optimistic about the prospect at this stage.

The Group commenced the overseas trading activities through its Hong Kong subsidiary since August 2014 and the Directors expect such activities will still carry on for the full year in 2015.

The Group commenced the construction of the second phase of Hubei Production Facilities in the last quarter of 2014 and its operation is expected to commence in the last quarter of 2015 or early 2016, the expected turnaround time of the industry. The Directors will keep monitoring the development on the textile market and make necessary adjustment on our expansion plan where appropriate.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere appreciation to all our shareholders for their long-standing support. I would also like to take this opportunity to thank all our staff members for their unwavering efforts and valuable contribution to the Group over the year.

前景

我們預期紡織市場可能於二零一五年短期內未能迅速逆轉。面料及紗線的市價或會仍備受壓力，而產品需求亦可能會呆滯，但國內及海外棉花之間的價格差距預期繼續維持於合理範圍。於此情況下，加上棉花增值稅以全中國多個省份設立改革試點均取得成果，預期為中國棉花同業帶來新刺激而受惠。本公司董事（「董事們」）現階段對前景審慎樂觀。

本集團自二零一四年八月起透過其香港附屬公司展開海外買賣業務，董事們認為有關業務將於二零一五年全年繼續進行。

本集團湖北生產設施第二期於二零一四年末季動工，並預期於二零一五年末季或二零一六年初預計行業扭轉逆勢時投產。董事們將繼續留意紡織業市場發展，並於適當時候就擴充計劃作出必要調整。

鳴謝

本人謹代表董事會對全體股東一直以來的鼎力支持致以由衷的感謝。同時借此機會感謝我們全體員工去年為本集團風雨同舟地努力堅持及寶貴貢獻！

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Lin Qingxiong (*Chairman*)
Mr. Qiu Zhiqiang
Mr. Deng Qinghui

Independent non-executive directors

Mr. Yu Yubin
Mr. Ma Chongqi
Mr. Chan Sui Wa

AUDIT COMMITTEE

Mr. Chan Sui Wa (*Chairman*)
Mr. Yu Yubin
Mr. Ma Chongqi

REMUNERATION COMMITTEE

Mr. Ma Chongqi (*Chairman*)
Mr. Chan Sui Wa
Mr. Yu Yubin

NOMINATION COMMITTEE

Mr. Yu Yubin (*Chairman*)
Mr. Ma Chongqi
Mr. Chan Sui Wa

REGULATORY COMPLIANCE COMMITTEE

Mr. Qiu Zhiqiang (*Chairman*)
Mr. Deng Qinghui
Mr. Siu Kai Chun

COMPANY SECRETARY

Mr. Siu Kai Chun (*FCCA, FCCA, FCA*)

AUTHORISED REPRESENTATIVES

Mr. Qiu Zhiqiang
Mr. Siu Kai Chun

AUDITOR

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications
Bank of Quanzhou
China Merchants Bank, Quanzhou Shishi Branch
Rural Commercial Bank of Shishi
Standard Chartered Bank (Hong Kong) Limited
Wing Lung Bank
Xiamen International Bank

董事會

執行董事

林清雄先生 (*主席*)
邱志強先生
鄧慶輝先生

獨立非執行董事

俞毓斌先生
馬崇啟先生
陳瑞華先生

審核委員會

陳瑞華先生 (*主席*)
俞毓斌先生
馬崇啟先生

薪酬委員會

馬崇啟先生 (*主席*)
陳瑞華先生
俞毓斌先生

提名委員會

俞毓斌先生 (*主席*)
馬崇啟先生
陳瑞華先生

監管合規委員會

邱志強先生 (*主席*)
鄧慶輝先生
蕭啟晉先生

公司秘書

蕭啟晉先生 (*FCCA, FCCA, FCA*)

授權代表

邱志強先生
蕭啟晉先生

核數師

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執業會計師
香港
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主要往來銀行

中國銀行(香港)有限公司
交通銀行
泉州銀行
招商銀行泉州石獅支行
石獅農商銀行
渣打銀行(香港)有限公司
永隆銀行
廈門國際銀行

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STOCK CODE

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股份代號

香港聯合交易所有限公司：1400

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

During the year, attributable to the expanded fabric production capacity over the past two years mainly from the establishment of new Hubei Production Facilities, the Group's revenue in 2014 was approximately RMB810.8 million, which was similar to that of 2013. However, net profit for 2014 decreased by approximately 11.4% to approximately RMB66.4 million when compared to that of 2013, mainly due to the one-off share based-expense for the grant of options pursuant to the Share Option Scheme, higher finance cost for increased borrowings to finance the working capital and the increase in selling expenses and administrative expenses for the operational expansion.

INDUSTRY REVIEW

In 2014, the PRC's cotton textile industry faced challenges from various aspects including the impact of the adjustment in cotton price policy. As such, the domestic trade of cotton textiles was growing under pressure.

In addition to the slackness in the market demand for cotton textiles, cotton price policy reform was originally intended to be implemented by making use of market-driven force, so that the price difference between domestic and overseas cotton can be kept at a reasonable range and the interests of cotton farmers can be protected, thereby strengthening the competitiveness of the cotton textile enterprises in the PRC. However, the change in cotton price policy had caused downward pressure on the domestic cotton price, which had in turn resulted in difficult operating landscape for domestic cotton textile enterprises during 2014. With the gradual stabilization of cotton prices, the tough situation faced by domestic cotton textile enterprises is anticipated to be improved in a cautiously optimistic manner.

BUSINESS REVIEW

For the year ended 31 December 2014, the revenue of the Group amounted to approximately RMB810.8 million, which maintained at a similar level as that of last year.

Revenue of the Group comprises sales of grey and dyed garment fabrics and cotton yarns. During the year, fabrics continued to be the major products the Group, which contributed to approximately 91.1% of the Group's total revenue for the year, amounting to approximately RMB738.7 million, representing an increase of approximately 8.6% when compared to that of last year. The increase was mainly fuelled by sales volume growth contributed by production facilities expansion. The Group's new production facilities installed in the Hubei Production Facilities during the second half year of 2012 were commissioned to full production at high efficiency during the full year of 2013 and improvement in the production utilization rate further increased the production volume in 2014. For the year ended 31 December 2014, the production of yarn was hindered by the staggered market demand and so the revenue decreased by around 21.0% to approximately RMB87.9 million when compared to that of last year.

概覽

年內，主要由於近兩年建立新湖北生產設施後面料產能擴充，本集團於二零一四年的收益約人民幣810.8百萬元，與二零一三年相若。然而，二零一四年純利較二零一三年減少約11.4%至約人民幣66.4百萬元，乃主要由於根據購股權計劃授出購股權之一次性以股份為基礎之開支、為撥付營運資金而增加借貸金額致使融資成本增加以及銷售開支及行政開支因擴充營運上升。

行業回顧

二零一四年，中國棉紡織行業各方面均遇到重重挑戰，包括棉花價格政策調整的影響。因此，棉紡織品國內貿易增長飽受壓力。

除棉紡織品市場需求疲弱外，棉花價格政策改革原意為借助市場力量推行，致使國內和海外之棉花價格差距維持在合理範圍內，使棉農利益受到保障，從而加強中國棉紡織企業的競爭力。不過，棉花價格政策改變對國內棉花價格構成下行壓力，以致二零一四年國內棉紡織企業之營運形勢困難。隨著棉花價格逐步轉趨穩定，國內棉紡織企業面臨之嚴峻趨勢可望審慎樂觀地改善。

業務回顧

截至二零一四年十二月三十一日止年度，本集團的收益為約人民幣810.8百萬元，與去年維持相約水平。

本集團之收益包括坯布、色布及棉紗線的銷售。年內，面料繼續為本集團主要產品，佔本集團年內總收益約91.1%，為約人民幣738.7百萬元，較去年同期增加約8.6%。增長主要由於生產設施擴張提高銷量。本集團於二零一二年下半年在湖北生產設施設置之新設施，在二零一三年全年實行全面高效率生產，而產能使用率改善進一步提高二零一四年產量。截至二零一四年十二月三十一日止年度，紗線生產量被市場需求壓抑，以致收益較去年減少約21.0%至約人民幣87.9百萬元。

The overall gross profit margin and the average selling price of fabrics and yarns maintained at similar level over the last two years. Gross profit margin for the year ended 31 December 2013 was 18.7% whereas gross profit margin for the year ended 31 December 2014 was 18.4%. The average selling price of fabrics and yarns for the year ended 31 December 2014 was RMB19.1 per metre and RMB19,064 per tonne respectively (2013: RMB19.7 per metre and RMB19,725 per tonne respectively).

Increase in selling expenses, administrative expenses and finance costs with a share-based payment expenses of approximately HKD5.1 million for the grant of the share options dragged down the profit for the year from approximately RMB75.0 million for the year ended 31 December 2013 to approximately RMB66.4 million for the year ended 31 December 2014.

During the year, the Group increased its production volume by capitalizing on its production capacities and enhanced sales by adjusting product portfolio in response to the ever-changing market, resulting in a reduction of its inventory level.

PROSPECT

There is fierce competition in the PRC's textile industry, yet the market is immense and highly fragmented. As such, the market will be embedded with ample room for rapid and sustainable development of enterprises with promising strength. In 2015, the Group will continue to focus on extending its reach into the domestic market, retain the existing market presence and step forward to the overseas trading market. We will be more determined than ever to enhance our profitability by optimizing the existing product portfolio and developing new products and improving quality products that meet market demand.

As at 31 December 2014, the Group owned a total of approximately 30,000 spindles and 568 air-jet looms with the designed annual production capacity of around 7,080 tonnes for yarn and 46,247 km for fabrics respectively. In 2015, the second phase of the Hubei Production Facilities, which is under construction and is expected to be completed by the fourth quarter in 2015. Upon completion of the second phase, our fabric production capacity will be further increased by at least 22,000 km.

過去兩年，面料及紗線整體毛利率及平均售價維持在相約水平。截至二零一三年十二月三十一日止年度，毛利率為18.7%，而截至二零一四年十二月三十一日止年度為18.4%。截至二零一四年十二月三十一日止年度，面料及紗線平均售價分別為每米人民幣19.1元及每噸人民幣19,064元（二零一三年：分別為每米人民幣19.7元及每噸人民幣19,725元）。

銷售開支、行政開支和融資成本增加，連同授出購股權之股份基礎開支約5.1百萬港元，拖低截至二零一三年十二月三十一日止年度之年內溢利約人民幣75.0百萬元至截至二零一四年十二月三十一日止年度約人民幣66.4百萬元。

於年內，本集團充分善用其產能提高產量，並通過調整產品組合以應對市場不斷變化，提高銷量，從而降低其存貨水平。

前景

中國紡織市場雖然競爭激烈，但市場規模龐大而且高度分散。因此，市場將會有足夠空間讓實力雄厚的企業持續快速發展。於二零一五年，本集團將會繼續集中擴展其於國內市場的份額、鞏固現時的市場地位及進軍海外貿易市場。我們將比以往更堅決改良現有產品組合、開發新品及改良可滿足市場需求之產品，藉此提高盈利能力。

於二零一四年十二月三十一日，本集團共擁有約30,000錠氣流紡機及568台噴氣織機，具備生產分別約7,080噸紗線及46,247千米面料的設計年產能。二零一五年，湖北生產設施第二期正在建設，預計將於二零一五年第四季度完成。第二期完工後，我們的面料產能將會進一步擴大至最少22,000千米。

Looking ahead, we need to strengthen our research and development (the "R&D") capability. In 2015, the R&D centre of Hongtai China Co., Ltd. is expected to be enhanced to become the Fujian Province Technology Centre and the Group will consider establishing a public samples centre. In order to accelerate R&D capability through the samples centre, the Group will obtain the market demand information and launch new fabric products with features such as anti-violet light, breathable, comfortable, etc. With the interaction of R&D centre and branded companies, the Group will compromise a series of high quality and low cost fabric products to meet the demand of those branded companies.

The Group will also consider the possibility of adoption of environmental protection technology to recycle the waste materials during the production process, but the Group is still investigating the feasibility on the technical and cost effectiveness. If the adoption becomes feasible, the Group can save the wastage during the production process to slim down the production cost and may even be eligible to apply for certain government subsidy.

With the above strategies, we hope not only to maintain the strategic position but to enhance the quality of products, boost our revenue and improve the profitability and customer loyalty.

FINANCIAL REVIEW

Turnover

Our revenue in 2014 was approximately RMB810.8 million, which was at a similar level as that of 2013. Our revenue was principally driven by the following factors:

- (i) revenue of our fabrics products increased from approximately RMB680.4 million in 2013 to approximately RMB722.8 million. Such increase in the revenue of our fabric products was primarily due to (1) our ability to meet customers' requirements and specifications, market preference and fashion trend so as to offer a wide range of fabric products to our customers. Our sales volume of fabric products increased from approximately 34,598.96 km in 2013 to approximately 37,894.1 km in 2014; (2) similar level in the average selling price ranged from approximately RMB19.7 per meter in 2013 to approximately RMB19.1 per meter in 2014; and
- (ii) revenue of yarn products decreased from approximately RMB111.2 million in 2013 to approximately RMB87.9 million in 2014. Such decrease in the revenue of our yarn products was primarily due to lower demand for the yarn products in 2014 while the average selling price decreased from approximately RMB19,725 per tonne in 2013 to approximately RMB19,064 per tonne in 2014.

展望未來，我們將加強研究及開發(「研發」)能力。二零一五年，宏太(中國)有限公司的研發中心預期將提升為福建省技術中心，本集團將考慮建立一所公眾樣本中心。為透過樣本中心以加快研發能力，本集團將取得市場需求資訊並推出具有防紫外光、透氣及舒適等功能的全新面料產品。憑藉研發中心與品牌企業的互動，結合各品牌服飾公司的需求，本集團將開發一系列適合品牌公司的高質量、低成本的面料產品。

本集團亦會考慮採納環保技術的可行性，以循環再用生產過程中製造的廢料，本集團仍會探討技術及成本效益的可行性。倘此採納可行，本集團將能夠於生產過程中節省浪費、減低生產成本甚至合資格向政府索取若干補貼。

憑藉上述策略，我們希望不僅能夠維持策略性定位，而且能夠提高產品質素，從而推高收益、改善盈利能力及加強客戶忠誠度。

財務回顧

營業額

於二零一四年，我們的收益約人民幣810.8百萬元，與二零一三年相若。我們的收益主要受下列因素所帶動：

- (i) 我們的面料產品收益由二零一三年約人民幣680.4百萬元，增長至約人民幣722.8百萬元。我們的面料產品收益增多主要是由於(1)我們能夠達到客戶要求及規格、市場偏好及時裝潮流，從而得以向客戶提供各式各樣的面料產品。我們的面料產品銷量由二零一三年約34,598.96千米增至二零一四年約37,894.1千米；(2)平均售價維持相近水平，介乎二零一三年約每米人民幣19.7元及二零一四年約每米人民幣19.1元之間；及
- (ii) 紗線產品收益由二零一三年約人民幣111.2百萬元，下降至二零一四年約人民幣87.9百萬元。我們紗線產品的收益減少，主要是由於二零一四年的紗線產品需求減少，而平均售價由二零一三年約每噸人民幣19,725元，下降至二零一四年約每噸人民幣19,064元。

The following table sets forth a breakdown of the revenue, sales volume, average unit selling price of the products of the Group in 2014 and the comparative figures in 2013:

下表載列於二零一四年本集團產品的收益、銷量及平均單位售價明細及二零一三年比較數字：

	Year ended 31 December 2014 截至二零一四年十二月三十一日止年度						Year ended 31 December 2013 截至二零一三年十二月三十一日止年度					
	Revenue RMB'000 人民幣千元	% of total revenue 佔總收益 百分比	Average unit selling price 平均 單位售價 RMB/m 人民幣/米	Sales volume 銷量 km 千米	Unit cost 單位成本 RMB/m 人民幣/米	Gross margin 毛利率	Revenue RMB'000 人民幣千元	% of total revenue 佔總收益 百分比	Average unit selling price 平均 單位售價 RMB/m 人民幣/米	Sales volume 銷量 km 千米	Unit cost 單位成本 RMB/m 人民幣/米	Gross margin 毛利率
Fabrics												
Interwoven Fabric with multi-fibres series	568,661	70.1%	19.2	29,625.43	15.5	458,625	69.6%	19.7	27,981	15.6	435,431	21.0%
Slub series	55,041	6.8%	17.8	3,089.03	14.8	45,585	5.4%	18.9	2,275	15.7	35,699	17.2%
Blended fabric series	34,728	4.3%	17.6	1,978.37	14.4	28,547	4.2%	18.5	1,806	15.5	27,948	16.1%
Stretch fabric series	40,319	5.0%	19.3	2,086.91	15.7	32,747	3.8%	19.9	1,513	16.9	25,613	14.8%
Pure cotton series	24,096	3.0%	21.6	1,114.36	17.5	19,496	2.9%	22.3	1,024	18.3	18,716	18.1%
Sub-total	722,846	89.2%	19.1	37,894.11	17.5	585,000	86.0%	19.7	34,599	18.3	534,407	
Yarns												
紗線												
Cotton yarns	87,949	10.8%	19,064	4,613.26	16,611	76,630	14.0%	19,725	5,635.9	17,239	97,159	12.6%
棉線												
Total	810,795	100.0%					100.0%					
總計												

Cost of sales

The increase in cost of sales by 2.8% from approximately RMB643.4 million for the year ended 31 December 2013 to approximately RMB661.5 million for the year ended 31 December 2014 was mainly due to (i) the increase in the use of raw materials as a result of the expansion of our fabric business; and (ii) the increase in the subcontracting dyeing charges as a result of our customers' requirement for such fabrics products.

Gross profit and gross profit margin

The gross profit was approximately RMB149.3 million in 2014, which was similar to that of 2013.

The gross profit margin maintained similar level ranged from 18.7% for the year ended 31 December 2013 to 18.4% for the year ended 31 December 2014.

Selling and distribution expenses

The increase in selling and distribution expenses by 92.5% from approximately RMB2.2 million for the year ended 31 December 2013 to approximately RMB4.2 million for the year ended 31 December 2014 was mainly due to higher expenses of approximately RMB1.5 million on transportation of grey yarns for dyeing from our Hubei Production Facilities.

General and administrative expenses

The increase in general and administrative expenses by 17.5% from approximately RMB31.5 million for the year ended 31 December 2013 to approximately RMB37.0 million for the year ended 31 December 2014 was mainly due to (i) increase in salaries and fringe benefits by approximately RMB1.4 million for increased number of staff during the year, (ii) increase in depreciation of office equipment and amortization of intangible assets by approximately RMB0.9 million for operation of Hubei Production Facilities since June 2013, and (iii) the share-based payment expenses of approximately RMB1.5 million for the fair value adjustment of the share option granted at the balance sheet date.

Finance costs

The increase in finance costs by 38.8% from approximately RMB17.0 million for the year ended 31 December 2013 to approximately RMB23.6 million for the year ended 31 December 2014 was mainly due to increase in the average balance of borrowings in order to meet our needs of working capital as a result of our business expansion as well as to finance the construction of the second phase of our Hubei Production Facilities.

Corporate bonds issued by the Company since the third quarter of 2014 amounted to approximately RMB27.7 million of which the interest cost had already been accrued.

銷售成本

銷售成本由截至二零一三年十二月三十一日止年度約人民幣643.4百萬元，增加2.8%至截至二零一四年十二月三十一日止年度約人民幣661.5百萬元，主因是由於(i)我們面料業務擴充，導致使用更多原材料；及(ii)客戶對該等面料產品的要求導致分包染色收費增加。

毛利及毛利率

於二零一四年，毛利約為人民幣149.3百萬元，與二零一三年相若。

毛利率維持相約水平，介乎截至二零一三年十二月三十一日止年度18.7%至截至二零一四年十二月三十一日止年度18.4%之間。

銷售及分銷開支

銷售及分銷開支由截至二零一三年十二月三十一日止年度約人民幣2.2百萬元，上升92.5%至截至二零一四年十二月三十一日止年度約人民幣4.2百萬元，主要由於我們湖北生產設施運輸原紗進行染色的較高開支約人民幣1.5百萬元。

一般及行政開支

一般及行政開支由截至二零一三年十二月三十一日止年度約人民幣31.5百萬元，增加17.5%至截至二零一四年十二月三十一日止年度約人民幣37.0百萬元，主要由於(i)年內員工人數增加導致薪金及附加福利增加約人民幣1.4百萬元，(ii)湖北生產設施自二零一三年六月營運以來的辦公室設備折舊及無形資產攤銷增加約人民幣0.9百萬元，及(iii)於結算日股份基礎支付開支約人民幣1.5百萬元作為已授出購股權之公平值調整。

融資成本

融資成本由截至二零一三年十二月三十一日止年度約人民幣17.0百萬元，上升38.8%至截至二零一四年十二月三十一日止年度約人民幣23.6百萬元，主要由於借款平均結餘增加，以配合我們業務擴張的營運資金需求，並為我們湖北生產設施第二期興建工程提供融資。

本公司自二零一四年第三季度起發行公司債券，約為人民幣27.7百萬元，已經計提利息成本。

Share options

The Company adopted a share option scheme on 27 March 2014.

On 12 December 2014, the Company granted 50,000,000 share options to certain of its Directors, shareholders, customers and suppliers at an exercise price of HK\$0.978 per share. The share option expense charged to the statement of profit or loss for the year ended 31 December 2014 was approximately RMB5.1 million. This amount was charged to decrease in revenue of approximately RMB1.5 million, an increase in cost of sales of approximately RMB2.1 million and general and administrative expenses of approximately RMB1.5 million, respectively.

Listing expenses

The Group's listing expenses amounted to RMB5.7 million for the year ended 31 December 2014, which decreased by 39.4% as compared to RMB9.4 million for the year 2013.

These fees primarily consisted of service charges the Group paid to the professional parties engaged in connection with the preparation for the listing. On 25 April 2014, the Company completed the initial public offering and the shares of the Company were listed on the Main Board of the Stock Exchange.

Leasehold land, property, plant and equipment

The Group's leasehold land, property, plant and equipment situated at Shishi and Hubei Production Facilities are land and various buildings in the manufacturing plants. The Group has 100% interest in 2 parcels of land located at Da Sheng Guan Shan Industrial Zone, Huangmei County, Huanggang City, Hubei Province, the PRC with gross floor area of approximately 99,903 square meters. The development of second phase construction of our Hubei Production Facilities is in progress and the addition of construction-in-progress was approximately RMB35.7 million as at 31 December 2014.

In addition, the Group currently occupies 3 parcels of land with buildings with gross floor area of approximately 60,764.33 square meters located at Shishi, Quanzhou City, Fujian Province, the PRC and a parcel of land with buildings with gross floor area of approximately 52,365.2 square meters located at Da Sheng Guan Shan Industrial Zone, Huangmei County, Huanggang City Hubei Province, the PRC for production, storage, staff quarter and ancillary purposes.

購股權

本公司於二零一四年三月二十七日採納購股權計劃。

本公司於二零一四年十二月十二日向若干董事、股東、客戶及供應商授出50,000,000份購股權，行使價為每股0.978港元。約人民幣5.1百萬元的購股權開支於截至二零一四年十二月三十一日止年度的損益表扣除。這筆款額分別於收益減少(約為人民幣1.5百萬元)、銷售成本上升(約為人民幣2.1百萬元)及一般及行政開支(約為人民幣1.5百萬元)之間扣除。

上市開支

本集團截至二零一四年十二月三十一日止年度的上市開支為人民幣5.7百萬元，較二零一三年的人民幣9.4百萬元減少39.4%。

有關費用主要包括本集團就籌備上市事宜向所委聘專業人士支付的服務費。本公司於二零一四年四月二十五日完成首次公開發售，本公司股份在交易所主板上市。

租賃土地、物業、廠房及設備

本集團位於石獅及湖北生產設施的租賃土地、物業、廠房及設備為各生產廠房內的土地及多棟建築物。本集團在中國湖北省黃岡市黃梅縣大勝關山工業區擁有兩塊地的100%權益，建築面積約99,903平方米。我們的湖北生產設施第二期工程正在興建。於二零一四年十二月三十一日的新增在建工程約人民幣35.7百萬元。

此外，本集團目前佔用三塊位於中國福建省泉州市石獅建築面積約為60,764.33平方米附帶樓宇的土地以及一塊位於中國湖北省黃岡市黃梅縣大勝關山工業區建築面積約為52,365.2平方米附帶樓宇的土地，作生產、儲存、員工宿舍及配套用途。

Available-for-sale financial assets

It represented an investment in a local financial institution located at Huangmei County, Huanggang City, Hubei Province, the PRC of approximately RMB4.5 million. The investment amount represented less than 1% of the total asset value of the consolidated balance sheet as at 30 June 2014 and of the average market capitalisation of the last five trading days before the date of investment of 22 August 2014. The investment target was a new business which did not yet generate any revenue and profits before the acquisition.

Inventories

Decrease in inventories by 10.1% from approximately RMB75.6 million as at 31 December 2013 to approximately RMB68.0 million as at 31 December 2014 was mainly due to decrease of raw materials by approximately RMB18.5 million as a result of the effective inventory management.

Trade and other receivables and prepayments

Increase in trade and other receivables and prepayments by 43.4% from approximately RMB167.2 million as at 31 December 2013 to approximately RMB239.7 million as at 31 December 2014 was mainly due to increase in trade receivables by RMB49.9 million over the last year for offering the 45 days average credit period to retain the regular customers and the increase of prepayment for purchase of raw materials by approximately RMB39.4 million.

Cash flow

During the year ended 31 December 2014, net cash inflow from operating activities was approximately RMB7.6 million. Compared with the net cash inflow in the last year of approximately RMB60.4 million, the decrease in net cash inflow from the operating activities of approximately RMB52.8 million was mainly due to the increase of trade receivables and prepayments for raw materials of approximately RMB74.6 million.

Net cash outflow from the investing activities in 2014 was approximately RMB52.5 million. Decrease of net cash outflow from the investing activities of approximately RMB87.3 million as compared with the last year was mainly due to decrease in purchase of property, plant and equipment of approximately RMB89.6 million for the construction of the first phase of Hubei Production Facilities in 2013.

The net cash inflow from the financing activities in the year 2014 was approximately RMB132 million whereas the net cash outflow in the year 2013 was approximately RMB120 million. Increase in the net cash inflow from financing activities of approximately RMB12 million was mainly due to the net proceeds of initial public offering of approximately RMB128.7 million offset by the decrease of the proceeds from borrowings of approximately RMB65.5 million and the increase in the restricted bank deposits of approximately RMB42.4 million.

可供出售金融資產

可供出售金融資產指位於中國湖北省黃岡市黃梅縣的地方金融機構投資約人民幣4.5百萬元。投資金額佔二零一四年六月三十日合併資產負債表的資產總額及二零一四年八月二十二日投資日期前最後五個交易日平均市值均低於1%。投資目標為於收購前尚未產生任何收益及利潤的新業務。

存貨

存貨由二零一三年十二月三十一日約人民幣75.6百萬元，減少10.1%至二零一四年十二月三十一日約人民幣68.0百萬元，主要是存貨管理有效，致使原材料減少約人民幣18.5百萬元。

貿易及其他應收賬款以及預付款

貿易及其他應收賬款以及預付款由二零一三年十二月三十一日約人民幣167.2百萬元增加43.4%至二零一四年十二月三十一日約人民幣239.7百萬元，主要由於去年就提供45天平均信貸期以保留常客而令貿易應收賬款增加人民幣49.9百萬元及採購原材料之預付款增加約人民幣39.4百萬元。

現金流

截至二零一四年十二月三十一日止年度，從營業活動所得現金淨流入約人民幣7.6百萬元。相比去年現金淨流入約人民幣60.4百萬元，從營業活動所得現金淨流入減少約人民幣52.8百萬元，主要原因為貿易應收賬款及採購原材料預付款增加約人民幣74.6百萬元。

二零一四年投資活動所得現金淨流出約人民幣52.5百萬元。相比去年減少從投資活動現金淨流出約人民幣87.3百萬元，主要是因為減少購置物業、廠房及設備約人民幣89.6百萬元作為二零一三年第一期湖北生產設施建築。

二零一四年從融資活動所得現金淨流入約人民幣132百萬元，而二零一三年為現金淨流出約人民幣120百萬元。增加從融資活動所得現金淨流入約人民幣12百萬元，主要是因為首次公开发售所得款項淨額約人民幣128.7百萬元抵銷減少貸款所籌得現金約人民幣65.5百萬元及增加受限制銀行存款約人民幣42.4百萬元。

Liquidity and financial resources

Our primary uses of cash are to satisfy our working capital needs and our capital expenditure needs. Since our establishment, our working capital needs and capital expenditure requirements have been principally financed through a combination of shareholders' equity, cash generated from operations, bank borrowing and other borrowings.

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities and centralised and cash and cash equivalents are generally deposited with financial institutions such as banks denominated mostly in Renminbi and Hong Kong dollars.

Net current liabilities and working capital

The following table sets forth our current assets, current liabilities, current ratio, quick ratio, gearing ratio and debt to equity ratio as at 31 December 2014 with comparative figures as at 31 December 2013:

流動資金及財務資源

我們的現金主要用於滿足我們的營運資金需要及資本開支需要。自我們成立以來，我們的營運資金需要及資本開支需求一直主要透過股東權益、經營所得現金、銀行借款及其他借款獲得資金支持。

本集團採取審慎的現金及財務管理政策。為更好地控制成本及盡可能降低資金成本，本集團集中管理其財資活動，現金及現金等價物一般存放於銀行等金融機構，且大部分以人民幣及港元計值。

流動債務淨額及營運資金

下表載列於二零一四年十二月三十一日我們的流動資產、流動負債、流動比率、速動比率、權益負債比率及債務股本比率，連同二零一三年比較數字：

		As at 31 December	
		於十二月三十一日	
		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 assets	流動資產		
Inventories	存貨	68,001	75,647
Trade and other receivables and prepayments	貿易及其他應收款項及預付款	239,670	167,228
Cash and bank balances	現金及銀行餘額	135,223	47,922
Restricted bank deposits	受限制銀行存款	59,031	32,799
Total current assets	流動資產總額	501,925	323,596
Current liabilities	流動負債		
Borrowings	借款	124,946	182,727
Trade and other payables	貿易及其他應付款項	151,109	226,877
Current income tax liabilities	即期所得稅負債	12,400	18,432
Total current liabilities	流動負債總額	288,455	428,036
Net current assets/(liabilities)	流動資產/(負債)淨額	213,470	(104,440)
Current ratio	流動比率	174.0%	75.6%
Quick ratio	速動比率	150.4%	57.9%
Gearing ratio	權益負債比率	28.6%	46.1%
Debt to equity ratio	債務股本比率	68.2%	103.5%

Bank and other borrowings

Particulars of borrowings of the Company of approximately RMB27.7 million (2013: Nil) and the Group of approximately RMB327.6 million (2013: RMB268.1 million) as at 31 December 2014 are set out in note 15 to the consolidated financial statements.

Pledge of Assets

As at 31 December 2014, the Group's land use rights and buildings, machinery and equipment with an aggregate net book value of approximately RMB305.5 million were pledged to secure banking facilities for purposes of working capital and purchases of fixed assets for the Group (as at 31 December 2013: approximately RMB159.2 million).

Paid in capital

On 25 April 2014, the Company completed the initial public offering and the shares of the Company were duly listed on the Main Board of the SEHK. An aggregate amount of approximately RMB128.7 million has been raised as the initial public offering proceeds.

Upon completion of the initial public offering, the total number of issued shares of the Company has increased to 1,010,000,000.

Foreign exchange risk

The Group mainly operates in the mainland China with most of the revenue and expenditure transactions denominated and settled in RMB, where its foreign exchange risk is limited. The Group's exposure to foreign exchange risk is mainly on its sales and purchase transactions (i.e., export or import of products) denominated in USD and HKD, and amounts due from/to related parties denominated in USD. The Group does not hedge its foreign exchange risk during the year but will monitor closely the Group's foreign exchange exposure and manage its foreign exchange risks by performing regular reviews.

Contingent liabilities

As at 31 December 2014, the Group did not have any material contingent liabilities.

Material acquisitions and disposals

There were no material acquisitions or disposals during the year ended 31 December 2014.

銀行及其他借款

於二零一四年十二月三十一日，本公司約人民幣27.7百萬元(二零一三年：無)及本集團約人民幣327.6百萬元(二零一三年：人民幣268.1百萬元)的借款詳情載於綜合財務報表的附註15。

資產抵押

於二零一四年十二月三十一日，本集團賬面淨值總額約人民幣305.5百萬元之本集團土地使用權及樓宇、機器及設備已予抵押，以取得用作本集團營運資金及購買固定資產的銀行融資(於二零一三年十二月三十一日：約人民幣159.2百萬元)。

實繳資本

於二零一四年四月二十五日，本公司完成首次公開發售，及本公司股份正式於交易所主板上市。首次公開發售所得款項籌得合共約人民幣128.7百萬元。

於首次公開發售完成後，本公司已發行股份總數已增加至1,010,000,000股。

外匯風險

本集團主要運作於中國大陸，所以大部分收入及費用交易都以人民幣計值及結算，故外匯風險是有限的。本集團所面對外匯風險主要於銷售及採購交易(即出口及入口產品)以美金及港元計值作交易，及以美金計算應收/付關連人士款項。本集團並沒有在年內對沖外匯風險，但將密切監視本集團所承受之外匯風險及執行定期複核來管理外匯風險。

或然債務

於二零一四年十二月三十一日，本集團並無重大或然負債。

重大收購及出售事項

截至二零一四年十二月三十一日，並無重大收購及出售事項。

USE OF PROCEEDS AND EXPANSION PLAN

From 25 April 2014 (the "Listing Date") to the date of this report, the Group has been following the pattern of application of the net proceeds as described in the prospectus of the Company dated 10 April 2014. In addition, the Group does not intend to change its expansion plan as described in the prospectus with the reschedule of the second phase of Hubei Production Facilities, as at 31 December 2014, the unutilised net proceeds are approximately HKD59.4 million, equivalent to approximately RMB47.5 million of which the whole amount of the unutilised net proceeds was deposited in bank accounts in the PRC. Details of the reschedule of the construction of the second phase of Hubei Production Facilities were set out in the Company's announcement dated 19 September 2014.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 30 December 2014, the Company announced voluntarily on the entering into the placing agreement in relation to the placing of 7% three year term corporate bonds in an aggregate principal amount of HKD200 million for the working capital purpose. Pursuant to the placing agreement, on 22 January 2015, the Company issued bonds in the principal amount of HKD84.0 million. The bonds were unsecured, interest bearing at a rate of 7% per annum, payable semi-annually and repayable by year 2018.

所得款項用途及擴充計劃

於二零一四年四月二十五日(「上市日」)至本報告日期期間，本集團一直遵從本公司日期為二零一四年四月十日的本公司招股章程所述所得款項淨額用途模式。此外，本集團無意更改招股章程所述擴充計劃。隨著更新湖北生產設施第二期竣工時期，於二零一四年十二月三十一日，尚未動用所得款項淨額約59.4百萬港元，相當於約人民幣47.5百萬元，其中尚未動用所得款項淨額全數存入中國的銀行賬戶。請參閱本公司於二零一四年九月十九日就關於湖北生產設施第二期更改竣工期之公告。

報告期後的重大事項

於二零一四年十二月三十日，本公司宣佈自願就配售7%本金總額200百萬港元三年期企業債券用作營運資金訂立配售協議。根據配售協議，於二零一五年一月二十二日，本公司已發行本金額為84.0百萬港元之債券。該債券是沒有抵押品，年利率百分之七，每半年繳付利息及於二零一八年到期償還。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) as its own code of corporate governance. The manner in which the principles and code provisions in the CG Code are applied and implemented since 25 April 2014 (the “Listing Date”) and up to the date of this annual report (the “Period”) is explained in this Corporate Governance Report.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company acknowledges the important role of its Board in providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations.

In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the CG Code throughout the Period save for code provision A.1.8.

Code provision A.1.8 of the CG Code stipulates that the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not consider necessary to have insurance cover for legal action against its Directors and will monitor any changes to the situation and make necessary action. The Board believes with the current internal control system and the close supervision of the management, the Directors’ risk of being sued or getting involved in litigation in their capacity as Directors is relatively low.

The Company will, from time to time, review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載的企業管治守則(「企業管治守則」)為其企業管治守則。企業管治守則內的有關原則及守則條文於二零一四年四月二十五日(「上市日期」)至截至本年報日期止(「期間」)的應用及實施方式於本企業管治報告內說明。

企業管治

本公司致力於實現高標準企業管治以保障股東權益及提高企業價值及問責性。本公司確認，董事會在有效領導及掌舵本公司業務並確保本公司運作具透明度及問責性中擔任重要角色。

董事認為，除守則條文第A.1.8條外，本公司於整個期間一直遵守企業管治守則所載的適用守則條文。

企業管治守則守則條文第A.1.8條規定，本公司應就向其董事提出的法律訴訟安排合適的保險保障。目前，本公司認為暫無必要就向其董事提出的法律訴訟提供保險保障，但會監控任何情況變動以作出必要行動。董事會相信，透過現有的內部監控系統及管理層的密切監督，各董事以董事身份被控告或牽涉於訴訟的風險相對較低。

本公司將不時審核及加強其企業管治常規以確保其持續符合企業管治守則的規定。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and employees who are likely to possess inside information of the Company (the "Securities Dealing Code"). The Company had made specific enquiry of all Directors whether they have complied with the required standard set out in the Model Code during the Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Period.

No incident of non-compliance of the Securities Dealing Code by the employees was noted by the Company during the Period.

THE BOARD OF DIRECTORS

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group. The Board has delegated to the executive Directors and senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All Directors carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Board Composition

The Board currently comprises six members, consisting of three executive Directors and three independent non-executive Directors.

The Company has throughout the Period 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, and accounting or related financial management expertise. At all times during the Period, the independent non-executive Directors represent at least one-third of the Board.

董事的證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為可能取得本公司內幕消息的董事及僱員進行證券交易的行為守則(「證券交易守則」)。本公司已就董事於期間是否遵守標準守則所載的規定準則向全體董事作出特定查詢，而全體董事確認彼等於整個期間一直遵守標準守則及證券交易守則。

本公司不知悉僱員於期間有任何違反證券交易守則的行為。

董事會

責任

董事會負責領導及監控本公司並監察本集團的業務、策略性決定及表現。董事會已向執行董事及高級管理層轉授本集團日常管理及營運的權力及責任。此外，董事會轄下設立董事委員會，並向該等董事委員會轉授其各自職權範圍載列的各項責任。

全體董事時刻本著誠信、根據適用法律及法規及從本公司及其股東利益出發履行職責。

董事會組成

董事會目前由六名成員組成，包括三名執行董事及三名獨立非執行董事。

本公司於整個期間一直履行上市規則有關委任至少三名獨立非執行董事且至少一名獨立非執行董事須具備合適專業資格以及會計或相關財務管理專業知識的規定。於整個期間，獨立非執行董事至少佔董事會三分之一席位。

The Board comprises the following Directors:

Executive Directors:

Mr. LIN Qingxiong (*Chairman*)
Mr. QIU Zhiqiang
Mr. DENG Qinghui

Independent non-executive Directors:

Mr. YU Yubin
Mr. MA Chongqi
Mr. CHAN Sui Wa

A description of the biographies of the Directors is set out in the section headed "Directors and Senior Management" in this annual report.

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

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

The Board members have no financial, business, family or other material/relevant relationship with each other.

董事會包括下列成員：

執行董事：

林清雄先生(主席)
邱志強先生
鄧慶輝先生

獨立非執行董事：

俞毓斌先生
馬崇啟先生
陳瑞華先生

董事履歷詳情載於本年報「董事及高級管理層」一節。

董事名單亦於本公司根據上市規則不時刊發的所有公司通訊內披露。獨立非執行董事的身份均已根據上市規則在所有公司通訊中明確說明。

本公司已接獲各獨立非執行董事根據上市規則的規定就其獨立性而呈交的年度書面確認。根據上市規則所載的獨立性指引，本公司認為所有獨立非執行董事確屬獨立人士。

全體董事(包括獨立非執行董事)均為董事會的有效及高效運作注入廣泛而珍貴的業務經驗、知識及專業態度。獨立非執行董事獲邀加入本公司的審核委員會、薪酬委員會及提名委員會。

董事會成員之間並無財務、業務、家族或其他重大／相關關係。

Chairman and Chief Executive Officer

The chairman of the Company, Mr. Lin Qingxiong, leads the Board in the determination of the strategy of the Group and in the achievement of its objectives. He is responsible for organizing the business of the Board, ensuring its effectiveness and setting agenda but not involved in the day-to-day business of the Group.

The Company at present does not have a Chief Executive Officer. The duties and responsibilities of the Chief Executive Officer of daily operation of the Group are carried out by the executive Directors and they are accountable to the Board for financial and operational performance of the Group.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 27 March 2014, which may be terminated by not less than three months' notice. Each of the independent non-executive Directors has been appointed by the Company for an initial term of three years commencing from 27 March 2014, and such appointment may be terminated by not less than one month's written notice.

The following Directors will retire by rotation and offer themselves for re-election in the forthcoming AGM to be held 22 May 2015:

LIN Qingxiong
QIU Zhiqiang

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's articles of association. Pursuant to the Company's articles of association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall hold office until the first general meeting of the Company after his appointment and be eligible for re-election thereat and any Director appointed as an addition to the Board shall hold office until the next following annual general meeting of the Company after his appointment and be eligible for re-election thereat. Where vacancies arise at the Board, candidates will be proposed and put forward to the Board by the Nomination Committee.

主席及行政總裁

本公司主席林清雄先生領導董事會釐定本集團策略及達成其目標。彼負責組織董事會事務、確保其效率及制定其日常事務，但不參與本集團的日常事務。

本公司現時並無行政總裁。行政總裁有關本集團日常運作的職責由執行董事履行，執行董事就本集團的財務及經營表現向董事會負責。

委任及重選董事

各執行董事已與本公司訂立服務合約，自二零一四年三月二十七日起計初步為期三年，且可於發出不少於三個月通知予以終止。各獨立非執行董事已獲本公司委任，自二零一四年三月二十七日起計初步為期三年，而相關委任可於發出不少於一個月的書面通知予以終止。

下列董事將於二零一五年五月二十二日舉行的應屆股東週年大會上輪席告退，並表示願意膺選連任：

林清雄
邱志強

委任、重選及罷免董事的程序及過程載於本公司的組織章程細則。根據本公司的組織章程細則，全體董事須至少每三年輪席退任一次，而任何獲委任以填補臨時空缺的新董事須任職至其獲委任後本公司首次舉行的股東大會為止，並於其時合資格重選連任，而任何獲委任為董事會新增成員的董事須任職至其獲委任後本公司下屆股東週年大會為止，並於會上合資格重選連任。倘董事會出現空缺席位，提名委員會將建議候選人並提交董事會批准。

Induction and Continuing Development of Directors

Each newly appointed Director receives comprehensive induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

According to code provision A.6.5 of the CG 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, as well as placing an appropriate emphasis on the roles, functions and duties of the Directors.

The Executive directors participated in two in-house professional development courses conducted by Mr. Siu Kai Chun, our Company Secretary during the Period. The Directors confirm that they will comply with the relevant code provision in the coming year.

Board Meetings

Board Practices and Conduct of Meetings

Directors' resolutions were passed by way of written resolutions or by physical meetings during the Review Period.

The Board is expected to meet regularly and at least two 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.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the year, two Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

董事的入職及持續發展

每名新委任的董事均會於首次接受委任時獲得全面的入職介紹，以確保其對本公司的業務及運作均有適當的認知，以及完全知悉上市規則及有關監管規定規範下的董事職務及責任。

根據企業管治守則守則條文第A.6.5條，全體董事須參與專業持續發展，以增進及重溫知識與技巧，確保對董事會作出知情適切的貢獻。本公司須負責安排及資助適當培訓，以及著重針對董事角色、職能及責任方面的培訓。

於期間內，執行董事曾參與公司內部由蕭啟晉先生（公司秘書）舉辦之專業發展課程。董事確認，彼等將於來年遵守有關守則條文。

董事會會議

董事會會議常規及程序

於回顧期間，董事決議案乃通過書面決議案或由現場會議通過。

預計董事會將定期舉行會議，每年至少舉行兩次會議。董事有權查閱本集團所有資料，亦有權在彼等認為有必要的情況下隨時諮詢獨立專業意見。

董事會定期會面以討論本集團整體策略以及營運及財務表現，並審閱以及批准本集團的年度及中期業績。於年內曾舉行兩次董事會會議，各董事的董事會會議出席率載列如下：

Board member	董事會成員	Number of Board meetings attended/held 出席／舉行董事會會議次數
Executive Directors:		
Mr. Lin Qingxiong (Chairman)	執行董事： 林清雄先生(主席)	2/2
Mr. Qiu Zhiqiang	邱志強先生	2/2
Mr. Deng Qinghui	鄧慶輝先生	2/2
Independent non-executive Directors:		
Mr. Chan Sui Wa	獨立非執行董事： 陳瑞華先生	2/2
Mr. Yu Yubin	俞毓斌先生	2/2
Mr. Ma Chongqi	馬崇啟先生	2/2

The Company has to comply with the CG Code provisions with regard to the conduct of meetings, have annual meeting schedules and draft agenda of each meeting made available to directors in advance and serve notice of regular Board meetings to all directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is required to be given.

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

The Company's articles of association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

BOARD COMMITTEES

The Company established a nomination committee (the "Nomination Committee"), a remuneration committee (the "Remuneration Committee") and an audit committee (the "Audit Committee") on 27 March 2014 with written terms of reference in compliance with the CG Code. The Company also established a regulatory compliance committee (the "Regulatory Compliance Committee") on 26 February 2014.

Nomination Committee

The Nomination Committee comprises three members who are all the independent non-executive Directors, namely Mr. Yu Yubin, Mr. Chan Sui Wa and Mr. Ma Chongqi. Mr. Yu Yubin is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include reviewing the Board structure and composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive Directors based on criteria such as integrity, accomplishment, experience, professional and educational background and time commitments.

本公司須遵守企業管治守則中有關會議程序、年度會議日程表及召開每次會議前向董事發出草擬議程，以及於常規董事會會議前至少14日向全體董事送達通知的條文。如屬其他董事會及委員會會議，則須發出合理通知。

董事會文件連同所有合適、完整及可靠資料將於各董事會或委員會會議前至少3日向全體董事發出，讓董事知悉本公司最新發展及財務狀況，以便董事作出知情決定。如有需要，董事會及各董事亦可單獨聯絡高級管理層。

本公司的組織章程細則載有條文，規定董事在審批董事或彼等的任何聯繫人擁有重大權益之交易的會議上，須放棄投票及不得計入法定人數。

董事委員會

本公司於二零一四年三月二十七日根據企業管治守則成立提名委員會（「提名委員會」）、薪酬委員會（「薪酬委員會」）及審核委員會（「審核委員會」），並制訂書面職權範圍。本公司亦於二零一四年二月二十六日成立監管合規委員會（「監管合規委員會」）。

提名委員會

提名委員會包括三名成員，即俞毓斌先生、陳瑞華先生及馬崇啟先生（全部均為獨立非執行董事）。俞毓斌先生為提名委員會主席。

提名委員會的主要職責包括檢討董事會架構及組成、草擬及制定提名及委任董事的相關程序、就董事委任及接任計劃向董事會作出建議及根據操守、成就、經驗、專業及教育背景以及投入之時間等基準評估獨立非執行董事的獨立性。

The Nomination Committee shall meet at least once a year. Two committee meetings were held in 2014 to review the structure and composition of the Board and the re-election of the retiring Directors and attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meetings attended/held 出席／舉行委員會會議次數
Mr. Chan Sui Wa	陳瑞華先生	2/2
Mr. Yu Yubin	俞毓斌先生	2/2
Mr. Ma Chongqi	馬崇啟先生	2/2

The Nomination Committee has adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

Remuneration Committee

The Remuneration Committee comprises three members who are all the independent non-executive Directors, namely Mr. Ma Chongqi, Mr. Chan Sui Wa and Mr. Yu Yubin. Mr. Ma Chongqi is the chairman of the Remuneration Committee.

The primary functions of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

提名委員會每年須會面至少一次。於二零一四年曾舉行兩次委員會會議以檢討董事會的結構及組成以及重選退任董事，各成員的出席率載列如下：

提名委員會已採納一套以書面列載之提名程序(「提名程序」)，具體列明本公司董事候選人之甄選及推薦程序及準則。提名委員會將根據提名程序所載之該等準則(如恰當經驗、個人專長及投放時間等)作為基礎，物色及向董事會推薦人選以予批准委任。

新董事在獲委任後將獲發一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

薪酬委員會

薪酬委員會包括三名成員，即馬崇啟先生、陳瑞華先生及俞毓斌先生(全部均為獨立非執行董事)。馬崇啟先生為薪酬委員會主席。

薪酬委員會之主要職能，包括建議及審批執行董事及高級管理人員之薪酬政策及架構以及薪酬待遇。薪酬委員會亦負責設立具透明度之程序，以發展有關薪酬政策及架構，從而確保概無任何董事或其任何聯繫人將參與釐定其本身之薪酬，有關薪酬將參照其個人及本公司表現以及市場慣例及狀況而定。

The Remuneration Committee shall meet at least once a year. During the year, two committee meetings were held in 2014 to review and discuss the existing policy and structure for the remuneration of Directors, the remuneration packages of both the executive and non-executive Directors and attendance of each member is set out as follows:

薪酬委員會每年須會面至少一次。於二零一四年曾舉行兩次委員會會議以檢討及討論現行政策，以及執行董事及非執行董事的薪酬方案，各成員的出席率載列如下：

Committee member	委員會成員	Number of committee meetings attended/held 出席／舉行委員會會議次數
Mr. Chan Sui Wa	陳瑞華先生	2/2
Mr. Yu Yubin	俞毓斌先生	2/2
Mr. Ma Chongqi	馬崇啟先生	2/2

The Remuneration Committee confirms that the remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

薪酬委員會確認，應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按彼等各自之僱傭或服務合約內之合約條款而釐定。

In order to attract, retain and motivate the senior executives and key employees of the Group, including the executive Directors, the Company adopted a share option scheme (the "Share Option Scheme") in 27 March 2014 for a term of one year. Details of the share option scheme are set out in the Directors' Report on pages 37 to 39 and note 13(b) to the financial statements.

本公司已於二零一四年三月二十七日採納一項購股權計劃(「購股權計劃」)以吸引、延攬及推動本集團高級行政人員及主要僱員(包括執行董事)，為期一年。購股權計劃詳情載於董事會報告第37至39頁及財務報表附註13(b)。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the year ended 31 December 2014 is set out below:

根據企業管治守則的守則條文B.1.5，高級管理層人員於截至二零一四年十二月三十一日止年度之薪酬範圍載列如下：

In the band of	範圍	Number of individuals 人數
Nil to HKD1,000,000	零至1,000,000港元	3

Audit Committee

The Audit Committee comprises three members who are the independent non-executive Directors, namely Mr. Chan Sui Wa, Mr. Yu Yubin and Mr. Ma Chongqi. Mr. Chan Sui Wa is the chairman of the Audit Committee.

審核委員會

審核委員會包括三名成員，即陳瑞華先生、俞毓斌先生及馬崇啟先生(全部均為獨立非執行董事)。陳瑞華先生為審核委員會主席。

The main duties of the Audit Committee include the following:

審核委員會主要職責包括下列各項：

- To review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, internal auditor or external auditors before submission to the Board.
- 在向董事會提交財務報表及報告前審閱該等財務報表及報告，並考慮由負責會計及財務申報職責的員工、內部核數師或外聘核數師所提出的任何重大或非非常規項目。

- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors.
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.
- 在參考核數師所進行之工作、其收費及委聘條款後，檢討與外聘核數師的關係，並就外聘核數師的委任、續聘及罷免向董事會作出建議。
- 審閱本公司的財務申報系統、內部監控系統及風險管理系統以及相關程序的適當性及有效程度。

The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

審核委員會監督本集團內部監控系統，向董事會報告任何重大事項並向董事會提出建議。

The Audit Committee shall meet at least twice a year. Two committee meetings were held in 2014 and the attendance of each member is set out as follows:

審核委員會每年須會面至少兩次。於二零一四年曾舉行兩次委員會會議，各成員的出席率載列如下：

Committee member	委員會成員	Number of committee meetings attended/held 出席／舉行委員會會議次數
Mr. Chan Sui Wa	陳瑞華先生	2/2
Mr. Yu Yubin	俞毓斌先生	2/2
Mr. Ma Chongqi	馬崇啟先生	2/2

During the meetings held in 2014 and the first quarter of 2015, the Audit Committee had performed the work as summarised below:

於二零一四年及二零一五年第一季度舉行之會議，審核委員會已履行之工作概述如下：

- | | |
|--|--|
| (i) reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2014 (the "2014 Final Audit"); | (i) 檢討及批准外聘核數師建議之本集團截至二零一四年十二月三十一日止年度之年終審核(「二零一四年年終審核」)之核數範圍及費用； |
| (ii) reviewed the external auditor's report of findings in relation to the 2014 Final Audit for the year ended 31 December 2014; | (ii) 檢討外聘核數師就截至二零一四年十二月三十一日止年度之二零一四年年終審核結果之報告； |
| (iii) reviewed the management accounts of the Group and the summary of findings by the external auditor in relation to a review of the Group's 2014 interim financial statements; | (iii) 檢討本集團管理賬目及檢討外聘核數師就本集團二零一四年中期財務報表進行一項審閱得出的發現概要； |
| (iv) reviewed the financial report for the six months ended 30 June 2014; | (iv) 檢討截至二零一四年六月三十日止六個月之財務報告； |
| (v) reviewed the effectiveness of internal control system of the Group including financial, operational and compliance control and risk management functions of the Group; and | (v) 檢討本集團內部監控制度，包括本集團的財務、營運及遵規控制情況及風險管理功能的效率；及 |

(vi) reviewed the internal control report conducted on the early 2015 by HLB Hodgson Impey Cheng Risk Advisory Services Limited, an independent external consultant on all non-compliance matters mentioned in the prospectus dated 10 April 2014 including monitor of bill financing activities.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

Regulatory Compliance Committee

The Regulatory Compliance Committee comprises of three members, namely Mr. Qiu Zhiqiang, Mr. Deng Qinghui and Mr. Siu Kai Chun. Mr. Qiu Zhiqiang is the chairman of the Regulatory Compliance Committee.

The primary duties of the Regulatory Compliance Committee is to ensure that the Group's business operations and activities are in compliance with the relevant laws and regulations, and the Regulatory Compliance Committee directly reports to the Board.

The Regulatory Compliance Committee shall meet at least once a year. During the year, three committee meetings were held to review and discuss the compliance status of the existing business operations and activities, with the relevant laws and regulations in the PRC, Hong Kong and the respective jurisdictions if applicable. Attendance of each member is set out as follows:

Committee member	委員會成員	Number of committee meetings attended/held 出席／舉行的委員會會議數目
Mr. Qiu Zhiqiang (Executive director)	邱志強先生(執行董事)	3/3
Mr. Deng Qinghui (Executive director)	鄧慶輝先生(執行董事)	3/3
Mr. Siu Kai Chun (Company Secretary)	蕭啟晉先生(公司秘書)	3/3

BOARD DIVERSITY POLICY

The Nomination Committee is also responsible to review the Board diversity policy. The Board diversity policy ensures the Nomination Committee nominates and appoints candidates on merit basis to enhance the effectiveness of the Board so to maintain high standards of corporate governance. The Company sees diversity at the Board level as an essential element in maintaining a competitive advantage. The Company aims to ensure that Board appointments will be made on the basis of a range of diversity factors, including gender, age, cultural background, educational background, industry experience and professional experience. Selection of candidates to join the Board will be, in part, dependent on the pool of available candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and the contribution the chosen candidate will bring to the Board, having regard for the benefits of diversity on the Board.

(vi) 檢討國衛風險諮詢服務有限公司(為一名獨立外部顧問)所出具的內控報告，該報告在二零一五年初進行，內容有關日期為二零一四年四月十日招股書所提及過的所有不合規事宜(包括監察票據融資活動)。

董事會及審核委員會就甄選、委聘、退任或罷免外聘核數師並無意見分歧。

監管合規委員會

監管合規委員會包括三名成員，即邱志強先生、鄧慶輝先生及蕭啟晉先生。邱志強先生為監管合規委員會主席。

監管合規委員會的主要職責為確保本集團業務經營及活動遵守相關法律法規，監管合規委員會直接向董事會報告。

監管合規委員會至少須每年舉行一次會議。年內，於二零一四年曾舉行三次委員會會議以檢討及討論現有業務營運及活動的合規情況，以遵守中國、香港及各司法管轄區(如適用)的相關法例及法規，各成員的出席率載列如下：

董事會多元化政策

提名委員會亦負責檢討董事會多元化政策。董事會多元化政策確保提名委員會擇優提名及委任候選人，以增強董事會的效率，藉以維持高水平的企業管治。本公司認為董事會層面的多元化屬保持競爭優勢的重要因素。本公司旨在確保當委任董事會的人選時，是按照一系列多元化因素的基準進行，包括性別、年齡、文化和教育背景以及行業和專業經驗。甄選候選人加入董事會時，部分亦須視乎可供委任的人選群組中是否有人選具備必須的技能、知識及經驗而定。因應多元化對董事會帶來的裨益，最終將會按人選的強項及可為董事會提供的貢獻而作決定。

DELEGATION OF MANAGEMENT FUNCTIONS

The Board reserves for its decision all major matters of the Company including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2014.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the Independent Auditor's Reports in this annual report.

管理職能之轉授

董事會保留對本公司所有重大事項的決定權，包括批准及監控所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易(尤其是該等可能涉及利益衝突之交易)、財務資料、委任董事及其他重大財務及經營事宜。

所有董事均可全面和及時取得所有有關資料以及公司秘書的意見及服務，旨在保證遵守董事會程序及所有適用法律法規。每名董事一般可於適當情況下在向董事會提出要求後尋求獨立專業意見，費用由本公司承擔。

本公司日常管理、行政管理及營運轉授予執行董事及高級管理人員。轉授的職能及職責會定期檢討。上述高級職員在訂立任何重大交易前須向董事會取得批准。

問責及審核

董事確認彼等編製本公司截至二零一四年十二月三十一日止年度財務報表之責任。

根據上市規則規定及其他法定及監管規定，董事會須負責就年度及中期報告、股價敏感公告及其他披露呈報持平、清晰且易於理解之評估。

管理層向董事會提供說明及資料，使董事會可就提呈董事會批准之本公司財務報表作出知情評估。

本公司外聘核數師關於本集團合併財務報表的申報責任載於本年報獨立核數師報告。

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis. The Group has developed its systems of internal control and risk management. The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group.

The Company has engaged HLB Hodgson Impey Cheng Risk Advisory Services Limited, an independent internal control consultant. The annual review of the Group's internal control system was conducted during the Period. The annual review of the effectiveness of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget and also any non-compliances with the applicable laws and regulations, including bill-financing activities were conducted on the early 2015. The result of the annual review was satisfactory and no exceptions were noted during the review.

AUDITOR'S REMUNERATION

For the year ended 31 December 2014, the remuneration paid/payable to the Company's auditor, PricewaterhouseCoopers, amounted to approximately RMB1.4 million in respect of the annual audit service and amounted to approximately RMB0.38 million in respect of the interim results review respectively.

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.

COMPANY SECRETARY

The company secretary of the Company, Mr. Siu Kai Chun, is a full-time employee of the Group. Please refer to his biographical details as set out on page 33 of this annual report.

內部監控及風險管理

董事會負責維持充足的內部監控系統以保障股東的投資及本公司資產，並在審核委員會支援下每年檢討該制度的成效。本集團已發展其內部監控及風險管理系統。本集團內部監控系統旨在促進有效及高效營運，確保財務報表的可靠性及符合適用法例及規例，識別及管理潛在風險以保障本集團資產。

本公司已聘請獨立內部監控顧問：國衛風險諮詢服務有限公司。於本期間內，本公司已對本集團內部監控系統進行年度檢討。本公司內部監控系統效能之年度檢討包括本公司在會計及財務申報職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足以及任何違反相關法律法規事項(包括票據融資活動)，年度檢討已於二零一五年初進行。年度檢討結果已獲接納且檢討過程中並無出現異常情況。

核數師薪酬

截至二零一四年十二月三十一日止年度，就本公司核數師羅兵咸永道會計師事務所提供年度審核服務及審閱中期業績而言，分別已付／應付的薪酬約為人民幣1.4百萬元及約人民幣0.38百萬元。

獨立核數師

審核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用。其每年接獲獨立核數師函件，確認彼等的獨立性及客觀性，並與獨立核數師的代表進行會議，審議審核範圍、批准費用，以及將由其提供的非審核服務(如有)的範圍及適當性。審核委員會亦就獨立核數師的委任及留任向董事會作出推薦建議。

公司秘書

本公司的公司秘書為蕭啟晉先生，彼為本集團全職僱員。有關其履歷詳情，請參閱本年報第33頁。

Rights of Shareholders to Convene an Extraordinary General Meeting

Pursuant to article 58 of the articles of association of the Company, shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company 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. Siu Kai Chun, company secretary
Postal Address: Unit 02, 15th Floor, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, 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 at the Company's principal place of business stated above.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Company continues to enhance communication and relationship with its investors. Enquiries from investors are dealt with in an informative and timely manner.

股東召開股東特別大會的權利

根據本公司組織章程細則第58條，於遞交請求書之日持有不少於本公司繳足資本(附有於本公司股東大會上投票的權利)十分之一的股東於任何時間均有權向董事會或本公司的公司秘書遞交請求書，要求董事會就處理有關請求書所述任何事宜的交易召開股東特別大會；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天內未有召開該大會，則有關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而令請求者產生的所有合理開支。

向董事會查詢及於股東大會上提呈建議之程序

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：公司秘書蕭啟晉先生
郵寄地址：香港灣仔港灣道1號會展廣場辦公大樓15樓02室

股東如欲於股東大會上提呈建議，須將有關建議的書面通知連同詳細聯絡資料送交本公司上述主要營業地點，並註明公司秘書收啟。

與股東之溝通及投資者關係

本公司認為與股東之有效溝通對促進投資者關係及加深投資者對本集團業務表現及策略之了解攸關重要。本公司亦深明高透明度及適時披露公司資料之重要性，使股東及投資者能作出最佳投資決定。

本公司股東大會為董事會及股東提供溝通場所。本公司持續加強與其投資者的溝通及關係。投資者之查詢會適時處理及獲提供詳盡資料。

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution would be proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

CHANGES TO CONSTITUTIONAL DOCUMENTS

The Articles were adopted on 27 March 2014 and there is no change in the Articles since the date of adoption of the Articles up to the date of this report.

股東權利

為保障股東權益及權利，本公司就各重大事宜(包括選舉個別董事)於股東大會提呈獨立決議案。

根據上市規則，所有在股東大會上提呈之決議案須以投票方式進行表決及投票表決結果將於每次股東大會結束後上載於本公司及聯交所網站。

章程文件變動

本公司已於二零一四年三月二十七日採納細則，而自採納細則日期起至本報告日期止，細則概無變動。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Lin Qingxiong (林清雄) (also known as Lin Shiti (林詩體)), aged 48, is our chairman and executive Director. Mr. Lin co-founded Hongtai (China) with Mr. Qiu and an Independent Third Party in 2004. Mr. Lin is responsible for the overall development and strategy of our Group and has played an important role in establishing our Group's presence in the PRC textile and clothing industry. Mr. Lin has over 10 years of experience in the textile and clothing industry in the PRC. Prior to founding Hongtai (China) in 2004, Mr. Lin founded Shishi Gang Yi Dyeing Finishing & Wearing Co., Ltd. (石獅市港溢染整織造有限公司) which was engaged in the textile, clothing and dyeing industry, in July 2001, where he acted as the director and vice general manager until April 2009. Shishi Gang Yi Dyeing Finishing & Wearing Co., Ltd. is one of our suppliers since 2006. Mr. Lin disposed of his 27% equity interest in Shishi Gang Yi Dyeing Finishing & Wearing Co., Ltd. in May 2009 to an Independent Third Party because Mr. Lin decided to focus on the business development of our Group. Mr. Lin was appointed as the standing director of the first council of China Chamber of International Commerce Shishi Chamber of Commerce (中國國際商會石獅市商會首屆理事會) in December 2005. In December 2011, he was appointed as the vice standing president of the third council of Shishi Textile & Garments Commerce Chamber (石獅市紡織服裝商會第三屆理事會). Mr. Lin was appointed the president of the second council of Shishi Hongshan Chamber of Commerce (石獅鴻山商會第二屆理事會) in November 2012 and the vice president of Shishi Federation of Industry & Commerce (石獅市工商業聯合會(總商會)) in May 2013.

Mr. Qiu Zhiqiang (邱志強), aged 46, is our executive Director and the general manager of Hongtai (China). Mr. Qiu was one of the co-founders of Hongtai (China) in 2004. Mr. Qiu is primarily responsible for the daily operation of our Group and overseeing our sales department and procurement department. Mr. Qiu has about 24 years of experience in the textile and clothing industry. From 1989 to 2003, he worked in the production, development and sales of textile products in the Philippines, Mr. Qiu became a member of Textile Producers Association of the Philippines, Inc. (菲律賓紡織同業公會) in October 1996. Mr. Qiu had engaged in the development of the textile industry and sales and development of textile products in the Philippines. In October 1996, he was appointed as the member of the Philippine Cotton Goods Wholesalers Association. Mr. Qiu was appointed as the committee member of the first council of Shishi Youth Chamber of Commerce (石獅市青年商會第一屆理事會) in 2011. He was primarily responsible for the sales and procurement of textile products.

執行董事

林清雄先生(亦稱林詩體), 48歲, 為我們的主席兼執行董事。林先生於二零零四年與邱先生及一名獨立第三方共同創辦宏太(中國)。林先生負責本集團的整體發展及策略, 並在確立本集團在中國紡織及服裝業的地位發揮重要作用。林先生在中國紡織及服裝業積逾10年經驗。於二零零四年創辦宏太(中國)之前, 林先生於二零零一年七月創辦了石獅市港溢染整織造有限公司(從事紡織、服裝及染色行業), 並於該公司擔任董事兼副總經理直至二零零九年四月止。石獅市港溢染整織造有限公司自二零零六年起是我們的供應商之一。於二零零九年五月, 林先生將其於石獅市港溢染整織造有限公司的27%股權售予一名獨立第三方, 原因是林先生決定專注於本集團的業務發展。於二零零五年十二月, 林先生獲委任為中國國際商會石獅市商會首屆理事會的常務理事。於二零一一年十二月, 彼獲委任為石獅市紡織服裝商會第三屆理事會的副常務會長。林先生於二零一二年十一月獲委任為石獅鴻山商會第二屆理事會會長及於二零一三年五月獲委任為石獅市工商業聯合會(總商會)副會長。

邱志強先生, 46歲, 為我們的執行董事兼宏太(中國)的總經理。邱先生為二零零四年宏太(中國)的共同創辦人之一。邱先生主要負責本集團的日常營運及監督銷售部及採購部。邱先生在紡織及服裝業積約24年經驗。於一九八九年至二零零三年, 彼曾在菲律賓從事紡織品生產、發展及銷售工作, 邱先生於一九九六年十月成為菲律賓紡織同業公會會員。邱先生曾於菲律賓從事紡織業發展和紡織品銷售及開發。於一九九六年十月, 彼獲委任為Philippine Cotton Goods Wholesalers Association會員。邱先生於二零一一年獲委任為石獅市青年商會第一屆理事會的委員會成員。彼主要負責銷售及採購紡織品。

Mr. Deng Qinghui (鄧慶輝), aged 43, is our executive Director, the vice general manager of Hongtai (China) and the head of our administration and human resources department. Mr. Deng completed a computer information management course in Peking University in July 2004. Mr. Deng joined our Group in March 2010. Prior to joining our Group, Mr. Deng was the human resources manager of Xingye Leather Technology Co., Ltd. (興業皮革科技股份有限公司), a company engaging in the leather industry in the PRC and listed on the Shenzhen Stock Exchange (Stock code: 002674) in 2012, from 2006 to 2007. From September 2007 to June 2009, Mr. Deng was the human resources director of Fujian Fuma Food Group Limited (福建福馬食品集團有限公司) which carried out food production business in the PRC. Mr. Deng obtained the qualification of National Corporate Trainer (企業培訓師) in the PRC in 2007. He was also awarded as the “Advanced Worker of the Human Resources of the National Textile Industry” (“全國紡織業人力資源工作先進工作者”) by the China National Textile and Apparel Council (國家紡織人才交流培訓中心) in 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yu Yubin (俞毓斌), aged 43, was appointed as our independent non-executive Director on 27 March 2014. Mr. Yu graduated with a bachelor’s degree in English from Fujian Normal University in June 1999. Mr. Yu is currently a practicing lawyer at Titan & Partners and prior to joining Titan & Partners in July 2009. He was a teacher at the senior section of Fujian Jinjiang Yang Zheng Secondary School (福建晉江養正中學高中部) from August 1992 to June 2003. Mr. Yu then worked in Xingye Leather Technology Co., Ltd. (興業皮革科技股份有限公司) from 2003 to 2009.

Mr. Ma Chongqi (馬崇啟), aged 50, was appointed as our independent non-executive Director on 27 March 2014. Mr. Ma graduated from Tianjin Polytechnic University with a major in textile engineering (紡織工程) (formerly known as Tianjin Institute of Textile Science and Technology) in July 1987. Mr. Ma has been a professor at Tianjin Polytechnic University since October 2010. Mr. Ma has been teaching at Tianjin Polytechnic University since July 1987 as an assistant lecturer from July 1988 to September 1993, a lecturer from October 1993 to September 2000 and an assistant professor from October 2000 to September 2010. Mr. Ma is currently a member of the first expert committee of the China Wool Textile Association (中國毛紡織行業協會第一屆專家委員會) and a standing director of the fourth council of the China Wool Textile Association (中國毛紡織行業協會第四屆理事會).

鄧慶輝先生，43歲，為我們的執行董事、宏太(中國)的副總經理兼我們的行政及人力資源部主管。鄧先生於二零零四年七月完成北京大學的計算機信息管理課程。鄧先生於二零一零年三月加盟本集團。加入本集團之前，鄧先生曾於二零零六年至二零零七年擔任興業皮革科技股份有限公司(一家於二零一二年於深圳證券交易所上市、在中國從事皮革業的公司(股份代號：002674))的人力資源經理。二零零七年九月至二零零九年六月，鄧先生擔任福建福馬食品集團有限公司(在中國從事食品生產業務)的人力資源總監。鄧先生於二零零七年在中國取得企業培訓師資格。鄧先生亦於二零一三年獲國家紡織人才交流培訓中心評為「全國紡織業人力資源工作先進工作者」。

獨立非執行董事

俞毓斌先生，43歲，於二零一四年三月二十七日獲委任為我們的獨立非執行董事。俞先生於一九九九年六月畢業於福建師範大學，取得英語學士學位。俞先生現任天象律師事務所執業律師，彼於二零零九年七月加盟天象律師事務所前，於一九九二年八月至二零零三年六月曾於福建晉江養正中學高中部擔任教師。俞先生其後於二零零三年至二零零九年於興業皮革科技股份有限公司任職。

馬崇啟先生，50歲，於二零一四年三月二十七日獲委任為我們的獨立非執行董事。馬先生於一九八七年七月畢業於天津工業大學(前稱天津紡織工學院)，主修紡織工程。自二零一零年十月起，馬先生一直為天津工業大學的教授。馬先生自一九八七年七月起一直於天津工業大學任教，於一九八八年七月至一九九三年九月為助理講師，於一九九三年十月至二零零零年九月為講師，於二零零零年十月至二零一零年九月為助理教授。馬先生現任中國毛紡織行業協會第一屆專家委員會委員及中國毛紡織行業協會第四屆理事會常務理事。

Mr. Chan Sui Wa (陳瑞華), aged 40, was appointed as our independent non-executive Director on 27 March 2014. Mr. Chan has over 16 years of experience in auditing, finance, accounting, corporate governance and risk management. Mr. Chan graduated with a bachelor's degree in business administration from the Hong Kong University of Science & Technology in November 1997 and obtained a master's degree in corporate governance from the Hong Kong Polytechnic University in October 2011. Mr. Chan is currently a member of both of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators. Mr. Chan is also a fellow member of Association of Chartered Certified Accountants. Mr. Chan is the currently the sole proprietor of S. W. Chan & Co. (陳瑞華會計師事務所), an accounting firm engaging in the provision of assurance, business advisory and tax services.

Mr. Chan had prior experience working in public accounting firms such as Deloitte Touche Tomatsu, Arthur Andersen and PricewaterhouseCoopers in Hong Kong. He also held the position of group financial controller for Luxking Group Holdings Limited (力王集團控股有限公司) and Cacola Furniture International Limited (家居樂傢俬國際有限公司), which are companies listed on the Singapore Exchange.

SENIOR MANAGEMENT

Mr. Zhang Wenwang (張文旺), aged 51, is the vice general manager of Hongtai (China) and the head of our production department. Mr. Zhang obtained a bachelor's degree from Tianjin Institute of Textile Science and Technology (天津紡織工學院) (now known as Tianjin Polytechnic University (天津工業大學)) with a major in textile engineering (紡織工程) in July 1983. Prior to joining our Group in 2011, Mr. Zhang had worked as the chief engineer of several enterprises in the PRC. In December 1995, Mr. Zhang was qualified as a senior engineer (高級工程師). Mr. Zhang was a member of Shanxi Province Enterprise Technology Innovation Committee (山西省企業技術創新專家委員會).

陳瑞華先生，40歲，於二零一四年三月二十七日獲委任為我們的獨立非執行董事。陳先生在審計、融資、會計、企業管治及風險管理方面積逾16年經驗。陳先生於一九九七年十一月畢業於香港科技大學，取得工商管理學士學位，並於二零一一年十月取得香港理工大學的企業管治碩士學位。陳先生現為香港會計師公會及特許秘書及行政人員公會會員。陳先生亦為特許公認會計師公會資深會員。陳先生現時為陳瑞華會計師事務所唯一擁有人，該公司為從事提供審計、商業諮詢及稅務服務的會計師行。

陳先生過去於香港任職多家公眾會計師行，如德勤•關黃陳方會計師行、安達信會計師事務所及羅兵咸永道會計師事務所。彼亦曾擔任力王集團控股有限公司及家居樂傢俬國際有限公司的財務總監，該等公司均於新交所上市。

高級管理層

張文旺先生，51歲，為宏太(中國)的副總經理兼我們的生產部主管。張先生於一九八三年七月取得天津紡織工學院(現稱為天津工業大學)的學士學位，主修紡織工程。於二零一一年加盟本集團之前，張先生曾於中國多家企業擔任總工程師。張先生於一九九五年十二月取得高級工程師資格。張先生曾出任山西省企業技術創新專家委員會委員。

Ms. Liu Xuemin (劉學敏), aged 54, is the chief engineer of Hongtai (China) and the head of our research and development department. Ms. Liu obtained a bachelor's degree from Tianjin Institute of Textile Science and Technology (天津紡織工學院) (now known as Tianjin Polytechnic University (天津工業大學)) with a major in textile engineering (紡織工程) in July 1983. Prior to joining our Group in 2011, Ms. Liu had worked in the research and product development of several enterprises in the PRC. In December 1995, Ms. Liu was qualified as a senior engineer (高級工程師). Ms. Liu was appointed as a member of China Textile Engineering Society Cotton Textile Professional Committee Wearing Technology Group (中國紡織工程學會棉紡織專業委員會織造學組) in September 2003.

Mr. Siu Kai Chun (蕭啟晉) (formerly Siu Kwok Yee (蕭國義)), aged 46, is the chief financial officer and company secretary of our Group. Mr. Siu joined us in May 2013 and is primarily responsible for the overall financial management, corporate governance, investors relationship and financial operations of our Group. Mr. Siu has over 17 years of experience in auditing, finance and accounting. Mr. Siu graduated from the City University of Hong Kong with a bachelor's degree in business studies in December 1994 and completed the executive master of business administration programme at Lingnan (University) College, Sun Yat-sen University (中山大學嶺南(大學)學院), Guangzhou, China in November 2003. Mr. Siu is currently a fellow member of both the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Prior to joining our Group, Mr. Siu was a senior manager at Ernst & Young Transactions Limited from June 2012 to May 2013. Mr. Siu was the financial controller from June 2003 to March 2005 and the chief financial officer from April 2005 to March 2012 at CHT (Holdings) Ltd., a company engaging in the manufacture and sale of adhesive tapes, respectively. Mr. Siu also worked as a senior auditor at Ernst & Young from 2000 to 2003, a senior accountant at Debbie Morgan Trading Limited in 1999 and a tax accountant and auditor at PricewaterhouseCoopers from 1994 to 1998.

劉學敏女士，54歲，為宏太(中國)的總工程師兼我們的研發部主管。劉女士於一九八三年七月取得天津紡織工學院(現稱為天津工業大學)的學士學位，主修紡織工程。於二零一一年加盟本集團之前，劉女士曾於中國多家企業從事產品研發工作。劉女士於一九九五年十二月取得高級工程師資格。劉女士曾於二零零三年九月獲委任為中國紡織工程學會棉紡織專業委員會織造學組委員。

蕭啟晉先生(前稱蕭國義)，46歲，為本集團財務總監兼公司秘書。蕭先生於二零一三年五月加盟本集團，主要負責本集團的整體財務管理、企業管治、投資者關係及財務運作。蕭先生在審計、融資及會計方面積逾17年經驗。蕭先生於一九九四年十二月畢業於香港城市大學，取得商業學學士學位，並於二零零三年十一月完成中國廣州中山大學嶺南(大學)學院的工商管理行政人員碩士課程。蕭先生現為香港會計師公會、特許公認會計師公會及英格蘭及威爾斯特許會計師公會資深會員。加盟本集團之前，蕭先生曾於二零一二年六月至二零一三年五月在安永企業財務服務有限公司任高級經理。蕭先生曾先後於二零零三年六月至二零零五年三月及二零零五年四月至二零一二年三月出任CHT (Holdings) Ltd.(一家從事膠帶生產及銷售的公司)財務總監。蕭先生亦曾於二零零零年至二零零三年在安永任高級核數師，於一九九九年在Debbie Morgan Trading Limited任高級會計師，及於一九九四年至一九九八年在羅兵咸永道會計師事務所任稅務會計師及核數師。

REPORT OF THE DIRECTORS

董事會報告書

The Directors of the Company (the "Directors") are pleased to present the annual report of the Company with the audited consolidated financial statements of the Group for the year ended 31 December 2014.

REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands on 29 April 2013 as an exempted company with limited liability under the Company Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

Pursuant to a group reorganisation which was completed in the end of 2013, in preparation for listing the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the subsidiaries comprising the Group.

The Company successfully completed the initial public offering of 260,000,000 ordinary shares at HK\$0.72 per share to the investors. The shares were listed on the Main Board of the Stock Exchange on 25 April 2014.

PRINCIPAL ACTIVITIES

The Group is engaged in the design, manufacturing and sales of fabrics and yarns in the People's Republic of China. The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 29 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated financial statements of this annual report.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2014 (2013: Nil).

RESERVES

Details of movement in the reserves of the Group for the year ended 31 December 2014 are set out in note 14 to the consolidated financial statements and in the consolidated statement of changes in equity.

As at 31 December 2014, there was approximately RMB61.9 million reserve of the Company available for distribution (2013: nil).

DONATIONS

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

本公司董事(「董事」)欣然提呈截至二零一四年十二月三十一日止年度的本公司年報及本集團經審核合併財務報表。

重組及上市

本公司於二零一三年四月二十九日在開曼群島註冊為一間開曼群島公司法第二十二章(已綜合及更新之一九六一年法例第三章)豁免有限責任公司。

根據已在二零一三年年底完成集團重組，為了預備在香港交易所(「交易所」)上市公司股票，本公司已成為子公司的控股公司並合成集團。

公司成功完成首次公開發售260,000,000股普通股以每股0.72港元予投資者，該等股份已在二零一四年四月二十五日在交易所主板上市。

主要業務

本集團主要在中華人民共和國從事面料及紗線的設計、製造及銷售。本公司主要業務為投資控股。其主要附屬公司的主要業務詳情載於合併財務報表附註29。

業績及撥款

本集團於截至二零一四年十二月三十一日止年度的業績載於本年報合併財務報表。

董事不建議就截止二零一四年十二月三十一日止年度派發股息(二零一三年：無)。

儲備

有關本集團截至二零一四年十二月三十一日止年度的儲備變動詳情，載於合併財務報表附註14及合併權益變動表。

於二零一四年十二月三十一日，本公司可供分派的儲備約為人民幣61.9百萬元(二零一三年：無)。

捐款

於年內，本集團並無作出任何慈善捐款及其他捐獻(二零一三年：無)。

PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment of the Group are set out in note 7 to the consolidated financial statements.

The Group has conducted a third-party valuation of the property held in the PRC with the value of approximately RMB299.4 million as at 28 February 2014. If the Group has adopted such valuation, the value of the property of approximately RMB299.4 million and the additional depreciation of approximately RMB0.5 million will have been considered.

SHARE CAPITAL

Details of and reasons for movements in the share capital of the Company during the year under review are set out in note 13 to the consolidated financial statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out on page 119 of this annual report.

PRE-EMPTIVE RIGHTS

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

DIRECTORS

The Directors of the Company during the year and up to the date of this report are as follows:

Executive Directors

Mr. Lin Qingxiong (*Chairman*)
Mr. Qiu Zhiqiang
Mr. Deng Qinghui

Independent non-executive Directors

Mr. Ma Chongqing
Mr. Yu Yubin
Mr. Chan Sui Wa

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

The biographical details of the Directors are set out in the section headed "Directors and Senior Management".

物業、廠房及設備

本集團的物業、廠房及設備詳情載於合併財務報表附註7。

本集團於二零一四年二月二十八日已對於中國的持有物業進行第三方估值，價值為約人民幣299.4百萬元。倘本集團已採納該估值，將計入物業價值約為人民幣299.4百萬元及額外折舊約人民幣0.5百萬元。

股本

於回顧年度內本公司的股本變動詳情及原因載於合併財務報表附註13。

財務摘要

本集團過去四個財政年度的業績以及資產及負債概要載於本年報第119頁。

優先購買權

根據本公司的組織章程細則(「細則」)或本公司註冊成立地點開曼群島的法律，概無有關本公司有義務按比例基準向本公司現有股東發售新股份的本公司股份優先購買權的規定。

董事

於年內及截至本報告日期的本公司董事如下：

執行董事

林清雄先生(主席)
邱志強先生
鄧慶輝先生

獨立非執行董事

馬崇啟先生
俞毓斌先生
陳瑞華先生

本公司已獲每名獨立非執行董事根據上市規則第3.13條規定確認其獨立性。本公司認為所有獨立非執行董事均為獨立人士。

董事詳細背景詳列於「董事及高級管理層」中。

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an term of three years commencing from 27 March 2014. Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from 27 March 2014. None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the management on the basis of their merit, qualifications and competence.

The Remuneration Committee considers and recommends to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

As at 31 December 2014, the Group had an aggregate of 832 full-time employees (as at 31 December 2013: 898). Employee costs including directors' amendments totalled RMB27.8 million for the year of 2014 (2013: RMB25.3 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

The Group regularly reviews the emolument package of the existing employees, considers increment of salaries and conducts some long-term incentive scheme when appropriate.

Details of Directors' remuneration are set out in note 22 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

董事服務合約

各執行董事已與本公司簽訂一項服務合約，自二零一四年三月二十七日起計為期三年。各獨立非執行董事已與本公司簽訂一項委任函，自二零一四年三月二十七日起計初步為期三年。概無董事與本公司或其任何附屬公司，訂立任何在毋須作出賠償(法定賠償除外)下，本集團不可於一年內終止的服務合約。

薪酬政策

本集團僱員的薪酬政策乃由管理層根據彼等表現、資歷及能力制訂。

薪酬委員會經參考本公司經營業績、個人表現及可比較市場水平考慮及向董事會推薦本公司向董事支付的酬金及其他福利。所有董事的酬金受薪酬委員會定期監察，確保其酬金和薪酬定於適當水平。

於二零一四年十二月三十一日，本集團共有832名全職僱員(於二零一三年十二月三十一日：898名)。二零一四年的僱員成本(包括董事酬金)共計人民幣27.8百萬元(二零一三年：人民幣25.3百萬元)。本集團根據個人能力及發展潛力聘請及提升僱員。本集團根據個人表現及當前市場薪資水平釐定所有僱員(包括董事)的薪酬待遇。

本集團經常複核現存僱員之薪酬待遇，並在適當時考慮提升薪金及採取一些長期激勵計劃。

董事酬金詳情載於財務報表附註22。

董事於重大合約的權益

董事概無於本公司或其任何附屬公司就本集團業務訂立屬重大性質及於本年度年終或回顧年度內任何時間均為有效的合約中，直接或間接擁有重大權益。

DISCLOSURE OF INTERESTS IN SECURITIES**A. Directors' interests in the shares of the Company**

As at 31 December 2014, the interests and/or short positions of the Directors of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which will 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 in which they are 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 entered 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 the Listing Rules, once the shares are listed, will be as follows:

Interests in the Company:

- (a) Ordinary shares of HK\$0.01 each of the Company

於證券中的權益披露**A. 董事於本公司股份中的權益**

於二零一四年十二月三十一日，本公司董事在股份上市後於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債權證中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及／或淡倉(包括彼等根據證券及期貨條例上述條文被當作或視作擁有的權益及淡倉)；或根據證券及期貨條例第352條須登記於根據該條例須存置的登記冊或根據上市規則《上市發行人董事進行證券交易的標準守則》在股份上市後須知會本公司及聯交所的權益及／或淡倉如下：

於本公司權益：

- (a) 本公司普通股每股0.01港元

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of shares held in the Company 所持本公司股份數目	Approximate percentage of shareholding in the Company 佔本公司股權 概約百分比
Mr. Lin Qingxiong 林清雄先生	Interest of a controlled corporation 受控法團權益	272,000,000 shares (note) (long position) 272,000,000股(附註)(好倉)	26.93%
	Beneficial owner 實益擁有人	7,840,000 shares (long position) 7,840,000股(好倉)	0.78%
Mr. Qiu Zhiqiang 邱志強先生	Beneficial owner 實益擁有人	135,000,000 shares (long position) 135,000,000股(好倉)	13.50%

Note:

These shares are held by Merit Lead Investments Limited, the entire issued share capital of which is owned by Mr. Lin Qingxiong.

附註：

該等股份乃由德利投資有限公司持有，其全部已發行股本由林清雄先生擁有。

Interests in the associated corporation of the Company:

於本公司相聯法團權益：

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held in the associated corporation	Approximate percentage of shareholding in the associated corporation
董事姓名	相聯法團名稱	身份／權益性質	所持相聯法團股份數目	佔該相聯法團股權概約百分比
Mr. Lin Qingxiong 林清雄先生	Merit Lead Investments Limited 德利投資有限公司	Beneficial owner 實益擁有人	One share of US\$1.00 (long position) 一股1.00美元(好倉)	100%

Save as disclosed above, as at 31 December 2014, none of the directors of the Company had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations.

除上文披露者外，於二零一四年十二月三十一日，沒有本公司董事於本公司或其任何相關法團的股份及相關股份中擁有任何權益或淡倉。

B. Substantial shareholders' interests in the shares of the Company

As at 31 December 2014, so far as the Directors are aware, the following persons (not being a Director of the Company) had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 5% or more of the Company's issued share capital:

B. 主要股東於本公司股份中的權益

就董事所知，於二零一四年十二月三十一日，下列人士(並非本公司董事)擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司及聯交所披露的股份或相關股份的權益或淡倉，或直接或間接於本公司5%或以上的已發行股本中擁有權益：

Name of shareholder	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding in the Company
股東名稱	身份／權益性質	股份數目	佔本公司股權概約百分比
Merit Lead Investments Limited (note 1) 德利投資有限公司 (附註1)	Beneficial owner 實益擁有人	272,000,000 shares (long position) 272,000,000股(好倉)	26.93%
Mr. Cai Jinxu 蔡金旭先生	Beneficial owner 實益擁有人	109,500,000 shares (long position) 109,500,000股(好倉)	10.84%
Hong Kong Investments Group Limited (note 2) 香港投資集團有限公司 (附註2)	Beneficial owner 實益擁有人	56,250,000 shares (long position) 56,250,000股(好倉)	5.56%
Mr. Cheung Chi Mang 張志猛先生	Interest of a controlled corporation 受控法團權益	56,250,000 shares (long position) 56,250,000股(好倉)	5.56%

Name of shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of shares 股份數目	Approximate percentage of shareholding in the Company 佔本公司股權概約百分比
Qilu International Wealth Management Limited (note 3) 齊魯國際財富管理有限公司(附註3)	Person having security interest in shares 有抵押利益於股份之人士	216,340,000 shares (long position) 216,340,000股 (好倉)	21.42%
Shangdong Iron & Steel Group Co. Ltd. (note 3) 山東鋼鐵有限公司 (附註3)	Person having security interest in shares 有抵押利益於股份之人士	216,340,000 shares (long position) 216,340,000股 (好倉)	21.42%

Notes:

1. Merit Lead Investments Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Lin Qingxiong.
2. Hong Kong Investments Group Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Cheung Chi Mang. Accordingly, Mr. Cheung Chi Mang is deemed to be interested in the shares held by Hong Kong Investments Group Limited.
3. Merit Lead Investments Limited ("Merit Lead") entered into the Share Charge of 216,340,000 shares of the Company which represents approximately 21.42% of the issued share capital of the Company with Qilu International Wealth Management Limited being a subsidiary of Shangdong Iron & Steel Group Co. Ltd. (the "Chargee") on 21 November 2014, pursuant to which Merit Lead agreed to, among others, charge by way of first legal fixed charge to the Chargee all the right, title and interest and benefit, present and future, of Merit Lead in and to the Charged Shares as security for a loan advanced by the Chargee to Mr. Lin Qingxiong. Please refer to the announcement dated 26 November 2014 for the details.

附註：

1. 德利投資有限公司為一家在英屬處女群島註冊成立的公司，其全部已發行股本由林清雄先生擁有。
2. 香港投資集團有限公司為一家在英屬處女群島註冊成立的公司，其全部已發行股本由張志猛先生擁有。因此，張志猛先生被視為於香港投資集團有限公司持有的該等股份中擁有權益。
3. 德利投資有限公司(「德利」)已與齊魯國際財富管理有限公司(為山東鋼鐵集團有限公司子公司)(「承押記人」)於二零一四年十一月二十一日訂立股份押記，據此，德利同意不管是在現在還是將來，都以法定的抵押優先權的方式向其押記216,340,000股份，其約佔公司21.42%持股量，所擁有的權利，所有權及股份權益以至利益，作為向林清雄先生提供貸款之承押記人的貸款抵押品。詳情請參閱二零一四年十一月二十六日所發出通告。

Save as disclosed above, as at 31 December 2014, the directors of the Company are not aware of any other persons (other than the directors of the Company whose interests are set out in the section "Directors' interests in the shares of the Company" above) who held any interests or short positions in the shares, or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

除上文披露者外，於二零一四年十二月三十一日，本公司董事概不知悉有任何其他人士(除彼等之權益已載於上文「董事於本公司股份中的權益」一節的本公司董事外)於本公司的股份或相關股份中，擁有已記入根據證券及期貨條例第336條規定須存置的登記冊的權益或淡倉。

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the below section of "Share option scheme", at no time during the year was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

購買股份或債券的安排

除於購股權計劃一段所披露者外，於年內任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，以令本公司董事可透過獲得本公司或任何其他法團的股份或債券而獲得利益。

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 27 March 2014, and such scheme has become effective on the Listing Date (the "Share Option Scheme"). The purpose of the Share Option Scheme is to recognize and acknowledge the contribution of the eligible participants made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company's subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. The maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company (i.e. 100,000,000 shares), unless otherwise approved by the shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules. 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 remain effective within a period of 10 years from that date.

During the year 2014, the Company granted 50,000,000 share options for the subscription of 50,000,000 shares of the Company to certain directors and substantial shareholders, suppliers and customers of the Group on 12 December 2014 ("Date of Grant"), representing 5% of the total number of shares of the Company in issue as at the date of this annual report. The maximum number of shares issued and to be issued in respect of which options may be granted under the Share Option Scheme to each Eligible Participants in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue at the date of grant, unless with the prior approval from the Company's shareholders and with such participants and his associates abstaining from voting. Options granted to any Director or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors. Where any option granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted to such person in the 12 month period, (i) representing in aggregate over 0.1% of the shares in issue and the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares, in excess of HKD5 million, such grant of options shall be subject to prior approval of the Company's shareholders in general meeting by way of poll.

The exercise price of the options granted is HK\$0.978 and the exercise period is for one year.

An offer of a grant of an option under the Share Option Scheme shall remain open for acceptance for 30 days from the date of grant. Upon acceptance of the option, the grantee shall pay HKD1 (or an equivalent amount in RMB) to the Company by way of consideration for the grant. Options may be exercised in accordance with the terms of the Share Option Scheme at any time from the date of grant until the expiry of 1 year from such date. The subscription price shall be determined by the Board in its absolute discretion, and in any event

購股權計劃

本公司於二零一四年三月二十七日有條件採納購股權計劃，該計劃於上市日期起生效（「購股權計劃」）。購股權計劃旨在肯定及獎勵對本集團作出貢獻的合資格參與者。董事會根據購股權計劃可酌情決定向董事（包括獨立非執行董事）、本公司的附屬公司、本集團僱員及董事會認為對本集團已作出或將作出貢獻的其他人士授出購股權。根據購股權計劃可能授出的購股權所涉及的股份數目上限合共不得超過本公司已發行股本的10%（即100,000,000股股份），惟本公司股東在股東大會上另行批准及／或上市規則有其他規定者除外。某一特定購股權所涉及股份的認購價不得低於以下三者的最高者：(a)於聯交所每日報價表所報的官方收市價；(b)緊接授出日期前五個營業日股份於聯交所每日報價表所報的官方收市價平均數；及(c)股份面值。購股權計劃自該日期起計10年期間仍屬有效。

在二零一四年內，本公司於二零一四年十二月十二日（「授出日期」）向本集團的若干董事、主要股東、供應商及客戶授出本公司50,000,000份購股權，可認購50,000,000股股份，相當於本公司於本年報日期已發行股份總數的5%。於截至授出日期止前任何十二個月期間，根據購股權計劃向各合資格參與者可能授出的購股權所涉及的已發行及將予發行的股份數目上限不得超過授出日期已發行股份的1%，惟除非獲本公司股東事先批准且有參與者及其聯繫人放棄投票。向本公司任何董事或主要股東或任何彼等各自的聯繫人授出購股權須獲獨立非執行董事事先批准。倘向主要股東或獨立非執行董事或任何彼等各自的聯繫人授出購股權將導致於十二個月期間內行使已授予或將授予有關人士的全部購股權而已發行及將予發行的股份：(i)合共超過有關授出日期已發行股份的0.1%；及(ii)按股份收市價計算的總值超過5百萬港元，則授出有關購股權須經本公司股東於股東大會以投票方式事先批准。

該發行股權行使價為0.978港元並行使期為一年。

根據購股權計劃授出購股權的要約自授出日期起計30日內可供接納。於接納有關購股權時，承授人須向本公司支付1港元（或人民幣等值金額）作為授出代價。購股權可根據購股權計劃條款自授出日期起隨時行使，直至自該日起計一年屆滿。認購價將由董事會全權酌情釐定，且於任何情況下不得低於以下三者的最高者：(i)股份於授出日期在交易所每日報價表所報的收市價；(ii)緊接授出日期前五個營

shall not be less than the highest of (i) the closing price of the shares as stated in the daily quotation sheets of the SEHK on the date of grant, (ii) the average closing price of the shares as stated in the daily quotation sheets of the SEHK for the five business days immediately preceding the date of grant, and (iii) the nominal value of a share. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 1 year from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 1 year after it has been granted. No option may be granted more than 1 year after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 1 year from the date of adoption.

業日在交易所每日報價表所報的股份收市價平均數；及(iii)股份面值。購股權可根據購股權計劃的條款於購股權視作已授出並獲接納當日後及自該日起計一年屆滿前期間隨時行使。購股權可行使的期間由董事會全權酌情釐定，惟不得超過授出購股權當日起計一年。於購股權計劃獲批准當日起一年後不得授出購股權。除非本公司於股東大會或經由董事會提前終止，否則購股權計劃自採納日期起一年內有效及具效力。

The summary below sets out the details of movement of options granted for the year ended 31 December 2014 pursuant to the Share Option Scheme:

以下概述載列根據購股權計劃授出的購股權於截至二零一四年十二月三十一日止年度的變動詳情：

Name	Date of grant	Exercise price	Closing price of the shares on the date of grant	Balance as at 1 January 2014	Number of share option			Balance as at 31 December 2014
					Granted during the year	Exercised during the year	Cancelled/lapsed during the year	
姓名	授出日期	行使價 HK\$ 港元	於授出日期的 股份收市價 HK\$ 港元	於二零一四年 一月一日的 結餘	年內授出	年內行使	年內註銷/ 失效	於二零一四年 十二月三十一 日的結餘
Mr. Lin Qingxiong 林清雄先生	12 December 2014 二零一四年十二月十二日	0.978	0.96	-	5,000,000	-	-	5,000,000
Mr. Qiu Zhiqiang 邱志強先生	12 December 2014 二零一四年十二月十二日	0.978	0.96	-	5,000,000	-	-	5,000,000
Mr. Cai Jinxu 蔡金旭先生	12 December 2014 二零一四年十二月十二日	0.978	0.96	-	5,000,000	-	-	5,000,000
Mr. Zhang Bin 張斌先生	12 December 2014 二零一四年十二月十二日	0.978	0.96	-	10,000,000	-	-	10,000,000
Ms. Wu Bingying 吳冰盈女士	12 December 2014 二零一四年十二月十二日	0.978	0.96	-	5,000,000	-	-	5,000,000
Mr. Cai Yujun 蔡育軍先生	12 December 2014 二零一四年十二月十二日	0.978	0.96	-	10,000,000	-	-	10,000,000
Mr. Ke Mingcai 柯明財先生	12 December 2014 二零一四年十二月十二日	0.978	0.96	-	10,000,000	-	-	10,000,000
Total 總計					50,000,000			50,000,000

The total fair value, which was determined by an independent qualified appraiser using the Binomial Model, of the options granted as the granted date is approximately HKD6.4 million (equivalent to approximately RMB5.1 million).

The variables and assumptions used in computing the fair value of the share options are based on the Company's best estimate. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model are as follows:

於授出日期所授予之購股權之公平值總額(由獨立合資格估值師採用二項式模式釐定)約為6.4百萬港元(相當於約人民幣5.1百萬元)。

計算購股權公平值所用變數及假設乃基於本公司的最佳估計。購股權價值隨若干主觀假設的不同變數而變化。模式所用的輸入數據如下：

Granted on
12 December 2014
於二零一四年十二月十二日
所授出

Average share price	平均股價	HK\$0.978 0.978港元
Exercise price	行使價	HK\$0.978 0.978港元
Expected life of options	預期購股權年期	1 year 1年
Expected volatility	預期波幅	35.56%
Expected dividend yield	預期股息收益	Nil 無
Risk free rate	無風險利率	0.13%

Share options granted

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

For the share options granted by the Company, when they are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserve will continue to be held in other reserve.

授予的購股權

所獲取服務的公平值乃參照所授出購股權於授出日期的公平值而釐定，按歸屬期以直線法支銷，權益亦相應增加。

就本公司授出的購股權而言，當購股權獲行使時，原先於其他儲備內確認的款項將轉撥至股份溢價，而當購股權於歸屬期後被沒收或於屆滿日期仍未行使時，原先於其他儲備及購股權儲備內確認的款項將繼續於其他儲備內持有。當購股權於歸屬期後被沒收或於屆滿日期仍未行使時，原先於其他儲備內確認的款項將繼續於其他儲備內持有。

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate sales attributable to the Group's largest and five largest customers were 6.2% and 24.1% of the Group's total sales respectively (2013: 4.8% and 21.6%). The aggregate purchases attributable to the Group's largest and five largest suppliers were 7.5% and 25.4% of the Group's total purchases respectively during the year under review (2013: 9.6% and 37.1%).

During the year, none of the Directors, their associates or any shareholders (who to the knowledge of the Directors owned more than 5% of the issued share capital of the Company) had any interest in any of the five largest customers or suppliers of the Group.

MANAGEMENT CONTRACTS

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year under review.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, from the Listing Date and up to the date of this report, the Company has maintained a sufficient public float of at least 25% of the Company's issued share capital as required under the Listing Rules.

DIVIDEND POLICY

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2014 (2013: Nil). As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year at 2014.

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

Since the Listing Date and up to 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors has confirmed that he is neither engaged, nor interested, in any business which, directly or indirectly, competes or may compete with the Group's business.

主要客戶及供應商

於回顧年度，來自本集團最大及五大客戶的總銷售額分別佔本集團總銷售額的6.2%及24.1%（二零一三年：4.8%及21.6%），於回顧年度，來自本集團最大及五大供應商的總採購額分別佔本集團總採購額的7.5%及25.4%（二零一三年：9.6%及37.1%）。

於年內，概無董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上的任何股東於本集團五大客戶或供應商中擁有任何權益。

管理合約

於回顧年度內，本公司並無就整體業務或任何重要業務部分之管理及行政工作簽訂或存有任何重要合約。

公眾持股量之充足程度

根據可供本公司公開索取之資料及就董事所知，由上市日期起及截至本報告日期，本公司按照上市規則所規定維持至少本公司已發行股本25%的充足公眾持股量。

股息政策

董事會不建議就截至二零一四年十二月三十一日止年度派發任何末期股息（二零一三年：無）。由於年內並無應派中期股息，故二零一四年全年將不會派發股息。

購買、出售或贖回本公司之上市證券

自上市日期起至二零一四年十二月三十一日，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事於競爭業務之權益

各董事已確認其概無從事與本集團業務直接或間接存在競爭或可能存在競爭之業務或於該等業務中擁有權益。

NON-COMPETITION UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

Each of Merit Lead Investments Limited, Mr. Lin Qingxiong, Mr. Qiu Zhiqiang and Mr. Cai Jinxu, being controlling shareholders of the Company, has entered into a deed of non-competition on 27 March 2014 (the "Deed of Non-Competition") so as to better safeguard the Group from any potential competition and 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 its corporate governance in connection with the listing of the shares on the Stock Exchange.

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 Period.

The Company has received written confirmation from Mr. Lin Qingxiong, Mr. Qiu Zhiqiang and Mr. Cai Jinxu, being controlling shareholders of the Company on 30 March 2015 that they have complied with the terms of the deed of non-competition and consent to the respective terms and conditions.

SUBSEQUENT EVENTS

On 22 Jan 2015, the Company issued three-years bonds with principal amount of HKD84,000,000. The bonds are unsecured, interest bearing at a rate of 7% per annum and payable semiannually.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers. A resolution to reappoint PricewaterhouseCoopers, the independent auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lin Qingxiong
Chairman

Hong Kong, 30 March 2015

控股股東作出之不競爭承諾

於二零一四年三月二十七日，本公司控股股東德利投資有限公司、林清雄先生、邱志強先生及蔡金旭先生各自訂立一份不競爭契約（「不競爭契約」），為更能保障本集團免於涉及任何潛在競爭及規範針對彼等之間潛在衝突的管理原則，以及就股份於聯交所上市加強企業管治。

獨立非執行董事毋須在本期間檢討有關遵守及執行不競爭契約的任何事宜。

本公司已在二零一五年三月三十日收到林清雄先生、邱志強先生及蔡金旭先生作為本公司控股股東就關於他們已經遵守不競爭契約中的條款並同意有關條文及條件的確認函。

結算日後事項

於二零一五年一月二十二日，本公司發行本金額84,000,000港元的三年期債券。此等債券為無抵押、按年利率7%計息及利息每半年支付。

核數師

財務報表已經由羅兵咸永道會計師事務所審核。即將舉行的股東週年大會將會提出一項就關於重新委任羅兵咸永道會計師事務所的動議。

代表董事會

主席
林清雄

香港，二零一五年三月三十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

To the shareholders of Wang Tai Holdings Limited
(incorporated in Cayman Islands with limited liability)

致宏太控股有限公司股東
(於開曼群島註冊成立的公司)

We have audited the consolidated financial statements of Wang Tai Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 47 to 118, which comprise the consolidated and company balance sheets as at 31 December 2014, and the consolidated statement of 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.

本所(以下簡稱「我們」)已審核宏太控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，該等報表載於第47至118頁，包括於二零一四年十二月三十一日的合併及公司資產負債表及截至該日止年度的合併全面收益表、合併權益變動表及合併現金流量表，以及重大會計政策概要及其他解釋資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

董事對合併財務報表的責任

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, 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.

貴公司董事負責根據由國際會計準則理事會頒佈的國際財務報告準則編製呈列真實及公平意見的合併財務報表，以及負責董事認為對使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述而言屬必要的內部監控。

AUDITOR'S RESPONSIBILITY

核數師的責任

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

我們的責任乃根據審核的結果，就該等合併財務報表發表意見，並僅向閣下(作為一個整體)報告，除此之外本報告別無其他目的。我們毋須就本報告的內容向任何其他人士負責或承擔任何責任。

We conducted our audit in accordance with International Standards on Auditing. 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.

我們乃按照國際會計準則理事會頒佈的國際核數準則進行審核工作。該等準則規定我們須遵照道德規定以規劃及進行審核，以合理確定合併財務報表是否不存有重大錯誤陳述。

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2015

審核包括進程序以取得與合併財務報表所載金額及披露事項有關的審核憑證。選取的該等程序視乎核數師的判斷，包括評估合併財務報表存有重大錯誤陳述(不論是否因欺詐或錯誤引起)的風險。在作出該等風險評估時，核數師考慮與實體編製呈列真實及公平意見的合併財務報表有關的內部監控，以設計適用於該等情況的適當審核程序，但並非為對實體的內部監控是否有效發表意見。審核亦包括評價董事所採用的會計政策是否恰當及所作的會計估計是否合理，以及評價合併財務報表的整體呈列方式。

我們相信，我們已取得充分恰當的審核憑證，可為我們的審核意見提供基礎。

意見

我們認為，合併財務報表已根據國際財務報告準則真實而公平反映 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以及 貴集團截至該日止年度的溢利及現金流量。

羅兵咸永道會計師事務所
執業會計師

香港，二零一五年三月三十日

CONSOLIDATED BALANCE SHEET

合併資產負債表

As at 31 December 2014
於二零一四年十二月三十一日

		As at 31 December	
		於十二月三十一日	
		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
	Notes		
	附註		
ASSETS	資產		
Non-current assets	非流動資產		
Leasehold land and land use rights	租賃土地及土地使用權	6	24,690
Property, plant and equipment	物業、廠房及設備	7	477,469
Deferred income tax assets	遞延所得稅資產	17	1,380
Available-for-sale financial assets	可供出售金融資產	8	–
		510,346	503,539
Current assets	流動資產		
Inventories	存貨	10	75,647
Trade and other receivables and prepayments	貿易及其他應收款項及 預付款	11	167,228
Cash and bank balances	現金及銀行餘額	12	47,922
Restricted bank deposits	受限制銀行存款	12	32,799
		501,925	323,596
Total assets	資產總額	1,012,271	827,135
EQUITY AND LIABILITIES	權益及負債		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	13	1
Other reserves	其他儲備	14	130,266
Retained earnings	保留盈利		136,651
Total equity	權益總額	480,460	266,918
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	15	85,361
Other payables	其他應付款項	18	29,875
Deferred income	遞延收入	16	16,945
		243,356	132,181

CONSOLIDATED BALANCE SHEET 合併資產負債表

As at 31 December 2014

於二零一四年十二月三十一日

		As at 31 December		
		於十二月三十一日		
		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	
	Notes			
	附註			
Current liabilities	流動負債			
Borrowings	借款	15	124,946	182,727
Trade and other payables	貿易及其他應付款項	18	151,109	226,877
Current income tax liabilities	即期所得稅負債		12,399	18,432
			28,454	428,036
Total liabilities	負債總額		531,810	560,217
Total equity and liabilities	權益及負債總額		1,012,271	827,135
Net current assets/(liabilities)	流動資產/(負債)淨額		213,470	(104,440)
Total assets less current liabilities	資產總額減流動負債		723,817	399,099

The notes on pages 55 to 118 are an integral part of these consolidated financial statements.

55頁至118頁的附註為該等合併財務報表必不可少的組成部分。

The financial statements on pages 47 to 54 were approved by the Board of Directors on 30 March 2015 and were signed on its behalf.

第47頁至54頁的財務報表已於二零一五年三月三十日獲董事會批准，並已代其簽署。

Lin Qinxiong
林清雄
Director
董事

Qiu Zhiqiang
邱志強
Director
董事

COMPANY BALANCE SHEET

本公司資產負債表

As at 31 December 2014
於二零一四年十二月三十一日

		As at 31 December	
		於十二月三十一日	
		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
	Notes		
	附註		
ASSETS			
Non-current assets			
Investment in subsidiaries	9	241,413	241,413
Current assets			
Other receivables		-	1,234
Due from subsidiaries	9	164,917	-
Cash and cash equivalents	12	7	-
		164,925	1,234
Total assets		406,338	242,647
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	13	80,215	1
Other reserves	14	308,409	241,482
Accumulated losses		(19,302)	(9,462)
Total equity		369,322	232,021

COMPANY BALANCE SHEET 本公司資產負債表

As at 31 December 2014

於二零一四年十二月三十一日

		As at 31 December 於十二月三十一日		
		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	
	Notes 附註			
LIABILITIES				
Non-current liabilities				
Borrowings	15	27,734		–
Current liabilities				
Trade and other payables	18	9,282		10,626
Total liabilities		37,016		10,626
Total equity and liabilities		406,338		242,647
Net current assets/(liabilities)		155,643		(9,392)
Total assets less current liabilities		397,056		232,021

The notes on pages 55 to 118 are an integral part of these consolidated financial statements.

第55頁至118頁的附註為該等合併財務報表必不可少的組成部分。

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Lin Qinxiong

林清雄

Director

董事

Qiu Zhiqiang

邱志強

Director

董事

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併全面收益表

For the year ended 31 December 2014
截至二零一四年十二月三十一日止年度

		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
		Notes 附註		
Revenue	收益	5	810,795	791,518
Cost of sales	銷售成本	20	(661,489)	(643,364)
Gross profit	毛利		149,306	148,154
Selling and distribution costs	銷售及分銷成本	20	(4,213)	(2,189)
General and administrative expenses	一般及行政開支	20	(36,959)	(31,477)
Other income	其他收入	19	6,000	5,322
Other losses – net	其他虧損－淨額		(1,310)	(688)
Operating profit	經營溢利		112,825	119,122
Finance income	財務收入	23	1,790	1,368
Finance costs	融資成本	23	(23,575)	(17,000)
Finance costs – net	融資成本－淨額	23	(21,785)	(15,632)
Profit before income tax	除所得稅前溢利		91,039	103,490
Income tax expense	所得稅開支	24	(24,637)	(28,516)
Profit for the year and attributable to owners of the Company	年內及本公司擁有人應佔溢利		66,402	74,974
Other comprehensive income for the year	年內其他全面收入		–	–
Total comprehensive income for the year and attributable to owners of the Company	年內及本公司擁有人總應佔溢利		66,402	74,974
Earnings per share for profit attributable to owners of the company	本公司擁有人應佔溢利每股盈利			
Basic earnings per share	每股基本盈利	25	RMB7.19 cents 人民幣7.19分	RMB10.00 cents 人民幣10.00分
Diluted earnings per share	每股攤薄盈利	25	RMB7.19 cents 人民幣7.19分	RMB10.00 cents 人民幣10.00分

The notes on pages 55 to 118 are an integral part of these consolidated financial statements.

第55頁至118頁的附註為該等合併財務報表必不可少的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

For the year ended 31 December 2014

截至二零一四年十二月三十一日止年度

		Notes 附註	Attributable to owners of the Company 本公司擁有人應佔			
			Share capital 股本 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 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 結餘		–	113,382	70,527	183,909
Comprehensive income Profit for the year	全面收入 年內溢利		–	–	74,974	74,974
Transactions with owners	與擁有人的交易					
– Issue of ordinary shares	– 發行新股	13	1	–	–	1
– Waiver of amounts due to owners	– 豁免應付擁有人的 金額		–	8,034	–	8,034
Appropriation to statutory reserves	轉撥至法定儲備		–	8,850	(8,850)	–
Balance at 31 December 2013	於二零一三年 十二月三十一日結餘		1	130,266	136,651	266,918
Balance at 1 January 2014	於二零一四年 一月一日結餘		1	130,266	136,651	266,918
Comprehensive income Profit for the year	全面收入 年內溢利		–	–	66,402	66,402
Transactions with owners	與擁有人的交易					
– Issue of ordinary shares upon initial public offering	– 於首次公開發售後 發行普通股	13	20,800	121,277	–	142,077
– Issue of ordinary shares to original shareholders	– 發行普通股予原始 股東	13	59,414	(59,414)	–	–
– Share-based compensation	– 股份基礎報酬	14	–	5,064	–	5,064
Appropriation to statutory reserves	轉撥至法定儲備		–	7,395	(7,395)	–
Balance at 31 December 2014	於二零一四年 十二月三十一日結餘		80,215	204,588	195,657	480,460

The notes on pages 55 to 118 are an integral part of these consolidated financial statements.

第55頁至118頁的附註為該等合併財務報表必不可少的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

For the year ended 31 December 2014
截至二零一四年十二月三十一日止年度

		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
	Notes 附註		
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from operations	經營所得的現金	26	79,232
Income tax paid	已付所得稅		(18,810)
Net cash generated from operating activities	經營活動所得現金淨額	7,649	60,422
Cash flows from investing activities	投資活動所得現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備		(148,891)
Investment in available-for-sale financial assets	投資可供出售金融資產		(4,500)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	26	52
Payments for leasehold land and land use rights	租賃土地及土地使用權付款		(1,312)
Cash received from government grants for purchase of non-current assets	就購買非流動資產而獲授的政府現金補助		2,680
Interest received	已收利息		1,368
Repayments of advances to third parties	第三方償還墊款		4,855
Repayments of advances to shareholders	股東償還墊款		158
Net cash used in investing activities	投資活動所用現金淨額	(52,496)	(139,778)

The notes on pages 55 to 118 are an integral part of these consolidated financial statements.

第55頁至118頁的附註為該等合併財務報表必不可少的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS 合併現金流量表

For the year ended 31 December 2014

截至二零一四年十二月三十一日止年度

		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
		Notes 附註	
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from borrowings	借款所得款項	294,754	360,344
Repayments of borrowings	償還借款	(235,260)	(248,796)
Net (increase)/decrease in restricted bank deposits	受限制銀行存款 (增加)/減少淨額	(26,232)	16,155
Proceeds from borrowings from shareholders	股東借款所得款項	-	59,598
Repayments of borrowings from shareholders	償還股東 借款	(8,283)	(53,706)
Net proceeds from initial public offering	首次公開發售所得款項 淨額	128,748	-
Payment for initial public offering expenses	支付首次公開發售開支	-	(1,234)
Interest and bank charges paid	已付利息及銀行手續費	(21,579)	(12,360)
Net cash generated from financing activities	融資活動所得現金 流量	132,148	120,001
Net increase in cash and cash equivalents	現金及現金等價物 增加淨額	87,301	40,645
Cash and cash equivalents at beginning of year	年初現金及現金等價物	12 47,922	7,278
Cash and cash equivalents at end of the year	年末現金及現金等價物	12 135,223	47,923

The notes on pages 55 to 118 are an integral part of these consolidated financial statements.

第55頁至118頁的附註為該等合併財務報表必不可少的組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

For the year ended 31 December 2014

截至二零一四年十二月三十一日止年度

1. GENERAL INFORMATION

Wang Tai Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 29 April 2013 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 address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at Unit 02, 15th Floor, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company and its subsidiaries (together the “Group”) are principally engaged in the design, manufacturing and sales of fabrics and yarns.

The Company successfully completed its initial public offering and its shares have been listed on The Stock Exchange of Hong Kong Limited since 25 April 2014 (the “Listing”).

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 30 March 2015.

Reorganisation

The principal business of the Group was previously carried out by the subsidiaries in the PRC under Hongtai Group (Int’l) Holding Limited (“Hongtai (Hong Kong)”), a Hong Kong incorporated company owned by Mr. Lin Qingxiong (“Mr Lin”), Mr. Qiu Zhiqiang (“Mr Qiu”) and Mr. Cai Jinxu (“Mr Cai”), collectively the controlling shareholders of the Company.

As part of a group reorganisation in preparation for the Listing, on 10 September 2013, the controlling shareholders transferred their respective shareholding in Hongtai (Hong Kong) to a wholly owned subsidiary of the Company by way of share swap and the Company became the holding company of the companies now comprising the Group. The details of the subsidiaries of the Company are set out in Note 29 below.

1. 一般資料

宏太控股有限公司(「本公司」)於二零一三年四月二十九日根據開曼群島法律第22章《公司法》(一九六一年第3號法律，經合併及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司於香港的主要營業地點為香港灣仔港灣道1號會展廣場辦公大樓15樓02室。

本公司是一家投資控股公司，其附屬公司(與本公司統稱「本集團」)主要從事面料及紗線的設計、製造及銷售。

本公司順利完成其首次公開發售，其股份自二零一四年四月二十五日起在香港聯合交易所有限公司上市(「上市」)。

除另有指明外，該等財務報表乃以人民幣(「人民幣」)呈列。該等財務報表已於二零一五年三月三十日由本公司董事會批准刊發。

重組

本集團的主要業務以往由宏太集團(國際)股份有限公司(「宏太(香港)」)，為一所香港註冊公司其下中國境內附屬公司)進行，而宏太(香港)為本公司控股股東林清雄先生(「林先生」)、邱志強先生(「邱先生」)及蔡金旭先生(「蔡先生」)共同擁有。

作為籌備上市之集團重組(「重組」)部份，於二零一三年九月十日，控股股東將宏太(香港)的股權轉讓予一間本公司全資擁有附屬公司，透過股權交換及本公司成為公司們的控股公司，現在並構成本集團。本公司附屬公司詳情載於下文附註29。

1. GENERAL INFORMATION (continued)

Reorganisation (continued)

The Reorganisation involved companies under common control. Accordingly, the 2013 comparative financial information included in this consolidated financial information of the Group for the year ended 31 December 2013 has been prepared using the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and present the combined results and cashflows of the companies of the Group as if the group structure had been in existence throughout the year ended 31 December 2013 or since the respective dates of incorporation or establishment, whichever was the shorter period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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

1. 一般資料(續)

重組(續)

重組包括共同控制下之公司，故此，截至二零一三年十二月三十一日止年度本集團合併財務資料所載二零一三年比較性財務資料是根據香港會計師公會(「香港會計師公會」)發出香港會計指引5「一般共同控制組合之合併會計」以合併會計原則編製，並呈列本集團公司們合併業績及現金流量，猶如截至二零一三年十二月三十一日止年度或從有關註冊或成立日期，以較短期為準，集團結構已經存在。

2. 主要會計政策概要

編製此等合併財務報表所用主要會計政策載列如下。除另有指明外，該等政策於所有呈列年度貫徹採用。

2.1 呈列基準

本公司的合併財務報表乃根據國際財務報告準則(「國際財務報告準則」)編製。合併財務報表乃按歷史成本法編製，並經按公平值列賬的重估樓宇、按公平值計入損益的金融資產及金融負債(包括衍生工具)修改。

就本財政年度及比較期間而言，合併財務報表根據前公司條例(第32章)適用規定編製。

編製符合國際財務報告準則的財務報表須使用若干關鍵會計估計，同時亦須管理層在應用本集團會計政策過程中作出判斷。涉及較高程度判斷或複雜性的範疇，或涉及對合併財務報表屬重大的假設及估算的範疇於附註4披露。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures

(a) *New amendments and interpretation adopted by the Group in 2014*

The following new amendments to existing standards and interpretation are mandatory for the first time for the financial year beginning on 1 January 2014, and relevant to the Group.

Amendment to IAS 32 'Financial Instruments: Presentation' on assets and liabilities offsetting. It clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

Amendment to IAS 36 'Impairment of Assets' on recoverable amount disclosures. It addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

HK(IFRIC) 21 'Levies': It is an interpretation of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

2. 主要會計政策概要(續)

2.1 呈列基準(續)

會計政策及披露的變動

(a) 本集團於二零一四年採用的新修訂本及詮釋

以下現有準則新修訂本及詮釋由本集團於二零一四年一月一日開始的財政年度首次強制採納。

國際會計準則第32號「金融工具：呈列」有關抵銷資產及負債的修訂本。此準則釐清資產負債表中若干抵銷金融資產及負債的部分規定。

國際會計準則第36號「資產減值」的修訂本乃有關可收回金額披露。此準則對應披露有關已減值資產可收回金額的資料，條件為該金額乃根據公平值減出售成本計算。

香港(國際財務報告詮釋委員會)第21號「徵費」乃國際會計準則第37號「撥備、或然負債及或然資產」的詮釋。國際會計準則第37號載列確認負債的條件，其中一項條件乃有關實體因過往事件(稱為責任事件)而產生的當前責任的規定。此項詮釋釐清會導致繳付徵費責任的責任事件乃相關法例所述會觸發繳付徵費的活動。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(a) New amendments and interpretation adopted by the Group in 2014 (continued)

Annual improvements 2012 include changes from the 2010–2012 cycle of the annual improvements project, that affect 7 standards, only the below are effective for relevant transactions executed on or after 1 July 2014:

- Amendment to IFRS 2 ‘Share-based Payment’ clarifies the definition of a ‘vesting condition’ and separately define ‘performance condition’ and ‘service condition’.
- Amendments to IFRS 3 ‘Business Combinations’, and on sequential amendments to IFRS 9 ‘Financial Instruments’, IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’, and IAS 39 ‘Financial Instruments – Recognition and Measurement’ clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 ‘Financial Instruments: Presentation’. All non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.
- The adoption of the above new amendments and interpretation starting from 1 January 2014 did not give rise to any significant impact on the Group’s results of operations and financial position for the year ended 31 December 2014

2. 主要會計政策概要(續)

2.1 呈列基準(續)

會計政策及披露的變動(續)

(a) 本集團於二零一四年採用的新修訂本及詮釋(續)

二零一二年度改進包括年度改進項目二零一零年至二零一二年週期的變動，並影響7項準則，但只有下列對二零一四年七月一日或之後進行的相關交易生效：

- 國際財務報告準則第2號「股份基礎支付」的修訂本，此修改釐清「歸屬條件」的定義，並分開界定「表現條件」和「服務條件」。
- 國際財務報告準則第3號「業務合併」的修訂本及國際財務報告準則第9號「金融工具」、國際會計準則第37號「撥備、或然負債及或然資產」及國際會計準則第39號「金融工具－確認及計量」的相應修訂旨在釐清支付或然代價的責任如符合金融工具定義，會按照國際會計準則第32號「金融工具：呈報」分類為金融負債或權益。所有非權益或然代價（金融及非金融）於各報告日期按公平值計量，而公平值變動於損益確認。
- 自二零一四年一月一日開始採納以上新修訂及詮釋並無對本集團截至二零一四年十二月三十一日止年度經營業績及財務狀況造成重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(b) *New standards and amendments issued but are not yet effective for the financial year beginning on 1 January 2014 and have not been early adopted by the Group*

A number of new standards and amendments to existing standards have been issued but are not yet effective for the financial year beginning on 1 January 2014, and have not been early adopted by the Group in preparing these consolidated financial statements. The Group is yet to assess the full impact of these new standards and amendments and intends to adopt them no later than the respective effective dates of these new standards and amendments. These new standards and amendments are set out below:

Amendment to IAS 19 regarding defined benefit plans, effective for annual periods beginning on or after 1 July 2014.

Annual improvements 2012 that affect the following standards: IFRS 8 'Operating Segments', IAS 16 'Property, Plant and Equipment', IAS 24 'Related Party Disclosures' and IAS 38 'Intangible Assets', effective for annual periods beginning on or after 1 July 2014.

Annual improvements 2013 that affect the following standards: IFRS 3 'Business Combinations', IFRS 13 'Fair Value Measurement' and IAS 40 'Investment Property', effective for annual periods beginning on or after 1 July 2014.

2. 主要會計政策概要(續)

2.1 呈列基準(續)

會計政策及披露的變動(續)

(b) *已於二零一四年一月一日開始的財政年度頒佈但尚未生效的新訂準則及修訂本，故本集團尚未提早採納*

多項新訂準則及現有準則修訂已頒佈但尚未於二零一四年一月一日開始的財政年度生效，而本集團於編製此等合併財務報表時並無提早採納。本集團尚未評估該等新訂準則及修訂本的全面影響，並擬不遲於該等新訂準則及修訂各自生效日期採納。該等新訂準則及修訂載列如下：

國際會計準則第19號的修訂本，乃有關界定福利計劃，於二零一四年七月一日或之後開始的年度期間生效。

二零一二年度改進影響以下準則：國際財務報告準則第8號「經營分部」、國際會計準則第16號「物業、廠房及設備」、國際會計準則第24號「關聯方披露」及國際會計準則第38號「無形資產」，於二零一四年七月一日或之後開始的年度期間生效。

二零一三年度改進影響以下準則：國際財務報告準則第3號「業務合併」、國際財務報告準則第13號「公平值計量」及國際會計準則第40號「投資物業」，於二零一四年七月一日或之後開始的年度期間生效。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(b) *New standards and amendments issued but are not yet effective for the financial year beginning on 1 January 2014 and have not been early adopted by the Group (continued)*

IFRS 14 'Regulatory Deferral Accounts', effective for annual periods beginning on or after 1 January 2016.

Amendments to IFRS 11 on accounting for acquisitions of interests in joint operations, effective for annual periods beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortisation, effective for annual periods beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 41 on agriculture: bearer plants, effective for annual periods beginning on or after 1 January 2016.

Amendments to IFRS 10 and IAS 28 on sale or contribution of assets between an investor and its associate or joint venture, effective for annual periods beginning on or after 1 January 2016.

2. 主要會計政策概要(續)

2.1 呈列基準(續)

會計政策及披露的變動(續)

(b) 已於二零一四年一月一日開始的財政年度頒佈但尚未生效的新訂準則及修訂本，故本集團尚未提早採納(續)

國際財務報告準則第14號「監管遞延賬戶」，於二零一六年一月一日或之後開始的年度期間生效。

國際財務報告準則第11號的修訂本，乃有關收購合營業務權益的會計方法，於二零一六年一月一日或之後開始的年度期間生效。

國際會計準則第16號及國際會計準則第38號的修訂本，乃有關釐清折舊及攤銷的可接受方法，於二零一六年一月一日或之後開始的年度期間生效。

國際會計準則第16號及國際會計準則第41號的修訂本，乃有關農業：生產性植物，於二零一六年一月一日或之後開始的年度期間生效。

國際財務報告準則第10號及國際會計準則第28號的修訂本，乃有關投資者與其聯營公司或合營企業之間出售或注入資產，於二零一六年一月一日或之後開始的年度期間生效。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(b) *New standards and amendments issued but are not yet effective for the financial year beginning on 1 January 2014 and have not been early adopted by the Group* (continued)

Amendments to IAS 1 on presentation of financial statements, effective for annual periods beginning on or after 1 January 2016.

Amendments to IFRS 10, IFRS 12 and IAS 28 on investment entities, effective for annual periods beginning on or after 1 January 2016.

Amendments to IAS 27 on separate financial statements regarding equity method, effective for annual periods beginning on or after 1 January 2016.

Annual improvements 2014 that affect the following standards: IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', IFRS 7 'Financial Instruments: Disclosures', IAS 19 'Employee Benefits' and IAS 34 'Interim Financial Reporting', effective for annual periods beginning on or after 1 January 2016.

IFRS 15 'Revenue from Contracts with Customers', effective for annual periods beginning on or after 1 January 2017.

IFRS 9 'Financial Instruments', effective for annual periods beginning on or after 1 January 2018.

2. 主要會計政策概要(續)

2.1 呈列基準(續)

會計政策及披露的變動(續)

(b) 已於二零一四年一月一日開始的財政年度頒佈但尚未生效的新訂準則及修訂本，故本集團尚未提早採納(續)

國際會計準則第1號的修訂本，乃有關財務報表的呈列，於二零一六年一月一日或之後開始的年度期間生效。

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號的修訂本，乃有關投資實體，於二零一六年一月一日或之後開始的年度期間生效。

國際會計準則第27號的修訂本，乃有關獨立財務報表的權益法，於二零一六年一月一日或之後開始的年度期間生效。

二零一四年度改進影響以下準則：國際財務報告準則第5號「持作出售非流動資產及已終止業務」、國際財務報告準則第7號「金融工具：披露」、國際會計準則第19號「僱員福利」及國際會計準則第34號「中期財務報告」，於二零一六年一月一日或之後開始的年度期間生效。

國際財務報告準則第15號「與客戶訂立合約的收益」，於二零一七年一月一日或之後開始的年度期間生效。

國際財務報告準則第9號「金融工具」，於二零一八年一月一日或之後開始的年度期間生效。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(c) New Hong Kong Companies Ordinance

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 (i.e. year beginning 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

2.2 Subsidiaries

2.2.1 Consolidation

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

2. 主要會計政策概要(續)

2.1 呈列基準(續)

會計政策及披露的變動(續)

(c) 新香港公司條例

此外，根據新香港公司條例(第622章)第358條，該條例第9部「賬目及審計」的規定於本公司二零一四年三月三日或之後開始的首個財政年度(即二零一五年一月一日開始的年度)實施。本集團現正評估《公司條例》變動對首次應用新香港公司條例(第622章)第9部期間合併財務報表的預期影響。至今其結論為不大可能有重大影響，以及僅對合併財務報表資料的呈列及披露造成影響。

2.2 附屬公司

2.2.1 合併

附屬公司指本集團擁有控制權的所有實體(包括結構性實體)。當本集團透過參與實體業務而享有或有權取得該實體的可變回報且有能力透過其於該實體的權力影響該等回報金額時，本集團對該實體擁有控制權。附屬公司自控制權轉移至本集團之日起全面合併入賬，並自控制終止之日起停止合併入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) *Merger accounting for common control combination*

The consolidated financial statements incorporate the financial statements of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are combined using the existing book values from the controlling parties' perspective. No amount is recognized in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併(續)

(a) *共同控制合併的合併會計法*

合併財務報表包括發生共同控制合併的合併實體的財務報表，猶如其自合併實體首次受控制方控制當日起已合併。

合併實體的資產淨值乃以控制方釐定的現有賬面值合併。概不就商譽或收購方於被收購方可識別資產、負債及或然負債公平淨值的權益超出共同控制合併當時成本(以控制方權益的貢獻為限)的差額確認任何金額。

合併全面收益表包括各合併實體自最早呈列日期或自合併實體首次受共同控制當日起(不論共同控制合併的日期，均以較短期間者為準)的業績。

合併財務報表的比較金額以猶如實體於上一個結算日或首次受共同控制當日(以較短者為準)已合併的方式呈列。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) *Merger accounting for common control combination (continued)*

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognized as an expense in the period in which it is incurred.

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

(b) *Disposal of subsidiaries*

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

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併(續)

(a) *共同控制合併的合併會計法(續)*

就共同控制合併所產生而將採用合併會計法入賬的交易成本(包括專業人士費用、登記費用、向股東提供資料的成本、合併先前獨立的業務營運時產生的成本或虧損等)於產生期間確認為開支。

集團內公司間交易、有關交易的結餘及未變現收益均予以對銷。未變現虧損亦予以對銷。如需要，附屬公司呈報的金額已調整，以與集團採納的會計政策一致。

(b) *出售附屬公司*

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合資企業或金融資產的保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重新分類至損益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.2 *Separate financial statements*

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

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

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). These consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.2 *獨立財務報表*

於附屬公司的投資乃按成本扣除減值列賬。成本亦包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息基礎入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面總收益或倘該投資於獨立財務報表內的賬面值超過投資對象資產淨值(包括商譽)於合併財務報表內的賬面值，則於收到該等股息時須對該等投資進行減值測試。

2.3 分類呈報

營運分部的呈報方式與向主要營運決策者提供的內部報告貫徹一致。主要營運決策者負責就營運分部分配資源及評估表現，並已被確認為作出策略性決策的本公司執行董事。

2.4 外幣換算

(a) *功能及呈列貨幣*

本集團各實體的財務報表所列的項目，乃按該實體的主要經營所在經濟環境的貨幣(「功能貨幣」)計量。合併財務報表乃以本公司的功能及呈列貨幣人民幣(「人民幣」)呈列。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit or loss within 'other income-net'.

(c) Group companies

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

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

2. 主要會計政策概要(續)

2.4 外幣換算(續)

(b) 交易及結餘

外幣交易採用交易日或項目重新計量的估值日的適用匯率換算為功能貨幣。結算該等交易以及按年底匯率換算以外幣計值的貨幣資產及負債而產生的外匯盈虧均於損益內確認，惟於權益內遞延作為符合作現金流量對沖或符合作投資淨額對沖者除外。

與借款以及現金及現金等價物有關的外匯盈虧於損益內呈列為「財務收入或成本」。所有其他外匯盈虧於損益內呈列為「其他收入淨額」。

(c) 集團公司

所有集團實體(並無來自嚴重通貨膨脹經濟的貨幣)的業績及財務狀況的功能貨幣如有別於呈列貨幣，均按以下方式換算為呈列貨幣：

- (i) 於各資產負債表呈列的資產及負債乃按有關資產負債表結算日的收市率換算；
- (ii) 各全面收益表的收支乃按平均匯率換算(除非該平均匯率並非在有關交易當日的匯率累積影響的合理估計內，在該情況下，收支按有關交易當日的匯率換算)；及
- (iii) 所有因此而產生的匯兌差額確認為其他全面收入的一部分。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Leasehold land and land use rights

Leasehold land and land use rights are carried at their historical cost less accumulated amortisation. It is amortised over its contractual life (from date of availability to termination of contract) using the straight-line method between 41 to 50 years.

2.6 Property, plant and equipment

Buildings comprise mainly factories and offices. Plant and equipment classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Construction-in-progress represents properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the assets are completed and are ready for operational use.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

– Buildings	20 years
– Machinery and equipment	10 years
– Office equipment, furniture and vehicles	5 years

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each balance sheet date.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income-net' in the profit or loss.

2. 主要會計政策概要(續)

2.5 租賃土地及土地使用權

租賃土地及土地使用權以其歷史成本減累計攤銷入賬，以41至50年的合約年期(自適用日期起至合約終止)用直線法攤銷。

2.6 物業、廠房及設備

樓宇主要包括工廠及辦公室。分類為融資租賃的廠房及設備以及所有其他物業、廠房及設備均以歷史成本減折舊列賬。歷史成本包括購買該等項目的直接相關開支。

後續成本僅會在與項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠地計量時，方會計入資產的賬面值或確認為一項獨立資產(如適用)。已更換部件的賬面值會被終止確認。所有其他維修及保養開支於其產生的財務期間在損益扣除。

在建工程指在建物業，按成本減累計減值虧損列賬，當中包括建築成本及其他直接成本。在資產建成並可作經營用途前，在建工程不予以折舊。

資產折舊按其估計可使用年期將其成本以直線法分攤至剩餘價值計算，詳情如下：

– 樓宇	20年
– 機器及設備	10年
– 辦公室設備、傢俱及車輛	5年

資產的折舊方法、剩餘價值及可使用年期均於各結算日結束時進行檢討並作出調整(如適用)。

倘資產的賬面值高於其估計可收回金額，資產的賬面值將即時撇減至其可收回金額。

出售盈虧視乎所得款項與賬面值之間的差額而定，並於損益內的「其他收入淨額」中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Impairment of non-financial assets

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

2.8 Research and development expense

Costs associated with making research on developing new products are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique fabrics products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the fabric product so that it will be available for use;
- Management intends to complete the fabric product and use or sell it;
- There is an ability to use or sell the fabric product;
- It can be demonstrated how the fabric product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the fabric product are available; and
- The expenditure attributable to the fabric product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2. 主要會計政策概要(續)

2.7 非金融資產減值

擁有無限可使用年期的資產毋須攤銷，惟須每年作出減值測試。當有事件出現或情況改變顯示賬面值可能無法收回時須就資產是否存在減值進行檢討。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公平值扣除出售成本與使用價值的較高者為準。於評估減值時，資產將按可單獨識別現金流量(現金產生單位)的最低層次組合。除商譽外，已被減值的非金融資產在各報告日期就減值是否可以撥回進行檢討。

2.8 研發開支

與研發新產品有關研發開支於產生時確認為開支。與設計及測試本集團控制的可識別及獨有的面料產品直接有關的研發成本於達到下列條件是確認為無形資產：

- 完成面料產品以供使用在技術上可行；
- 管理層擬完成面料產品以供使用或銷售；
- 有能力使用或銷售面料產品；
- 能證明面料產品將產生可靠的未來經濟利益；
- 完成研發或使用或銷售面料產品的適合技術、財務及其他資源；及
- 於研發期間的面料產品的開支能可靠計量。

不符合該等標準的其他研發開支於產生時被確認為開支。先前確認為研發開支於後續期間不會確認為資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets

2.9.1 Classification

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

(a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and 'cash and bank balances' in the balance sheet (Notes 2.11 and 2.12).

(b) *Available-for-sale financial assets*

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

2. 主要會計政策概要(續)

2.9 金融資產

2.9.1 分類

本集團按以下類別將其投資分類金融資產：貸款及應收款項及可供出售。分類視乎收購金融資產的目的而定。管理層於初步確認時釐定其金融資產的分類。

(a) *貸款及應收款項*

貸款及應收款項為具有固定或可確定付款、但在活躍市場上無報價的非衍生金融資產。貸款及應收款項計入流動資產，惟已清償或預期將於報告期結束後十二個月以後清償的款項則分類為非流動資產。本集團的貸款及應收款項包括資產負債表內的「貿易及其他應收款項」以及「現金及銀行餘額」(附註2.11及2.12)。

(b) *可供出售金融資產*

可供出售金融資產即指定為該類別或不屬於其他類別之非衍生工具。除非有關投資於報告期結束起計12個月內到期或管理層擬於該期間出售有關投資，否則該等資產計入非流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets

2.9.2 Recognition and measurement

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

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

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

Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2. 主要會計政策概要(續)

2.9 金融資產(續)

2.9.2 確認及計量

正常的金融資產買賣乃於交易日(本集團承諾買賣該資產當日)確認。所有並非按公平值計入損益的金融資產初步按公平值加交易成本確認。當從投資收取現金流量的權利已失效或被轉讓，而本集團已轉移所有權的絕大部分風險及回報，會終止確認金融資產。可供出售金融資產其後按公平值列賬。貸款及應收款項隨後採用實際利率法按攤銷成本列賬。

分類為可供出售貨幣及非貨幣證券的公平值變動乃於其他全面收入確認。

當分類為可供銷售的證券售出或減值時，於權益確認的累計公平值調整以「來自投資證券的盈虧」計入收益表。

可供出售股本工具的股息於本集團收取有關款項的權利確定時，在收益表內確認為部分其他收入。

2.10 抵銷金融工具

當具有法律強制執行權利以抵銷已確認金額並擬按淨值基準結算或同時變現資產及結算負債時，金融資產及負債乃予以抵銷，而有關淨額則於資產負債表內呈報。法定可執行權利不得依賴未來事件而定，而在一般業務過程中以及公司或對手方一旦出現違約、無償債能力或破產時必須可強制執行。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets

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

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated profit or loss.

2. 主要會計政策概要(續)

2.11 金融資產減值

本集團於各報告期末評估是否存在任何客觀證據顯示一項金融資產或一組金融資產出現減值。僅當有客觀證據顯示一項金融資產或一組金融資產因初步確認資產後發生的一宗或多宗事件(「虧損事件」)而出現減值，而該虧損事件對該項金融資產或該組金融資產的估計未來現金流量所造成的影響能可靠地估計，方可確定該項金融資產或該組金融資產減值並產生減值虧損。

減值證據可包括債務人或一組債務人正面臨重大財務困難、拖欠債務或無法如期償還利息或本金付款、彼等有可能破產或進行其他財務重組，以及有可觀察得出的數據顯示估計未來現金流量出現可計量的減少，例如與拖欠債務有關的欠款數目或經濟狀況變動。

虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的日後信貸虧損)現值之間的差額計量，而估計未來現金流量現值按金融資產的原定實際利率貼現得出。資產賬面值會予以削減，而虧損金額會於損益確認。倘貸款按浮動利率計息，則計量任何減值虧損的貼現率為合約規定的現行實際利率。在實際應用中，本集團可能採用可觀察得出的市場價格按工具的公平值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少客觀上與確認減值後發生的事件有關(例如債務人的信貸評級有所改善)，則之前已確認的減值虧損撥回會於合併損益確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Inventories

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

2.13 Trade and other receivables

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

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

2.14 Cash and cash equivalents

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

2.15 Share capital

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

2. 主要會計政策概要(續)

2.12 存貨

存貨按成本及可變現淨值(以較低者為準)列賬。成本採用加權平均法釐定。製成品及在製品的成本包括原材料、直接勞工、其他直接成本及相關生產經常開支(按正常營運能力計算)，當中不包括借款成本。可變現淨值為日常業務過程中的估計售價減適用不定額銷售費用。

2.13 貿易及其他應收賬款

貿易應收款項為日常業務過程中因出售商品而應收客戶的款項。倘預期於一年或以內收回貿易及其他應收款項，則彼等分類為流動資產，否則將呈列為非流動資產。

貿易及其他應收款項最初按公平值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。

2.14 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款及原定到期日為三個月或以內的其他短期高流動性投資。現金及現金等價物不包括受限制銀行存款。

2.15 股本

普通股分類為權益。直接歸於發行新股份或購股權的新增成本在權益中列為所得款項的減少(除稅後)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Trade, bills and other payables

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

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

2.17 Borrowings

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

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

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

2. 主要會計政策概要(續)

2.16 貿易應付款項、應付票據及其他應付款項

貿易應付款項為就日常業務過程中向供應商購買貨品或服務作出付款的責任。貿易應付款項及其他應付款項倘於一年或以內到期，則分類為流動負債，否則列作非流動負債。

貿易應付款項及其他應付款項初步按公平值確認，其後採用實際利率法按攤銷成本計量。

2.17 借款

借款初步按公平值(經扣除所產生的交易成本)確認。借款其後按攤銷成本列賬；所得款項(經扣除交易成本)與贖回價值之間的任何差額採用實際利率法在借款期內於損益確認。

倘部分或全部融資將有可能被提取，則就設立貸款融資所支付的費用會確認為貸款的交易成本。在此情況下，有關費用遞延至提取發生時。倘並無證據顯示將會提取部分或全部融資，則有關費用會資本化為流動資金服務的預付款項並於有關融資期內攤銷。

除非本集團有權無條件將負債清償日期延後至報告期結束後最少十二個月，否則借款會分類為流動負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Borrowings costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.19 Current and deferred income tax

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

(a) Current income tax

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

2. 主要會計政策概要(續)

2.18 借款成本

因購買、建設或生產合資格資產(指需要一段長時間方可作擬定用途或可供銷售的資產)直接產生的一般及特定借款成本會計入該等資產的成本內,直至資產大致可作其擬定用途或可供銷售為止。

特定借款中未用作合資格資產開支前作為臨時投資所賺取的投資收入,會從合資格資本化的借款成本中扣除。

所有其他借款成本會於產生期間於損益確認。

2.19 即期及遞延所得稅

期內所得稅開支包括即期及遞延所得稅。所得稅會於合併損益表內確認,惟所得稅包括其他於全面收益表或權益表內確認項目除外。在該等情況下,所得稅會於其他全面收益或權益表內確認。

(a) 即期所得稅

即期所得稅支出按於結算日本公司的附屬公司經營所在及產生應課稅收入的國家已頒佈或實質上已頒佈的稅法計算。管理層就適用稅務法規有待詮釋的情況定期評估報稅表狀況,並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

(b) Deferred income tax

Inside basis differences

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

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

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2. 主要會計政策概要(續)

2.19 即期及遞延所得稅(續)

(b) 遞延所得稅

內部基準差異

遞延所得稅採用負債法就資產及負債的稅基與其在合併財務報表的賬面值兩者之間的暫時差異確認。然而，倘遞延所得稅負債因初步確認商譽而產生，則不會確認遞延所得稅負債，而倘遞延所得稅因初步確認業務合併以外交易的資產或負債而產生，且在進行交易時並無影響會計或應課稅溢利或虧損，則不會計入遞延所得稅。遞延所得稅採用於結算日已頒佈或實質上已頒佈並預期於有關遞延所得稅資產變現或遞延所得稅負債清償時適用的稅率(及稅法)釐定。

遞延所得稅資產僅會於可能有未來應課稅溢利以抵銷可動用暫時差異的情況下確認。

外部基準差異

本集團就於附屬公司的投資所產生的暫時差異作出遞延所得稅撥備，惟本集團可以控制暫時差異的撥回時間，且暫時差異有可能在可見將來不會撥回的遞延所得稅負債則除外。

本集團就於附屬公司的投資所產生的可減免暫時差異確認遞延所得稅資產，惟本集團只於暫時差異有可能在將來會撥回，以及有足夠可用之應稅利潤抵銷可利用暫時性差異除外。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

(c) Offsetting

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

2.20 Employee benefits

The Group's entities in Mainland China participate in defined contribution retirement benefit plans organized by relevant government authorities for its employees in Mainland China. The contributions to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

The Group has no further obligation for post-employment benefits beyond the contributions made. The Group's contributions to these plans are charged to the consolidated profit or loss as incurred.

2.21 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. 主要會計政策概要(續)

2.19 即期及遞延所得稅(續)

(c) 抵銷

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關對一個或不同應課稅實體徵收的所得稅有關，而有關實體有意按淨額基準償付餘額時，則可將遞延所得稅資產與負債互相抵銷。

2.20 僱員福利

根據相關政府機構的規定，本集團於中國內地的實體須為其中國內地僱員參與相關政府機構組織的界定供款退休福利計劃，並基於僱員的工資按若干比例（最高為固定貨幣金額）向該等計劃每月供款。政府機構承諾根據該等計劃承擔所有現有及未來退休僱員的退休福利責任。

本集團並無進一步責任支付供款範圍外的離職後福利。本集團對該等計劃的供款在產生時於合併損益扣除。

2.21 撥備

倘本集團因過去事件而產生現有法律或推定責任，且日後很可能需要資源流出以償付責任時，則會確認撥備，惟責任金額須可作出可靠估計。

倘有大量類似責任時，解除該等責任導致資源流出的可能性按責任類別作整體考慮。即使相同類別的責任內任何一項導致資源流出的可能性不大，仍會確認撥備。

撥備採用稅前利率按預期須結算有關負債的支出現值計量，該利率反映當時市場對貨幣時間價值以及該責任特有風險的評估。隨著時間推移而增加的撥務確認為利息開支。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

2.23 Share-based payments

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

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

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

2. 主要會計政策概要(續)

2.22 政府補助

當能合理確定將收到政府補助而本集團將遵守所有附加條件時，政府補助按公平值計量。

與資產有關的政府補助將被遞延，並於能與相抵的擬定補償支出所需期間內於損益確認。

由於遞延政府補助並按直線法於相關資產的預期年期計入損益，故與物業、廠房及設備有關的政府補助計入非流動負債。

2.23 股份基礎支付

(a) *權益結算股份基礎支付交易*

本集團營運購股權計劃，據此本集團獲僱員提供服務作為本集團股本工具(購股權)的代價。換取授出購股權獲得僱員提供服務的公平值確認為開支。開支之總金額乃參考所授予的期權的公平值確定：

- (i) 包括任何市場表現條件(如：實體股價)；
- (ii) 不包括任何服務及非市場表現歸屬條件(如：盈利能力、銷售增長目標及僱員在某特定時期仍屬實體僱員之一)之影響；以及
- (iii) 包括非歸屬條件(如：僱員某特定時期儲蓄及持有股份之規定)之影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Share-based payments (continued)

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

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

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

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Sales of goods

Revenue from the sales of goods is recognised when the risk and reward of the goods has been transferred to the customer, which is usually when the customer has picked up the products from the Group's warehouse or the Group has delivered the products to the customer's warehouse, the collectability of the related receivables is reasonably assumed and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

2. 主要會計政策概要(續)

2.23 股份基礎支付(續)

(a) 權益結算股份基礎支付交易(續)

於各報告期結束時，本集團根據非市場表現及服務歸屬修訂其購股權數目估計。本集團於收益表確認修訂對原估計的影響(如有)並相應在權益作出調整。

此外，僱員在某些情況下可能在授出日期前提供服務，故就確認服務開始日期至授出日期期間之開支估計授出日期公平值。

購股權行使時，本公司發行新股份。所收取款項扣除任何直接應佔交易成本計入股本(及股份溢價)。

2.24 收益確認

收益按已收或應收代價的公平值計量，即供應貨品的應收款項，於扣除折扣、退貨及增值稅後列賬。當收益的金額能可靠地計量；當未來經濟利益有可能流入實體；及當本集團每項活動均符合特定標準時，本集團會按下文所述確認收益。

(a) 銷售貨物

貨品銷售收益於貨品的風險及回報已轉給客戶時(通常指客戶從本集團倉庫提貨或本集團將產品送抵客戶倉庫、能合理假定可收回有關應收款項，以及不存在可能影響客戶接收產品的未履行義務之時)確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Revenue recognition (continued)

(b) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.25 Leases

(a) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated profit or loss on a straight-line basis over the period of the lease.

(b) Financing leases

The Group leases certain plant and equipment under finance lease. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2. 主要會計政策概要(續)

2.24 收益確認(續)

(b) 利息收入

利息收入採用實際利率法確認。當貸款或應收款項出現減值，本集團會將賬面值減至其可收回金額(即按工具的原定實際利率貼現的估計未來現金流量)，並繼續將所貼現的金額撥為利息收入。已減值貸款及應收款項的利息收入採用原定實際利率確認。

(c) 股息收入

股息收入於收取款項的權利確立時確認。

2.25 租賃

(a) 經營租賃

如租賃所有權的絕大部分風險及回報仍由出租人保留，則分類為經營租賃。根據經營租賃支付的款項(扣除出租人給予的任何優惠)於租期內以直線法在合併損益內支銷。

(b) 融資租賃

本集團根據融資租約租賃若干設備。如本集團擁有租賃設備所有權的絕大部分風險及回報，則分類為融資租賃。融資租賃於租賃開始時按租賃物業的公平值或最低租賃付款現值(以較低者為準)記錄成資本。

每項租賃付款分攤為負債及財務支出。相應租賃承擔在扣除財務支出後計入借款。融資成本的利息部分於租期內在損益扣除，以得出每期負債剩餘結餘的固定定期利率。根據融資租賃購買的設備按資產的可使用年期或租期(以較短者為準)作出折舊。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Leases (continued)

(b) *Financing leases (continued)*

Sale and leaseback transactions with a call option that is set at a significant discount to the expected fair value when it becomes exercisable and other factors indicate that the seller needs the asset to use on an ongoing basis (seller/lessee effectively controls the asset) are treated as secured borrowings instead of financing leases.

2.26 Dividend distribution

Dividend distribution to the owner is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the owners.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) *Market risk*

(i) *Foreign exchange risk*

The Group mainly operates in mainland China with most of the revenue and expenditures transactions denominated and settled in RMB, where its foreign exchange risk is limited.

The Group's exposure to foreign exchange risk is mainly on its sales and purchase transactions (i.e., export or import of products) denominated in United State dollars ("USD") and Hong Kong dollars ("HKD"), and amounts due from/to related parties denominated in USD.

2. 主要會計政策概要(續)

2.25 租賃(續)

(b) *融資租賃(續)*

倘銷售及售後租回交易涉及認購期權，而當該認購期權可行使時較預期公平值有重大折讓，並有其他因素顯示賣方須按持續基準使用資產(賣方/承租人有有效地控制資產)，則銷售及售後租回交易會列作有抵押借款而非融資租賃。

2.26 股息分派

向股東分派的股息於股息獲批准的期間於本集團的財務報表內確認為負債。

3. 財務風險管理

3.1 財務風險因素

本集團的活動面對多項財務風險：市場風險(包括外幣風險、現金流量以及公平值利率風險及價格風險)、信貸風險及流動性風險。本集團的整體風險管理項目集中於不可預測的金融市場，並尋求盡量降低對本集團財務表現的潛在不利影響。

(a) *市場風險*

(i) *外匯風險*

本集團主要在中國經營，由於大部分收益及開支均以人民幣計值及結算，所以本集團之外匯風險有限。

本集團承受外匯風險主要來自其以美元(「美元」)及港元(「港元」)計值的銷售及採購交易(如：進出口產品)，以及以美元計值的應付/應收關聯方款項。

3. FINANCIAL RISK MANAGEMENT (continued)**3.1 Financial risk factors** (continued)**(a) Market risk** (continued)*(i) Foreign exchange risk* (continued)

The functional currency of the Company and its subsidiaries is RMB since the Company is an investment holding company and the operations carried out by its subsidiaries are in the PRC.

The Group's exposure to foreign exchange risk is limited to the recognised assets or liabilities, such as trade and other receivables (Note 11), cash and bank balances (Note 12), borrowings (Note 15) and trade and other payables (Note 17). The Group does not hedge its foreign exchange risk during the year.

3. 財務風險管理 (續)**3.1 財務風險因素** (續)**(a) 市場風險** (續)*(i) 外匯風險* (續)

由於本公司為投資控股公司，而其附屬公司在中國經營業務，故本公司及其附屬公司的功能貨幣為人民幣。

本集團所承受外匯風險限於已確認資產或負債，例如貿易及其他應收款項(附註11)、現金及銀行餘額(附註12)、借款(附註15)以及貿易及其他應付款項(附註17)。本集團於年內並無對沖其外匯風險。

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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– Post-tax profit increase/(decrease)	– 除稅後溢利增加 ／(減少)			
– Strengthened 5%	– 升值5%	245		342
– Weakened 5%	– 貶值5%	(245)		(342)

(ii) Cash flow and fair value interest rate risk

Except for pledged bank deposits and cash at bank (Note 12), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from changes in interest rates on interest bearing assets.

(ii) 現金流量及公平值利率風險

除已抵押銀行存款及銀行現金(附註12)外，本集團並無重大計息資產。本集團的收入及經營現金流量大致上不受市場利率變動影響。管理層並不預期利率變動會對計息資產有重大影響。

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

(continued)

The Group's interest-rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. As at 31 December 2014, approximately 81% (2013: 80%) of the Group's borrowings were at fixed rates and the remaining were at floating rates. The Group does not hedge its cash flow and fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 15.

As at 31 December 2013 and 2014, if average interest rates on bank borrowings which had been 10% higher/lower with all other variables held constant, the profit before income tax for the years ended 31 December 2014 would have been decreased/increased by RMB180,000(2013: RMB109,000), respectively.

(iii) Price risk

Raw cotton and cotton yarns are the major raw materials for the Group's production. They account for a substantial portion of the Group's costs of sales. The prices of raw cotton and cotton yarns are affected by various factors which are beyond the control of the Group, such as changes in government policies, the supply-demand relation and other unexpected events. The fluctuations of the price may have favourable or unfavourable impacts on the Group. The Group monitors the changes in the market price of raw cotton and cotton yarns and makes purchases of raw materials when the prices are considered appropriate. The Group also maintains inventory of raw materials at a lower level when the market prices of raw cotton and cotton yarns decrease continually within a certain period. The Group did not enter into any hedging of its price risk during 2014 and 2013.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公平值利率風險(續)

本集團的利率風險來自借款。浮息借款令本集團面對現金流量利率風險。固定息借款令本集團面對公平值利率風險。於二零一四年十二月三十一日，本集團約有81%的固定息借款(二零一三年：80%)，而餘下則為浮息借款。本集團並無對沖其現金流量及公平值利率風險。借款的利率及還款期限於附註15披露。

於二零一三年及二零一四年十二月三十一日，倘銀行借款的平均利率上升/下降10%，而所有其他變數保持不變，則截至二零一四年十二月三十一日止年度的除所得稅前溢利將分別減少/增加人民幣180,000元(二零一三年：人民幣109,000元)。

(iii) 價格風險

原棉及棉紗是本集團生產的主要原材料，佔本集團銷售成本的大部分。原棉及滌綸短纖維的價格受到本集團控制範圍以外的多項因素(如政府政策、供求關係及其他不可預見事件的變動)所影響。價格波動可能對本集團存在有利或不利的影響。本集團監控原棉及棉紗的市場價格變動，並在價格適合時採購原材料。本集團在原棉及棉紗的市場價格於若干期間內持續下降時，亦會將原材料存貨維持在低水平。於二零一四年及二零一三年，本集團並無對其價格風險訂立任何對沖。

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted bank deposits, trade and other receivables, as well as credit exposures to customers, including outstanding receivables, committed transactions and financial guarantees provided to third parties and related parties.

The Group has no significant concentrations of credit risk. The carrying amounts of cash and bank balances, restricted bank deposits, trade and other receivables included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets. As at 31 December 2014 and 2013, all cash and cash equivalents and restricted bank deposits were deposited into highly reputable and sizable banks and financial institutions without significant credit risk. For sales of goods, majority of the Group's sales are settled in cash on delivery of goods or advances before delivery. Credit will only be granted to selected customers with long-term relationship and good credit history. The Group performs ongoing credit evaluations of its customers' financial conditions and has policies in place to ensure that trade receivables are followed up on a timely basis. Advances will only be granted to third parties with long-term reliable relationship and certain related parties. The Group performs ongoing credit evaluations of their financial conditions and monitors the timely collection of the advances.

(c) Liquidity risk

Cash flow is managed at group level by the finance controller. The finance controller monitors the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs at all times and does not breach borrowing limits or covenants on any of its borrowing facilities. The finance controller usually takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

The finance controller mainly invests surplus cash in time deposits, with appropriate maturities.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險來自現金及現金等價物、受限制銀行存款、貿易及其他應收款項，以及客戶承受的信貸風險，包括未償還應收款項、承諾交易以及提供予第三方及關聯方的財務擔保。

本集團並無重大集中的信貸風險。本集團就金融資產承受的最大信貸風險來自計入合併財務報表的現金及銀行餘額、受限制銀行存款、貿易及其他應收款項。於二零一四年及二零一三年十二月三十一日，所有現金及現金等價物及受限制銀行存款均存放於聲譽良好、規模較大的銀行與金融機構，並無重大信貸風險。對於貨品銷售，本集團的銷售大部分以貨到付現或交貨前付現方式結算。信貸只會授予經選定具有長期合作關係及信貸記錄良好的客戶。本集團對其客戶的財務狀況進行持續的信貸評估，並制定政策確保及時跟進貿易應收款項。墊款只會授予具有長期可靠關係的第三方及若干關聯方。本集團對其客戶的財務狀況進行持續的信貸評估，並會監察適時收回墊款情況。

(c) 流動性風險

現金流量主要由財務總監在集團層面管理。財務總監監控本集團的流動資金需求，確保有充足現金應付經營所需，以使本集團不會違反其任何借款限額或有關其借款融資的任何契諾。財務總監通常會考慮本集團的債務融資計劃、契諾遵從及符合內部資產負債表比率目標。

財務總監主要投資剩餘現金於定期存款，並有適當到期日。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

下表按各結算日基於合約到期日餘下期間的有關到期組別對本集團金融負債進行分析。下表披露的金額為合約未貼現現金流量。

		Less than 1 year 少於1年 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 超過5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Group	本集團					
At 31 December 2014	於二零一四年十二月三十一日					
Borrowings (exclude finance lease liabilities)	借款(不包括融資租賃負債)	129,276	24,457	147,048	26,800	327,581
Interest payable on borrowings and unsecured bond	應付借款及無抵押債券利息	4,953	3,963	13,433	2,818	25,167
Borrowings – finance lease liabilities	借款 – 融資租賃負債	1	-	-	-	1
Trade and other payables	貿易及其他應付款項	115,656	14,130	-	-	129,786
		249,886	42,550	160,481	29,618	482,535
At 31 December 2013	於二零一三年十二月三十一日					
Borrowings (exclude finance lease liabilities)	借款(不包括融資租賃負債)	177,182	18,545	66,815	-	262,542
Interest payable on borrowings	應付借款利息	8,877	4,127	2,567	-	15,571
Borrowings – finance lease liabilities	借款 – 融資租賃負債	5,883	1	-	-	5,884
Trade and other payables	貿易及其他應付款項	153,895	8,025	21,850	-	183,770
		345,837	30,698	91,232	-	467,767
Company	本公司					
At 31 December 2014	於二零一四年十二月三十一日					
Borrowings	借款	934	-	-	26,800	27,734
Interest payable on unsecured bonds	應付無抵押債券	1,876	1,876	5,628	2,818	12,198
Accruals and other payables	應計及其他應付款項	10,626	-	-	-	10,626
		13,436	1,876	5,628	29,618	50,558
At 31 December 2013	於二零一三年十二月三十一日					
Accruals and other payables	應計及其他應付款項	9,282	-	-	-	9,282

3. FINANCIAL RISK MANAGEMENT (continued)**3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holder and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holder, return capital to equity holder or sell assets to reduce debt.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total equity. Total debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheets).

The gearing ratios are as follows:

3. 財務風險管理 (續)**3.2 資本風險管理**

本集團的資本管理目標旨在保障本集團能夠繼續持續經營，為權益持有人提供回報，同時維持最佳資本架構以減少資本開支。為維持或調整資本架構，本集團可能會調整支付予權益持有人的股息金額、權益持有人的回報資金或出售資產以降低債務。

為維持或調整資本架構，本集團可能會調整支付予股東的股息金額或發行新股。

與業內其他公司一樣，本集團利用權益負債比率監控資本。該比率按債務總額除以權益總額計算。債務總額按借款總額(包括合併資產負債表所示的流動借款及非流動借款)計算。

權益負債比率載列如下：

		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
Total borrowings (Note 15)	借款總額(附註15)	327,582	268,088
Amount due to related parties	應付關聯方款項	-	8,283
Total debt	債務總額	327,582	276,371
Less: Cash and bank balances (Note 12)	減：現金及銀行餘額(附註12)	(135,223)	(47,922)
Net debt	債務淨額	192,359	228,449
Total equity	權益總額	480,460	266,918
Total capital	資本總額	672,819	495,367
Net gearing ratio	淨權益負債比率	28.6%	46.1%

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management (continued)

The gearing ratio decreased from 46.1% as at 31 December 2013 to 28.6% as at 31 December 2014, mainly due to the increase in total equity as a result of the increase in share capital and other reserves after the Company successfully completed the initial public offering of its ordinary shares on the Main Board of the Stock Exchange of Hong Kong Limited on 25 April 2014.

3.3 Fair value estimation

The carrying amount of the Group's financial assets including trade and other receivables, cash and cash equivalents and restricted bank deposits and financial liabilities including trade and other payables and borrowings are assumed to approximate their fair values due to their short-term maturities or related liabilities being charged at interest rates approximately to that of market. The carrying values less any estimated credit adjustments for financial assets with a maturity of less than one year are a reasonable approximation of their fair values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. 財務風險管理(續)

3.2 資本風險管理(續)

權益負債比率由二零一三年十二月三十一日的46.1%減至二零一四年十二月三十一日的28.6%，主要原因是本公司於二零一四年四月二十五日成功完成在香港聯合交易所有限公司主板首次公開發行其普通股後，股本及其他儲備增加致使權益總額增加。

3.3 公平值估計

本集團金融資產(包括貿易及其他應收款項、現金及現金等價物及受限制銀行存款)及金融負債(包括貿易及其他應付款項及借款)的賬面值因到期日較短或相關負債按與市場利率相若的利率計息而假定為與其公平值相若。到期日不足一年的金融資產的賬面值減任何估計信貸調整後，與其公平值合理相若。

4. 關鍵會計估計及判斷

估計及判斷乃根據過往經驗及其他因素(包括在某些情況下對未來事件的合理預測)作持續評估。

本集團對未來作出估計及假設。根據定義，就此產生的會計估計甚少與相關實際結果相同。具有重大風險會對下個財政年度資產與負債的賬面值造成重大調整的估計及假設討論如下。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of trade and other receivables

The Group's management estimates the provision for impairment of trade and other receivables by assessing their recoverability. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible and require the use of estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of trade and other receivable and impairment charge in the period in which such estimate has been changed.

(c) Net realisable value of inventories

The Group's management estimates the provision of impairment of inventories by assessing their net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale. Provisions are applied to inventories where events or changes in circumstances indicate that the inventory cost may exceed the net realisable value and require the use of estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of inventories and impairment charge in the period in which such estimate has been changed.

4. 關鍵會計估計及判斷(續)

(a) 物業、廠房及設備的可使用年期

本集團管理層釐定其物業、廠房及設備的估計可使用年期及相關折舊開支。該估計乃基於類似性質及功能的物業、廠房及設備實際可使用年期的過往經驗作出，並可因技術創新及競爭對手為應對嚴峻的行業週期而採取行動而出現重大變動。當可使用年期低於先前估計年期時，管理層將增加折舊開支或將撇銷或撇減已廢棄或出售的技術陳舊或非戰備性資產。

(b) 貿易及其他應收款項的減值

本集團管理層通過評估貿易及其他應收款項的可收回性來估計其減值撥備。當出現事件或環境變化預示結餘可能無法收回並需要使用估計時，則會就貿易及其他應收款項計提撥備。倘預期金額與原先估計的金額不同，有關差額將影響貿易及其他應收款項的賬面值以及有關估計出現變動期間內的減值開支。

(c) 存貨的可變現淨值

本集團管理層通過評估存貨的可變現淨值來估計其減值撥備。可變現淨值按日常業務過程中的估計售價減估計完成成本及銷售成本計算。當出現事件或環境變化預示存貨成本可能超過可變現淨值並需要使用估計時，則會就存貨計提撥備。倘預期金額與原先估計的金額不同，有關差額將影響存貨的賬面值以及有關估計出現變動期間內的減值開支。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(d) Current income tax and deferred income tax

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

Deferred income tax assets and liabilities are determined using income tax rates that are expected to apply when the related deferred income tax assets are realised or the deferred income tax liabilities are settled. The expected applicable income tax rate is determined based on the enacted tax laws and regulations and the actual situation of the Group. The management of the Group will revise the expectation where the final income tax rate is different from the original expectation.

4. 關鍵會計估計及判斷(續)

(d) 即期所得稅及遞延所得稅

本集團須繳納中國內地的所得稅。釐定所得稅撥備時須作出重大判斷。於日常業務過程中有若干不能確定最終稅項的交易及計算。本集團根據對是否須繳付額外稅款的估計，就預期稅務審計項目確認負債。倘該等事宜的最終稅務結果與初始記錄的金額不同，該等差額將影響於釐定年度的所得稅及撥備。

遞延所得稅項資產及負債按照預期變現相關遞延所得稅資產或結算遞延所得稅負債期間的適用所得稅稅率計算。預期適用所得稅稅率基於已頒佈稅法以及本集團的實際情況而釐定。倘最終所得稅稅率與原始預計時，本集團管理層將對預期作出修訂。

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. The directors consider the business and assess the performance on the basis of product lines, including (i) fabrics and (ii) cotton yarns.

No geographical segment information is presented as more than 90% of the sales and operating profits of the Group are derived within the PRC and substantially all the operating assets of the Group are located in the PRC.

Segment assets consist primarily of land use rights, property, plant and equipment, inventories, trade and other receivables and prepayments. They exclude deferred income tax assets, prepaid tax, restricted bank deposits and cash and bank balances.

Segment liabilities comprise operating liabilities. They exclude borrowings, income tax liabilities and other payables due to related parties.

5. 分部資料

主要運營決策者被認定為本公司執行董事。董事們審閱本集團的內部報告以評估表現及分配資源。董事們已根據該等報告釐定經營分部。董事們認為業務及表現評估應基於生產線進行，包括(i)面料及(ii)棉紗。

由於多於90%的本集團銷售額及營運利潤是從中國發生而且本集團差不多所有營運資產均設於中國，所以沒有顯示地理位置分部資料。

分部資產主要包括土地使用權、物業、廠房及設備、存貨、貿易及其他應收款項及預付款項。分部資產不包括遞延所得稅資產、預付稅項、受限制銀行存款以及現金及銀行餘額。

分部負債包括經營負債。分部負債不包括借貸、所得稅負債及其他應付關聯方款項。

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5. SEGMENT INFORMATION (continued)

The segment information is set out below:

The segment information for the year ended 31 December 2014 is as follows:

5. 分部資料(續)

分部資料載列如下：

截至二零一四年十二月三十一日止年度的分部資料如下：

		Fabrics 面料 RMB'000 人民幣千元	Cotton yarns 棉紗 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2014	截至二零一四年 十二月三十一日止年度			
Segment results	分部業績			
Segment revenue	分部收益	723,191	100,275	823,466
Inter-segment sales	分部間銷售	-	(12,671)	(12,671)
External revenue	外部收益	723,191	87,604	810,795
Segment profit	分部溢利	140,719	10,735	149,306
Other operating expenses	其他經營開支			(41,172)
Other income and other losses - net	其他收入及其他虧損 - 淨額			4,690
Finance costs - net	融資成本 - 淨額			(21,785)
Profit before income tax	除所得稅前溢利			91,039
Income tax expense	所得稅開支			(24,637)
Profit for the year	年內溢利			66,402
Other segment items	其他分部項目			
Capital expenditure	資本開支	35,530	5,784	41,314
Amortisation of leasehold land and land use right	租賃土地及土地使用權 攤銷	523	26	549
Depreciation of property, plant and equipment	物業、廠房及設備折舊	33,568	5,464	39,032
As at 31 December 2014	於二零一四年 十二月三十一日			
Segment asset and liabilities	分部資產及負債			
Segment assets	分部資產	728,941	80,177	809,118
Unallocated assets	未分配資產			203,153
Total assets	資產總額			1,012,271
Segment liabilities	分部負債	225,950	29,108	255,058
Unallocated liabilities	未分配負債			276,751
Total liabilities	負債總額			531,810

5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 December 2013 is as follows:

5. 分部資料(續)

截至二零一三年十二月三十一日止年度的分部資料如下：

		Fabrics 面料 RMB'000 人民幣千元	Cotton yarns 棉紗 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2013	截至二零一三年 十二月三十一日止年度			
Segment results	分部業績			
Segment revenue	分部收益	680,352	130,144	810,496
Inter-segment sales	分部間銷售	–	(18,978)	(18,978)
External revenue	外部收益	680,352	111,166	791,518
Segment profit	分部溢利	134,118	14,036	148,154
Other operating expenses	其他經營開支			(33,666)
Other income and other losses – net	其他收入及其他虧損 – 淨額			4,634
Finance costs – net	融資成本 – 淨額			(15,632)
Profit before income tax	除所得稅前溢利			103,490
Income tax expense	所得稅開支			(28,516)
Profit for the year	年內溢利			74,974
Other segment items	其他分部項目			
Capital expenditure	資本開支	205,077	1,655	206,732
Amortisation of leasehold land and land use right	租賃土地及土地使用權 攤銷	499	32	531
Depreciation of property, plant and equipment	物業、廠房及設備折舊	24,752	7,364	32,116
As at 31 December 2013	於二零一三年 十二月三十一日			
Segment asset and liabilities	分部資產及負債			
Segment assets	分部資產	626,142	99,994	726,136
Unallocated assets	未分配資產			100,999
Total assets	資產總額			827,135
Segment liabilities	分部負債	281,801	20,433	302,234
Unallocated liabilities	未分配負債			257,983
Total liabilities	負債總額			560,217

6. LEASEHOLD LAND AND LAND USE RIGHTS – GROUP

Leasehold land and land use rights represent the net book amount of prepaid operating lease payments. All the land use rights of the Group are located in the PRC and are held on leases with remaining periods of between 41 to 50 years.

6. 租賃土地及土地使用權 – 本集團

租賃土地及土地使用權即預付經營租賃款項賬面淨值。本集團所有土地使用權位於中國，並以剩餘年期41至50年租賃持有。

		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
Opening amount	期初金額	24,690	25,221
Addition	添置	1,312	–
Amortisation (Note 20)	攤銷(附註20)	(549)	(531)
Closing amount	期末金額	25,453	24,690
Cost	成本	27,868	26,556
Accumulated amortisation	累計攤銷	(2,415)	(1,866)
Net book amount	賬面淨值	25,453	24,690

The leasehold land and land use rights with net book value of approximately RMB24,159,000 (2013: RMB19,769,000) as at 31 December 2014 were pledged as collaterals for certain bank borrowings of the Group (Note 15).

於二零一四年十二月三十一日，賬面淨值分別為約人民幣24,159,000元(二零一三年：人民幣19,769,000元)的租賃土地及土地使用權抵押作本集團若干借款的擔保(附註15)。

Amortisation expense has been charged to “administrative expenses” in the consolidated statement of comprehensive income.

攤銷開支已於合併全面收益表的「行政開支」中扣除。

The Group has obtained land use right certificates of all the leasehold land of the Group.

本集團已為其所有租賃土地取得土地使用權證。

7. PROPERTY, PLANT AND EQUIPMENT – 7. 物業、廠房及設備 – 本集團 GROUP

		Buildings	Machinery and equipment	Office Equipment, Furniture and vehicle	Construction in-progress	Total
		樓宇 RMB'000 人民幣千元	機器及設備 RMB'000 人民幣千元	辦公室設備、 傢具及車輛 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日					
Cost or valuation	成本或估值	134,062	164,137	5,106	65,346	368,651
Accumulated depreciation	累計折舊	(19,102)	(45,514)	(1,040)	–	(65,656)
Net book amount	賬面淨值	114,960	118,623	4,066	65,346	302,995
Year ended 31 December 2013	截至二零一三年十二月三十一日止年度					
Opening net book amount	期初賬面淨值	114,960	118,623	4,066	65,346	302,995
Additions	添置	873	3,401	911	201,547	206,732
Transfer from construction in progress upon completion	竣工後自在建工程轉出	158,544	107,143	–	(265,687)	–
Disposals (Note 26)	出售(附註26)	–	(142)	–	–	(142)
Depreciation (Note 20)	折舊(附註20)	(10,233)	(21,273)	(610)	–	(32,116)
Closing net book amount	期末賬面淨值	264,144	207,752	4,367	1,206	477,469
At 31 December 2013	於二零一三年十二月三十一日					
Cost or valuation	成本或估值	293,479	274,304	6,017	1,206	575,006
Accumulated depreciation	累計折舊	(29,335)	(66,552)	(1,650)	–	(97,537)
Net book amount	賬面淨值	264,144	207,752	4,367	1,206	477,469
Year ended 31 December 2014	截至二零一四年十二月三十一日止年度					
Opening net book amount	期初賬面淨值	264,144	207,752	4,367	1,206	477,469
Additions	添置	1,313	2,849	127	35,713	40,002
Disposals (Note 26)	出售(附註26)	–	(9)	–	–	(9)
Depreciation charges (Note 20)	折舊(附註20)	(13,412)	(25,058)	(562)	–	(39,032)
Closing net book amount	期末賬面淨值	252,045	185,534	3,932	36,919	478,430
At 31 December 2014	於二零一四年十二月三十一日					
Cost or valuation	成本或估值	294,792	277,122	6,144	36,919	614,977
Accumulated depreciation	累計折舊	(42,747)	(91,588)	(2,212)	–	(136,547)
Net book amount	賬面淨值	252,045	185,534	3,932	36,919	478,430

7. PROPERTY, PLANT AND EQUIPMENT – GROUP (continued) 7. 物業、廠房及設備 – 本集團(續)

During the years ended 31 December 2014, the Group capitalised interest on borrowings amounting to approximately RMB3,198,000 (2013: RMB1,181,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of 9.72% (2013: 10.23%) per annum.

於截至二零一四十二月三十一日止年度，本集團就合資格資產將借款利息資本化約人民幣3,198,000元(二零一三年：人民幣1,181,000元)。借貸成本已按加權平均年利率9.72%(二零一三年：10.23%)予以資本化。

As at 31 December 2014, buildings of the Group with net book value of approximately RMB221,586,000 (2013: RMB100,512,000), and machinery and equipment of the Group with net book value of approximately RMB59,770,000 (2013: RMB38,920,000), were pledged as collaterals for certain bank borrowings of the Group (Note 15(a)).

於二零一四年十二月三十一日，本集團賬面淨值為約人民幣221,586,000元(二零一三年：人民幣100,512,000元)的樓宇，以及本集團賬面淨值為約人民幣59,770,000元(二零一三年：人民幣38,920,000元)的機器及設備已抵押作本集團若干銀行借款的抵押品(附註15(a))。

As at 31 December 2014, machinery and equipment of the Group with net book value of approximately RMB54,074,000 (2013: RMB111,445,000) were pledged as collaterals for certain other borrowings of the Group (Note 15(c)).

於二零一四年十二月三十一日，本集團賬面淨值約人民幣54,074,000元(二零一三年：人民幣111,445,000元)的機器及設備已抵押作本集團若干其他借款的抵押品(附註15(c))。

As at 31 December 2014 and 2013, the net book value of the Group's machinery and equipment under finance leases were as follows:

於二零一四年及二零一三年十二月三十一日，本集團融資租賃項下機器及設備的賬面淨值如下：

		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
Cost	成本	16,325	16,325
Accumulated depreciation	累計折舊	(3,846)	(3,323)
Net book amount	賬面淨值	12,479	13,002

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS – 8. 可供出售金融資產 – 本集團 GROUP

		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
Investment in unlisted equity, at cost	非上市股本投資，按成本計	4,500	–

The unlisted equity investment represents a 10% equity interest in a financial institution in Hubei, the PRC. This equity investment does not have quoted market prices in an active market and the directors of the Company consider the fair values cannot be reliably measured as the probabilities of the various estimates cannot be reasonably assessed.

非上市股本投資即於中國湖北金融機構的10%股本權益。該等股本投資並無活躍市場報價，而本公司董事認為，由於多個估計的可能性不能合理評估，故不能可靠計量公平值。

9. INVESTMENTS IN AND AMOUNTS DUE FROM SUBSIDIARIES – COMPANY 9. 於附屬公司的投資及應收附屬公司款項 – 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
Unlisted shares, at cost	未發行股份，按成本計	241,413	241,413
Due from subsidiaries	應收附屬公司款項	164,917	–

The amounts due from subsidiaries are unsecured, non-interest bearing and are repayable within one year.

應收附屬公司款項為無抵押、不計息及應於一年內支付。

Particulars of the principal subsidiaries of the Company are set out in Note 30.

本公司主要附屬公司的明細載列於附註30。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2014

截至二零一四年十二月三十一日止年度

10. INVENTORIES – GROUP

10. 存貨 – 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	19,596	38,298
Work-in-progress	在製品	15,978	19,887
Finished goods	製成品	32,427	17,462
		68,001	75,647

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB582,192,000 (2013: RMB568,395,000).

確認為開支且計入「銷售成本」的存貨成本為人民幣582,192,000元(二零一三年：人民幣568,395,000元)。

The Group did not recognise a provision in respect of the obsolete inventories and write down of inventories to their net realisable value for the year ended 31 December 2013 and 2014.

於截至二零一三年及二零一四年十二月三十一日止年度，本集團均無就陳舊存貨確認撥備及撇減存貨至其可變現淨值。

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS – GROUP AND COMPANY

11. 貿易及其他應收款項 – 本集團及本公司

		Group 本集團		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 receivables	貿易應收款項	125,065	75,158	–	–
Bills receivables	應收票據	24,400	29,930	–	–
		149,465	105,088	–	–
Prepayments for purchase of raw materials	採購原材料預付款項	80,963	41,539	–	–
Deductible value-added tax ("VAT")	可扣減增值稅(「增值稅」)	2,435	18,898	–	–
Others	其他	6,807	1,703	–	1,234
		90,205	62,140	–	1,234
		239,670	167,228	–	1,234

The Group has a large number of customers, mainly in Fujian province and nearby regions. There is no concentration of credit risk with respect to trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

本集團主要在福建省及周邊區域擁有大量客戶。並無與貿易應收款項有關的信貸風險集中。於報告日期的最大信貸風險為上文所述各類別應收款項的賬面值。

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS – GROUP AND COMPANY

(continued)

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables by invoice date is as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within 3 months	3個月內	95,257	96,991
4 to 6 months	4至6個月	21,810	8,095
Over 6 months	6個月以上	32,398	2
Trade and bills receivables – net	貿易應收款項及應收票據 – 淨額	149,465	105,088

As at 31 December 2014 and 2013, trade receivables of approximately RMB54,208,000 and RMB8,097,000 were aged more than 3 months and regarded as past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amount can be recovered.

Trade and other receivables and prepayments are denominated in the following currencies:

		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
RMB	人民幣	209,220	165,836
USD	美元	28,543	–
HKD	港元	1,907	1,392
		239,670	167,228

The carrying amounts of the trade and other receivables and prepayments approximated their fair values as at the balance sheet date.

11. 貿易及其他應收款項 – 本集團及本公司(續)

本集團一般向中國內地客戶授予不超過90日的信貸期，及向其他國家客戶授予120日的信貸期。貿易應收款項及應收票據根據發票日期的賬齡分析如下：

於二零一四年及二零一三年十二月三十一日，貿易應收款項約人民幣54,208,000元及人民幣8,097,000元的賬齡超過3個月及被視為已逾期但未減值。該等款項與數個無重大財務困難的獨立客戶有關及根據過往經驗有關逾期款項可收回。

貿易及其他應收款項及預付款乃以下列貨幣計值：

於結算日，貿易及其他應收款項及預付款賬面值與其公平值相若。

12. CASH AND BANK BALANCES AND RESTRICTED BANK DEPOSITS – GROUP AND COMPANY

12. 現金及銀行餘額以及受限制銀行存款—本集團及本公司

		Group 本集團		Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
Cash and bank balances	現金及銀行餘額				
– Cash at bank and in hand	– 銀行及手頭現金	35,223	47,922	7	–
– Time deposits	– 定期存款	100,000	–	–	–
		135,223	47,922	7	–
Restricted bank deposits	受限制銀行存款	59,031	32,799	–	–

The restricted bank deposits represented deposits pledged as security for issuing bank acceptance notes (bills payables). The restricted bank deposits have deposit periods within one year and are interest bearing at 3% (2013: 2.76%) per annum during the year ended 31 December 2014.

The time deposits as at 31 December 2014 have original maturity within one year.

Cash and bank balances are denominated in the following currencies:

受限制銀行存款指抵押作簽發銀行承兌票據(應付票據)的擔保的存款。受限制銀行存款的存款期為一年之內，截至二零一四年十二月三十一日止年度，按年利率3%(二零一三年：2.76%)計息。

於二零一四年三月三十一日，定期存款原到期日為一年內。

現金及銀行餘額以下列貨幣計值：

		Group 本集團		Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
RMB	人民幣	135,087	47,816	–	–
HKD	港元	136	105	7	–
USD	美元	–	1	–	–
		135,223	47,922	7	–

All restricted bank deposits are denominated in RMB.

所有受限制銀行存款以人民幣計值。

13. SHARE CAPITAL – GROUP AND COMPANY

(a) Share capital

13. 股本—本集團及本公司

(a) 股本

		Number of shares 股份數目 (thousands) (千股)	Share capital 股本 HKD'000 千港元	
Authorised:	法定：			
As at 29 April 2013	於二零一三年四月二十九日			
(date of incorporation) till	(成立日)至二零一三年			
31 December 2013	十二月三十一日	10,000	1,000	
Increase in authorized shares (i)	增加法定股(i)	9,990,000	999,000	
As at 31 December 2014	於二零一四年十二月三十一日	10,000,000	1,000,000	
		Number of shares 股份數目 (thousands) (千股)	Share capital 股本 HKD'000 千港元 RMB'000 人民幣千元	
Issued and fully paid:	已發行及付清：			
As at 29 April 2013	於二零一三年			
(date of incorporation) till	四月二十九日(成立			
31 December 2013	日)至二零一三年	10	1	1
	十二月三十一日			
Issue of ordinary shares to original shareholders (ii)	發行普通股予原始 股東(ii)	749,990	74,999	59,414
Issue of ordinary shares upon initial public offering (iii)	首次公開發售時 發行普通股(iii)	260,000	26,000	20,800
As at 31 December 2014	於二零一四年 十二月三十一日	1,010,000	101,000	80,215

13. SHARE CAPITAL – GROUP AND COMPANY

(continued)

(a) Share capital (continued)

Notes:

- (i) On 27 March 2014, the authorised share capital of the Company was increased from HKD1,000,000 to HKD1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.1 each.
- (ii) On 27 March 2014, the directors of the Company were authorised to capitalise an amount of HKD74,999,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 749,990,000 shares, such shares to be allotted and issued to the original shareholders of the Group whose names appearing on the register of members of the Company at the close of business on 27 March 2014.
- (iii) On 25 April 2014, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited following the completion of its initial public offering of 260,000,000 ordinary shares at HK\$0.72 per share to the investors. The proceeds of HKD 26,000,000 (equivalent to approximately RMB20,800,000), representing per value of the ordinary shares of the Company, were credited to the Company's share capital account. The remaining proceeds of HKD 151,596,250 (equivalent to approximately RMB121,277,000), after deducting listing expenses, were credited to the Company's share premium account.

(b) Share option scheme

The Company adopted a share option scheme (the "Scheme") on 27 March 2014. Pursuant to the Scheme, share options to subscribe for an aggregate of 50,000,000 ordinary shares of the Company were granted to certain directors of the Company and selected customers and suppliers on 12 December 2014. The options granted are exercisable from the date of grant for a period of one year, and at an exercise price of HK\$0.978 per share. The Group has no legal or constructive obligation to repurchase or settle the options in cash. No options have been exercised since the date of grant to 31 December 2014.

The value of the options granted during the year was determined using the Binomial Model. The significant inputs into the model included the weighted average share price of HK\$0.960 at the grant date, exercise price of HK\$0.978 per share, volatility of 35.56%. The total share-based compensation expense recognised in the income statement for the share options granted amounted to RMB5,064,000, of which RMB2,026,000 was charged to offset sales revenue, RMB1,519,000 was charged to cost of sales and RMB1,519,000 was charged to general and administrative expenses, for the year ended 31 December 2014.

13. 股本—本集團及本公司(續)

(a) 股本(續)

附註：

- (i) 於二零一四年三月二十七日，本公司法定股本從1,000,000港元增加至1,000,000,000港元分為10,000,000,000股普通股，每股面值0.1港元。
- (ii) 二零一四年三月二十七日，本公司董事獲授權將本公司股份溢價中74,999,000港元的款項進賬擴充資本，以該等金額按面值繳足749,990,000股股份，以供按於二零一四年三月二十七日營業時間結束時名列本公司股東名冊的本集團原始股東，當時各自於本公司持股比例向彼等配發及發行該股份。
- (iii) 於二零一四年四月二十五日，全球首次公開發售發行股份以每股0.72港元發行普通股260,000,000股股份完成後，本公司於香港聯合交易所有限公司主板上市。募集所得26,000,000港元（相當於約人民幣20,800,000元，即本公司普通股面值），被計入本公司的股本賬戶。剩餘收益151,596,250港元（相當於人民幣121,277,000元），扣除上市費用，被計入本公司股份溢價賬戶。

(b) 購股權計劃

本公司在二零一四年三月二十七日採納一項購股權計劃（「計劃」）。根據該計劃本公司於二零一四年十二月十二日授出合共50,000,000股本公司普通股股權總數予本公司若干董事及被挑選的客戶及供應商。授出購股權行使期為從授出日起計算一年及行使價為每股0.978港元。本集團並沒有法律或建設性義務回購或以現金處置該購股權。自授出日期二零一四年十二月三十一日以來，沒有購股權被行使。

授出購股權在本年的價值採用二項式模型定決，主要輸入該模型數據包括於授出日期之加權平均股價0.960港元、每股0.978港元行使價及波幅35.56%。有關所授出購股權的總股本基礎補償費用在截至二零一四年十二月三十一日止年度收益表確認為人民幣5,064,000元，其中於抵銷銷售收益中扣除人民幣2,026,000元，於銷售成本中扣除人民幣1,519,000元及於一般及行政開支中扣除人民幣1,519,000元。

14. OTHER RESERVES – GROUP AND COMPANY

Group

14. 其他儲備 – 本集團及本公司

本集團

		Share premium account	Capital reserve	Share-based Compensation reserve	Statutory reserves	Total
		股份溢價賬 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	股份基礎 報酬儲依 RMB'000 人民幣千元	法定儲備 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	-	105,476	-	7,906	113,382
Waiver of amounts due to owners	豁免應付擁有人之金額	-	8,034	-	-	8,034
Appropriation to statutory reserves	轉撥至法定儲備	-	-	-	8,850	8,850
At 31 December 2013	於二零一三年 十二月三十一日	-	113,510	-	16,756	130,266
Issue of ordinary shares upon the initial public offering (Note 13(a)(iii))	於首次公開發售時發行 普通股(附註13(a)(iii))	121,277	-	-	-	121,277
Share-based compensation (Note 13(b))	股本基礎補償(附註13(b))	-	-	5,064	-	5,064
Capitalisation for issue of ordinary shares to original shareholders (Note 13 (a)(ii))	發行普通股予原始股東 資本化(附註13(a)(ii))	(59,414)	-	-	-	(59,414)
Appropriation to statutory reserves	轉撥至法定儲備	-	-	-	7,395	7,395
At 31 December 2014	於二零一四年 十二月三十一日	61,863	113,510	5,064	24,151	204,588

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14. OTHER RESERVES – GROUP AND COMPANY

(continued)

Group (continued)

Notes:

(a) Capital reserves

The capital reserves of the Group mainly represent the reserves arising from the reorganisations.

In June 2013, Mr. Lin, Mr Qiu and Mr. Cai waived the considerations payable by the Group's companies to them as the owners of the Group for the acquisition of the companies now comprising the Group during the reorganisation in 2010.

(b) Statutory reserves

In accordance with PRC regulations and the articles of association of the companies now comprising the Group, before distributing the net profit of each year, companies registered in the PRC are required to set aside 10% of its statutory net profit for the year after offsetting any prior year's losses as determined under relevant PRC accounting standards to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of each company's share capital, any further appropriation is optional.

Company

14. 其他儲備 – 本集團及本公司 (續)

本集團 (續)

附註:

(a) 資本儲備

本集團資本儲備主要指重組產生的儲備。

於二零一三年六月，林先生、邱先生及蔡先生免除二零一零年重組期間收購本集團目前旗下公司作為本集團擁有人應向彼等支付的代價。

(b) 法定盈餘儲備金

根據中國法規及目前組成本集團公司的組織章程細則，於分派各年度純利前，在中國登記的公司須撥出其根據相關中國會計準則在抵銷任何上一年度的虧損後釐定的年內法定純利的10%至法定盈餘儲備金。當該儲備金餘額已達各公司股本的50%時可選擇不再轉撥。

本公司

		Share premium account 股份溢價賬 RMB'000 人民幣千元	Share-based compensation reserve 股份基礎報酬儲備 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 29 April 2013 (date of incorporation)	於二零一三年四月二十九日 (註冊成立日期)	-	-	-	-
Acquisition of subsidiaries	收購附屬公司	-	-	241,482	241,482
At 31 December 2013	於二零一三年十二月三十一日	-	-	241,482	241,482
Issue of ordinary shares upon the initial public offering	於首次公開發售時發行普通股	121,277	-	-	121,277
Capitalisation for issue of ordinary shares to original shareholders	發行普通股予原始股東資本化	(59,414)	-	-	(59,414)
Share-based compensation	股份基礎報酬	-	5,064	-	5,064
Balance at 31 December 2014	於二零一四年十二月三十一日之結餘	61,863	5,064	241,482	308,409

15. BORROWINGS – GROUP AND COMPANY

15. 借款—本集團及本公司

		Group 本集團		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
Current	流動				
Bank borrowings (a)	銀行借款(a)				
– short term – secured	– 短期借款—有抵押	68,400	101,000	–	–
– short term – unsecured	– 短期借款—無抵押	33,000	44,930	–	–
– current portion of long term – secured	– 長期借款流動部 分—有抵押	8,452	7,750	–	–
– current portion of long term – unsecured	– 長期借款流動部 分—無抵押	5,000	–	–	–
Finance lease liabilities	融資租賃負債	1	5,545	–	–
Other borrowings – secured (b)	其他借款—有抵押(b)	10,093	18,502	–	–
Loan from government	政府貸款				
– unsecured (c)	– 無抵押(c)	–	5,000	–	–
		124,946	182,727	–	–
Non-current	非流動				
Bank borrowings – secured	銀行借款—有抵押	14,078	22,587	–	–
Bank borrowings – unsecured	銀行借款—無抵押	112,000	–	–	–
Finance lease liabilities	融資租賃負債	–	1	–	–
Other borrowings – secured (b)	其他借款—有抵押(b)	2,680	12,773	–	–
Loan from government	政府貸款				
– unsecured (c)	– 無抵押(c)	46,144	50,000	–	–
Bonds – unsecured (d)	債券—無抵押(d)	27,734	–	27,734	–
		202,636	85,361	27,734	–
Total borrowings	借款總額	327,582	268,088	27,734	–

15. BORROWINGS – GROUP AND COMPANY 15. 借款—本集團及本公司(續)

(continued)

(a) Bank borrowings

The Group's bank borrowings were repayable as follows:

(a) 銀行借款

本集團須償還的銀行借款如下：

		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
Within one year	1年內	114,852	153,680
Between 1 and 2 years	1至2年	19,382	8,452
Between 2 and 3 years	2至3年	106,696	9,218
Between 3 and 4 years	3至4年	—	4,917
		240,930	176,267

The bank borrowings were secured by the Group's leasehold land and land use rights (Note 6) and property, plants and equipment (Note 7).

銀行借款由本集團的租賃土地及土地使用權(附註6)及物業、廠房及設備(附註7)作抵押。

The weighted average effective interest rate on bank borrowings was 10.76% (2013: 6.38%) per annum for the years ended 31 December 2014.

截至二零一四年十二月三十一日止年度，銀行借款加權平均年利率為10.76%(二零一三年：6.38%)。

The carrying amounts of the Group's bank borrowings approximated their fair value as at the balance sheet dates, and were all denominated in RMB.

於結算日，本集團銀行借款賬面值與其公平值相若，全部以人民幣計值。

The Group had the following undrawn bank borrowing facilities as at the balance sheet dates:

於結算日，本集團擁有以下未提取銀行借款融資額度：

		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
– Expiring within one year	—一年內到期	12,001	115,371
– Expiring beyond one year	—一年後到期	101,624	50,000
		113,625	165,371

15. BORROWINGS – GROUP AND COMPANY

(continued)

(b) Other borrowings

The other borrowings were obtained from certain leasing companies and secured by the Group's certain machinery and equipment with net book value amounting to RMB54,074,000 (2013: RMB111,445,000) as at 31 December 2014.

The weighted average effective interest rate on other borrowings was 13.35%, and 13.35% per annum for each of the years ended 31 December 2013 and 2014, respectively.

The carrying amounts of the Group's other borrowings were denominated in RMB and approximated their fair value as at the balance sheet dates.

(c) Loans from government

In September 2014, the Group obtained a loan of RMB50 million from the local government of Huang Mei County for the purpose of financing the development of Hongsheng (Hubei), a subsidiary of the Group. The interest rate of the loan is 3% per annum and repayable in full in September 2016.

The carrying amounts of the Group's government loans were denominated in RMB and approximated their fair value as at the balance sheet dates.

(d) Bonds – unsecured

On 23 July 2014, the Company issued HKD 35,000,000 (equivalent to RMB27,734,000) bonds, due on 23 July 2021. The Bonds are unsecured and carry a nominal interest at a rate of 7% per annum, with the interest being payable annually.

16 DEFERRED INCOME – GROUP**15. 借款—本集團及本公司(續)****(b) 其他借款**

其他借款自若干租賃公司取得，並以本集團於二零一四年十二月三十一日賬面淨值為人民幣54,074,000元(二零一三年：人民幣111,445,000元)的若干機器及設備抵押。

截至二零一三年及二零一四年十二月三十一日止年度各年，其他借款的加權平均實際利率分別為每年13.35%及13.35%。

於結算日，本集團其他借款的賬面值以人民幣計值且與其公平值相若。

(c) 政府貸款

於二零一四年九月，從黃梅縣地方政府收取的貸款人民幣50百萬元作為發展本集團附屬公司宏晟(湖北)的融資。貸款的年利率為3厘，須於二零一六年九月悉數償還。

本集團的政府貸款賬面值乃以人民幣計值，於結算日與其公平值相若。

(d) 債券—無抵押

於二零一四年七月二十三日，本公司發行35,000,000港元(相當於人民幣27,734,000元)債券，於二零二一年七月二十三日到期。此等債券為無抵押，按名義年利率7%計息，利息每年支付。

16. 遞延收入—本集團

		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
Government grants relating to leasehold land and land use right	與租賃土地及土地使用權有關的政府補助	22,225	14,265
Government grants relating to plant and equipment	與廠房及設備有關的政府補助	4,365	2,680
		26,590	16,945

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16 DEFERRED INCOME – GROUP (continued)

The movements of the above government grants during the year were as follows:

At beginning of the year	年初	16,945	14,557
Granted during the year	年內授出	10,814	2,680
Amortised as income (Note 19)	攤銷為收入(附註19)	(1,169)	(292)
At end of the year	年末	26,590	16,945

16. 遞延收入 – 本集團 (續)

上述政府補助於年內的變動如下：

17. DEFERRED INCOME TAX – GROUP

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

17. 遞延所得稅 – 本集團

遞延所得稅資產及遞延所得稅負債的分析如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
– Deferred income tax assets to be recovered after more than 12 months	– 於十二個月後收回的遞延所得稅資產	(414)	(448)
– Deferred income tax assets to be recovered within 12 months	– 於十二個月內收回的遞延所得稅資產	2,377	1,828
		1,963	1,380

The movements in deferred tax assets during the year are as follows:

遞延所得稅資產於年內的變動如下：

		Capitalised interest 資本化利息 RMB'000 人民幣千元	Accrued payroll 應計工資 RMB'000 人民幣千元	Deferred income 遞延收入 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	(1,266)	1,007	–	702	443
(Charge)/credit to the consolidated statement of comprehensive income	於合併全面收益表(扣除)/計入	(226)	736	670	(243)	937
At 31 December 2013	於二零一三年十二月三十一日	(1,492)	1,743	670	459	1,380
(Charge)/Credit to the consolidated statement of comprehensive income	於合併全面收益表(扣除)/計入	(100)	714	421	(452)	583
At 31 December 2014	於二零一四年十二月三十一日	(1,593)	2,456	1,091	9	1,963

18. TRADE AND OTHER PAYABLES – GROUP AND COMPANY 18. 貿易及其他應付款項 – 本集團及本公司

		Group 本集團		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
Non-current	非即期				
Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付款項	14,130	29,875	–	–
Current	即期				
Trade payables	貿易應付款項	30,845	40,200	–	–
Bills payables	應付票據	75,578	70,498	–	–
		106,423	110,698	–	–
Advanced payments from customers	客戶墊款	16,383	54,944	–	–
Amounts due to related parties (Note 29)	應付關聯方款項 (附註29)	–	8,283	8,799	4,820
Salary and welfare payables	應付薪酬及福利	9,857	6,968	–	–
Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付款項	8,681	27,967	–	–
Other taxes payable	其他應付稅項	9,213	8,785	–	–
Accrued professional fees in respect of the initial public offering	有關首次公開發售的應計專業費	–	2,285	–	–
Other payables	其他應付款項	552	6,947	483	5,806
		44,686	116,179	9,282	10,626
		151,109	226,877	9,282	10,626
Total	總和	165,239	256,752	9,282	10,626

18. TRADE AND OTHER PAYABLES – GROUP AND COMPANY (continued)

The ageing analysis of the trade and bills payables is as follows:

		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 3 months	3個月內	91,852	98,434
4 months to 12 months	4至12個月	11,063	12,174
Over 12 months	12個月以上	3,508	90
		106,423	110,698

Advanced payment from customers represent cash advances received from customers for purchases of the Group's products and will be applied to settlements when sales occur.

客戶墊款即從客戶收取現金墊款以購買本集團的產品，並將於銷售發生時用作結清。

The carrying amounts of the Group's trade and other payables approximated their fair values as at the balance sheet dates.

於結算日，本集團貿易及其他應付款項的賬面值與其公平值相若。

Trade and other payables are denominated in the following currencies:

貿易及其他應付款項乃下列貨幣計值：

		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
RMB	人民幣	151,548	246,126
USD	美元	13,690	–
HKD	港元	–	10,626
		165,239	256,752

19. OTHER INCOME

19. 其他收入

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Government grants received	已收政府補貼	4,831	5,030
Amortisation of deferred income of government grants relating to assets (Note 16)	資產相關政府補助的遞延收入攤銷(附註16)	1,169	292
		6,000	5,322

20. EXPENSES BY NATURE

20. 按性質劃分的開支

		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 and consumables used	所用原材料及消耗品	593,248	558,534
Change of inventories of finished goods and work in progress	製成品及在製品存貨變動	(11,056)	9,861
Employee benefit expenses	僱員福利開支	27,824	25,345
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	549	531
Depreciation of property, plant and equipment	物業、廠房及設備折舊	39,032	32,116
Repairs and maintenance expenses	維修及保養開支	872	865
Miscellaneous tax charges other than VAT and income tax	除增值稅及所得稅外的雜項稅費用	6,118	6,837
Utility expenses	公用設施開支	28,199	25,990
Auditors' remuneration	核數師酬金	1,799	4,062
Advertisement expenses	廣告開支	580	200
Professional fees in respect of the initial public offering	有關首次公開發售的專業費用	5,702	5,424
Office and other expenses	辦公室及其他開支	9,795	7,265
Total of cost of sales, selling and distribution costs and general and administrative expenses	銷售成本、銷售及分銷成本及一般及行政開支總計	702,661	677,030

21. EMPLOYMENT COSTS, INCLUDING DIRECTORS' EMOLUMENTS 21. 僱傭成本(包括董事酬金)

		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
Wages, salaries and bonuses	工資、薪金及花紅	21,559	20,145
Pension costs	退休金成本	3,172	1,816
Medical, housing and other benefits	醫療、房屋及其他福利	3,093	3,384
		27,824	25,345

At 31 December 2014, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2013: Nil).

於二零一四年十二月三十一日，本集團並無已沒收供款可用作扣減未來數年的退休金計劃供款(二零一三年：無)。

22. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS 22. 董事及高級管理層薪酬

The remuneration of each director of the Company for the year ended 31 December 2014 is set out below:

截至二零一四年十二月三十一日止年度本公司各董事的酬金載列如下：

Name of Director 董事姓名	Fees 袍金 RMB'000 人民幣千元	Salaries 薪酬 RMB'000 人民幣千元	Bonus (Discretionary) 花紅(酌情) RMB'000 人民幣千元	Pension 退休金 RMB'000 人民幣千元	Other benefits 其他福利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors 執行董事						
Mr. Lin (Chairman) 林先生(主席)	-	115	-	3	3	121
Mr. Qiu 邱先生	-	115	-	3	3	121
Mr. Deng 鄧先生	-	103	-	3	3	109
Independent non-executive directors 獨立非執行董事						
Yu Yubin 俞毓斌	63	-	-	-	-	63
Ma Chongqi 馬崇啟	63	-	-	-	-	63
Chan Sui Wa 陳瑞華	63	-	-	-	-	63
	189	333	-	9	9	540

Other benefits mainly represent housing allowance and other social security benefits.

其他福利主要為房屋津貼及其他社會保障福利。

None of the directors waived any emoluments during the year ended 31 December 2014 (2013: nil).

於截至二零一四年十二月三十一日止年度，概無董事放棄任何酬金(二零一三年：零)。

22. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

The five individuals whose emoluments were the highest in the Group for the year include three (2013: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two non-director (2013: two) individuals 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
Salaries	薪酬	1,174	528
Bonus (Discretionary)	花紅(酌情)	-	-
Pension costs	退休金成本	275	25
Medical, housing and other benefits	醫療、房屋及其他福利	12	9
		1,461	562

During the year ended 31 December 2014, no emoluments were paid by the Company to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2013: nil).

The number of highest paid non-director individuals, whose remuneration for the years ended 31 December 2014 and 2013 fell within the following bands:

		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
Nil to RMB800,000 (equivalent to Nil to HKD1,000,000)	零至人民幣800,000元(相當於 零至1,000,000港元)	2	2

22. 董事及高級管理層薪酬(續)

於本年度，本集團五名最高薪酬人士均為高級管理層，包括三名董事(二零一三年：三名)，三名董事的薪酬反映於上文所呈列分析。應付餘下兩名非董事個人仕(二零一三年：兩名)的酬金如下：

於截至二零一四十二月三十一日止年度，本公司概無已付任何董事或五名最高薪酬人士酬金，作為加入本集團的獎金或加入本集團時的離職補償(二零一三年：無)。

最高薪酬的非董事人士的人數，其於截至二零一四年及二零一三年十二月三十一日止年度的薪酬範圍如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2014

截至二零一四年十二月三十一日止年度

23. FINANCE INCOME AND COSTS

23. 財務收入及融資成本

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Finance income:	財務收入：		
Interest income on bank deposits	銀行存款的利息收入	(1,790)	(1,368)
Finance cost:	財務成本：		
Interest expense on bank borrowings	銀行借款利息開支	22,692	12,518
Interest expense on finance leases and other borrowings	融資租賃及其他借款的利息開支	1,996	4,640
Less: capitalised interest expense (Note 7)	減：資本化利息開支(附註7)	(3,198)	(1,181)
Bank charges	銀行手續費	2,085	1,023
Finance costs-net	融資成本淨額	23,575	17,000
Net finance costs	融資成本淨額	21,785	15,632

24. INCOME TAX EXPENSE

The amount of income tax charged to the consolidation income statement represents:

24. 所得稅開支

於合併收益表扣除的所得稅金額為：

		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
Current income tax	即期所得稅	25,220	29,453
Deferred income tax (Note 17)	遞延所得稅(附註17)	(583)	(937)
		24,637	28,516

24. INCOME TAX EXPENSE (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, 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
Profit before income tax	除所得稅前溢利	91,039	103,490
Tax calculated at domestic tax rates of 25% (2013: 25%)	按當地稅率25%(二零一三年：25%)計算的稅項	22,760	25,873
Expenses not deductible for tax purposes	不可扣稅開支	1,877	2,643
Tax charges	稅務開支	24,637	28,516

(a) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

(b) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to income tax at rate of 16.5% (2013: 16.5%).

(c) Mainland China enterprise income tax ("EIT")

In accordance with the Corporate Income Tax Law of the PRC, subsidiaries of the Group established in Mainland China are subject to EIT at rate of 25% (2013: 25%) during the year.

(d) PRC withholding income tax

According to the New CIT Law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding company established out of the PRC when their PRC subsidiary declares dividends out of their profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding company.

No deferred income tax liabilities for unremitted earnings of the PRC subsidiaries that was earned from 1 January 2008 to 31 December 2014 have been recognised as there is no plan of distribution of dividends from such earnings in the foreseeable future. Management intend to reinvest such earnings in the PRC permanently.

24. 所得稅開支(續)

本集團除所得稅前溢利的稅項，與採用適用於合併實體溢利的加權平均稅率將產生理論稅額的差額如下：

		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
Profit before income tax	除所得稅前溢利	91,039	103,490
Tax calculated at domestic tax rates of 25% (2013: 25%)	按當地稅率25%(二零一三年：25%)計算的稅項	22,760	25,873
Expenses not deductible for tax purposes	不可扣稅開支	1,877	2,643
Tax charges	稅務開支	24,637	28,516

(a) 開曼群島利得稅

本公司毋須繳納任何開曼群島稅項。

(b) 香港利得稅

於香港成立的附屬公司受須繳納所得稅，稅率為16.5%(二零一三年：16.5%)。

(c) 中國內地企業所得稅(「企業所得稅」)

根據新企業所得稅法及詳細實施細則，年內，於中國內地成立的本集團附屬公司須繳納企業所得稅，稅率為25%(二零一三年：25%)。

(d) 中國代扣代繳所得稅

根據新企業所得稅法從二零零八年一月一日開始，當中國境外註冊控股公司的中國附屬公司宣佈從二零零八年一月一日後從他們的利潤派發股息，他們將被收取10%代扣代繳稅。如果該海外控股公司的法制跟中國有稅務優惠安排，可以應用5%較低的代扣代繳稅率。

由於可見將來沒有計劃從該利潤派發股息，所以從二零零八年一月一日至二零一四年十二月三十一日沒有確認中國附屬公司尚未匯出的利潤之遞延收入稅負債。管理層意向永久重投在中國衍生的該利潤。

25. EARNINGS PER SHARE

(a) Basic

On 25 April 2014, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited following the completion of its initial public offering of 260,000,000 ordinary shares at HK\$0.72 per share to the investors.

The basic earnings per share is calculated based on the profit attributable to equity holders of the Company for the years ended 31 December 2014 and 2013 and on the assumption that 750,000,000 Shares, (including 10,000 shares issued after the completion of the Reorganisation and the capitalisation issue of 749,990,000 shares pursuant to the shareholders' resolutions dated 27 March 2014), were deemed to have been issued since 1 January 2013.

25. 每股盈利

(a) 基本

於二零一四年四月二十五日，全球首次公開發售發行股份以每股0.72港元向投資者發行普通股260,000,000股股份完成後，本公司股份於香港聯合交易所有限公司主板上市。

每股基本盈利乃根據本公司權益持有人於截至二零一四年及二零一三年十二月三十一日止年度應佔溢利計算，並已假設750,000,000股股份（包括於重組完成後已發行的10,000股及根據日期為二零一四年三月二十七日的股東決議案的資本化發行749,990,000股股份）已視為自二零一三年一月一日起已發行。

		2014 二零一四年	2013 二零一三年
Profit attributable to equity holders of the Company (RMB'000)	本公司權益持有人應佔溢利 (人民幣千元)	66,402	74,974
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	923,333	750,000
Basic earnings per share (RMB per share)	每股基本盈利(人民幣每股)	7.19 cents分	10.00 cents分

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's share options have no dilutive effect on the earnings per share as at 31 December 2014. Calculations are done to determine the number of shares that could have been acquired at fair value (determined by using average market share price of the Company's shares for the year ended 31 December 2014) based on the monetary value of the subscription rights attached to outstanding share options. Diluted earnings per share is therefore equal to basic earnings per share.

(b) 攤薄

攤薄每股盈利的計算方法是通過調整發行在外普通股加權平均股數以假設所有攤薄性潛在普通股轉換。本公司的購股權截至二零一四年十二月三十一日沒有對每股盈利造成攤薄影響。對於決定有多少股股份可能以公平值被購入的計算已經完成，為按未行使購股權所附認購權的貨幣價值（通過使用截至二零一四年十二月三十一日止年度的本公司平均市場股價）計算得出。因此攤薄每股盈利等於基本每股盈利。

26. CASH GENERATED FROM OPERATIONS

The reconciliation from profit before income tax to cash generated from operations is as follows:

26. 經營所得現金

除所得稅前溢利與經營所得的現金的對賬如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	91,039	103,490
Adjustments for:	就以下各項作出調整：		
– Amortisation of leasehold land and land use right (Note 6)	– 租賃土地及土地使用權攤銷(附註6)	549	531
– Depreciation of property, plant and equipment (Note 7)	– 物業、廠房及設備折舊(附註7)	39,032	32,116
– Losses on disposal of property, plant and equipment	– 出售物業、廠房及設備的虧損	9	90
– Amortisation of deferred income	– 遞延收入攤銷	(1,169)	(292)
– Finance income (Note 22)	– 財務收入(附註22)	(1,790)	(1,368)
– Finance costs (Note 22)	– 融資成本(附註22)	23,575	17,000
Changes in working capital (excluding the effects of exchange differences on consolidation):	營運資金變動(撇除合併賬目時的匯兌差額影響)：		
– Inventories	– 存貨	7,646	(13,114)
– Trade and other receivables	– 貿易及其他應收款項	(74,639)	(82,992)
– Trade and other payables	– 貿易及其他應付款項	(45,351)	(100,000)
Cash generated from operations	經營所得的現金	38,901	79,232

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment:

在合併現金流量表中，出售物業、廠房及設備所得款項包括：

		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 book amount – property, plant and equipment (Notes 7)	賬面淨值－物業、廠房及設備(附註7)	9	142
Loss on disposal of property, plant and equipment and land use right	出售物業、廠房及設備及土地使用權的虧損	(9)	(90)
Proceeds from disposal of property, plant and equipment and land use right	出售物業、廠房及設備及土地使用權所得款項	–	52

27. COMMITMENTS

(a) Capital commitments

Capital expenditures at the balance sheet date that have not been incurred 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
Property, plant and equipment Contracted but not provided for	56,457	-

(b) Operating leases commitments

The Group leases various land, offices and warehouses under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases 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
No later than 1 year	199	797
Later than 1 year and no later than 5 years	798	997
	997	1,794

27. 承擔

(a) 資本承擔

於結算日尚未產生的資本開支如下：

	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
物業、廠房及設備 已訂約但未撥備	56,457	-

(b) 經營租賃承擔

本集團根據不可撤銷租賃協議租賃各類土地、辦公室及倉庫。根據該等不可撤銷經營租約的未來最低租賃付款總額如下：

	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
不遲於一年	199	797
一年後但不遲於五年	798	997
	997	1,794

28. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The related party that had transactions with the Group is as follows:

Name of related party	Relationship with the Group
-----------------------	-----------------------------

Mr. Lin	Founding shareholder of the Company
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(a) Transactions with the related party

There is no transaction with the related party during the year 2014 and 2013.

(b) Balance with the related party**28. 關聯方交易**

若一方有能力直接或間接控制另一方或可在財務及營運決策上對其行使重大影響力，則雙方被視為關聯方。若雙方受共同控制，該雙方亦被視為關聯方。

與本集團進行交易的關聯方如下：

關聯方名稱	與本集團的關係
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林先生	本公司的創辦股東
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(a) 與關聯方的交易

於二零一四年及二零一三年，概無與關聯方進行交易。

(b) 與關聯方的結餘

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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Other payable to Mr. Lin	應付林先生的其他款項	-	8,283
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The balance with the related party is unsecured, non-interest bearing and repayable within one year.

與關聯方的結餘為無抵押、免息及於一年內償還。

(c) Key management compensation**(c) 主要管理層酬金**

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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Salaries, wages and bonuses	薪酬、工資及花紅	1,986	1,073
Pension cost	退休金成本	346	36
Other benefits	其他福利	36	42
		2,368	1,151

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截至二零一四年十二月三十一日止年度

29. PRINCIPAL SUBSIDIARIES

29. 主要附屬公司

Name of subsidiaries 附屬公司名稱	Place and date of incorporation 註冊成立 地點及日期	Principal activities and place of operation 主要活動及 營運地點	Particulars of issued/ registered and paid up capital 已發行／註冊及 繳足資本詳情	Effective interest held by the Group 本集團持有的 實際權益
Direct Interests: 直接權益：				
Potent Union Holdings Limited 康匯控股有限公司	BVI, 18 March 2013 英屬處女群島， 二零一三年 三月十八日	Investment holdings, BVI 投資控股， 英屬處女群島	USD100 100美元	100%
Indirect Interests: 間接權益：				
Hongtai Group (Int'l) Holding Limited 宏太集團(國際)股份 有限公司	Hong Kong, 22 June 2009 香港，二零零九年 六月二十二日	Investment holdings, Hong Kong 投資控股， 香港	HKD10,000 10,000港元	100%
Hongtai (China) Co., Ltd. 宏太(中國)有限公司	Fujian, the PRC 17 February 2004 中國福建， 二零零四年 二月十七日	Design, manufacturing and sales of fabrics and cotton yarns, the PRC 設計、製造及銷售 面料與棉紗，中國	HKD120 million 120百萬港元	100%
Hongshen (Hubei) Textile Co., Ltd. 宏晟(湖北)紡織有限公司	Hubei, the PRC 24 May 2012 中國湖北， 二零一二年 五月二十四日	Manufacturing and sales of fabrics and cotton yarns, the PRC 製造及銷售面料與 棉紗，中國	RMB15 million 人民幣15百萬元	100%
Hongtai (Hubei) Sales Co., Ltd. 宏太(湖北)營銷有限公司	Hubei, the PRC 8 August 2013 中國湖北 二零一三年八月八日	Sales of fabrics and cotton yarns, the PRC 銷售面料與棉紗 中國	RMB2 million 人民幣2百萬元	100%

30. SUBSEQUENT EVENTS

On 22 Jan 2015, the Company issued three-year bonds with principal amount of HKD 84,000,000. The bonds are unsecured, interest bearing at a rate of 7% per annum and payable semiannually.

30. 結算日後事項

於二零一五年一月二十二日，本公司發行本金額84,000,000港元的三年期債券。此等債券為無抵押，按年利率7%計息及利息每半年支付。

FINANCIAL SUMMARY

財務摘要

OPERATING RESULTS

經營業績

		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	2012 二零一二年	2011 二零一一年
Revenue – From continuing business (RMB'000)	收益 – 來自持續經營業務(人民幣千元)	810,795	791,518	405,286	262,072
Gross profit – From continuing business (RMB'000)	毛利 – 來自持續經營業務(人民幣千元)	149,306	148,154	75,605	42,502
Gross profit margin – From continuing business	毛利率 – 來自持續經營業務	18.4%	18.7%	18.7%	16.2%
Profit and total comprehensive income attributable to owners of our Company (RMB'000)	本公司擁有人應佔溢利及全面收入總額(人民幣千元)				
– From continuing business	– 來自持續經營業務	66,402	74,974	34,837	23,265
– From discontinued business	– 來自已終止經營業務	—	—	—	5,718
Net profit margin – From continuing business	純利率 – 來自持續經營業務	8.2%	9.5%	8.6%	8.9%

CONSOLIDATED BALANCE SHEET

The following table sets forth our assets/liabilities position as at 31 December 2011, 2012, 2013 and 2014:

合併資產負債表

下表載列我們於二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日的資產/負債狀況：

		As at 31 December 於十二月三十一日			
		2014 二零一四年	2013 二零一三年	2012 二零一二年	2011 二零一一年
		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
Current assets	流動資產	501,925	323,596	206,780	275,372
Current liabilities	流動負債	28,454	428,036	317,759	305,933
Net current assets/(liabilities)	流動資產/(負債)淨額	213,470	(104,440)	(110,979)	(30,561)
Net assets	資產淨值	480,460	266,918	183,909	149,072

FINANCIAL INDICATORS

財務指標

		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	2012 二零一二年	2011 二零一一年
Return on equity (%) (Note 1)	股本回報率(%) (附註1)	13.8	28.1	18.9	19.4
Return on assets (%) (Note 2)	資產回報率(%) (附註2)	6.6	9.1	6.5	6.2
Interest coverage (Note 3)	利息覆蓋率(附註3)	4.8	7.0	3.9	3.8

		As at 31 December 於十二月三十一日			
		2014 二零一四年	2013 二零一三年	2012 二零一二年	2011 二零一一年
Current ratio (%) (Note 4)	流動比率(%) (附註4)	1,764.0	75.6	65.1	90.0
Quick ratio (%) (Note 5)	速動比率(%) (附註5)	1,525.0	57.9	45.4	71.2
Debt to equity ratio (%) (Note 6)	債務股本比率(%) (附註6)	68.2	103.5	88.3	109.1
Gearing ratio (%) (Note 7)	權益負債比率(%) (附註7)	28.6	46.1	57.7	67.5

Notes:

附註：

- | | |
|--|---|
| (1) Return on equity for the years ended 31 December 2011, 2012, 2013 and 2014 was calculated based on our total comprehensive income for the respective year divided by the total equity of the respective year and multiplied by 100%. | (1) 截至二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日止年度的股本回報率，乃按有關年度全面收入總額除以有關年度權益總額再乘以100%計算。 |
| (2) Return on assets for the years ended 31 December 2011, 2012, 2013 and 2014 was calculated based on our total comprehensive income for the respective year divided by our total assets of the respective year and multiplied by 100%. | (2) 截至二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日止年度的資產回報率，乃按有關年度全面收入總額除以有關年度資產總額再乘以100%計算。 |
| (3) Interest coverage ratio for the years ended 31 December 2011, 2012, 2013 and 2014 was calculated based on our operating profit for the respective year divided by our finance costs for the respective year. | (3) 截至二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日止年度的利息覆蓋率，乃按有關年度經營溢利除以有關年度的融資成本計算。 |
| (4) Current ratio as at 31 December 2011, 2012, 2013 and 2014 were calculated based on our current assets of the respective date divided by our current liabilities of the respective date and multiplied by 100%. | (4) 於二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日的流動比率，乃按有關日期的流動資產除以有關日期的流動負債再乘以100%計算。 |
| (5) Quick ratio as at 31 December 2011, 2012, 2013 and 2014 were calculated based on our current assets minus inventories as at the respective date divided by our current liabilities as at the respective date and multiplied by 100%. | (5) 於二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日的速動比率，乃按有關日期的流動資產減去存貨後除以有關日期的流動負債再乘以100%計算。 |
| (6) Debt to equity ratio as at 31 December 2011, 2012, 2013 and 2014 were calculated based on our total debts (being sum of our total borrowings and amounts due to related parties and third parties) as at the respective date divided by total equity as at the respective year and multiplied by 100%. | (6) 於二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日的債務股本比率，乃按有關日期的債務總額(即借款總額與應付關聯方及第三方款項的總和)除以有關年度總權益再乘以100%計算。 |
| (7) Gearing ratio as at 31 December 2011, 2012, 2013 and 2014 were calculated based on our net debts (being total debts net of cash and cash equivalents and restricted bank deposits) as at the respective date divided by total equity as at the respective year and multiplied by 100%. | (7) 於二零一一年、二零一二年、二零一三年及二零一四年十二月三十一日的權益負債比率，乃按有關日期的債務淨額(即債務總額扣除現金及現金等價物以及受限制銀行存款)除以有關年度總權益再乘以100%計算。 |



宏太控股有限公司 Wang Tai Holdings Limited

(於開曼群島註冊成立的有限公司)
(Incorporated in the Cayman Islands with limited liability)
股份代號 Stock Code: 1400