



BaWang International (Group) Holding Limited

霸王國際(集團)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code: 01338

股票代碼: 01338



Annual Report 2014

2014 年年報

* for identification purposes only
僅供識別

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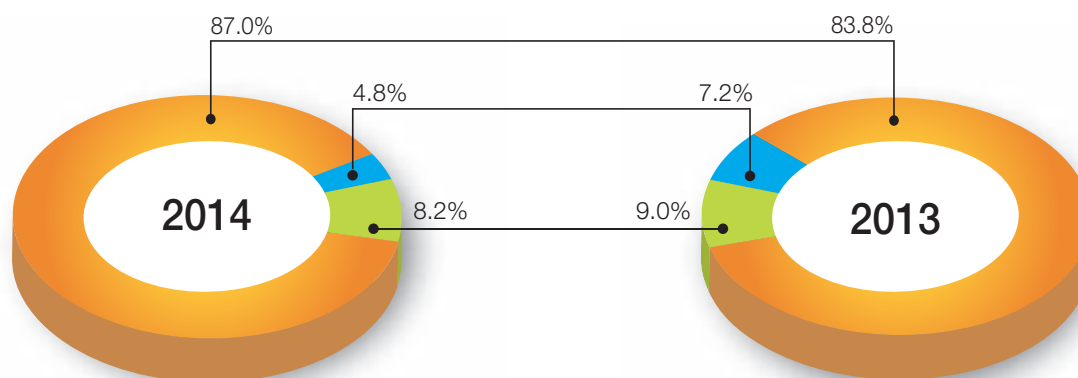
Financial Highlights

財務摘要

Continuing Operations 持續經營業務		2014 二零一四年 年度 RMB'000 人民幣千元	2013 二零一三年 年度 RMB'000 人民幣千元
		Revenue 營業額	294,649
Cost of Sales 銷售成本	(184,417)	(246,066)	
Gross Profit 毛利	110,232	231,591	
Selling & distribution costs 銷售及分銷開支	(144,544)	(295,024)	
Administrative expenses 行政費用	(37,810)	(58,583)	
Loss from operations 營運虧損	(113,711)	(136,189)	
Taxation 稅項	—	—	
Loss attributable to equity shareholders 權益持有人應佔虧損	(115,541)	(136,891)	
Loss per share (RMB yuan) 每股基本虧損(人民幣元)	(0.039)	(0.047)	
Gross margin 毛利率	37.4%	48.5%	
Net loss ratio 淨虧損率	-39.2%	-28.7%	

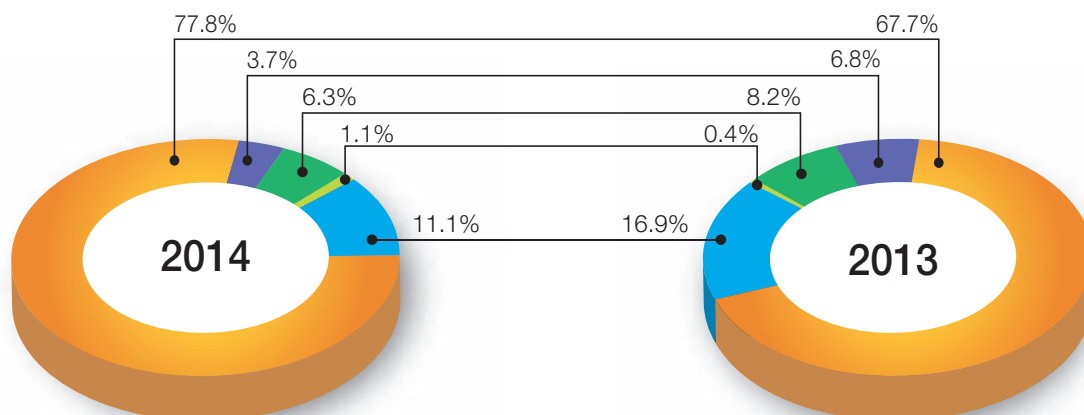
Revenue by Product Category

收入按產品類別分析



(RMB'000) (人民幣千元)	2H2014 二零一四年 下半年	1H2014 二零一四年 上半年	2H2013 二零一三年 下半年	1H2013 二零一三年 上半年
Shampoo & hair-care products 洗髮護髮產品	126,991	129,483	206,146	194,301
Skincare products 護膚產品	7,488	6,596	14,486	19,941
Other household and personal care products 其他家用個人護理產品	18,481	5,610	16,280	26,503
Total 合計	152,960	141,689	236,912	240,745

Revenue by Brand
收入按品牌分析



(RMB'000) (人民幣千元)	2H2014 二零一四年 下半年	1H2014 二零一四年 上半年	2H2013 二零一三年 下半年	1H2013 二零一三年 上半年
Bawang 霸王	122,510	106,699	170,494	152,986
Royal Wind 追風	14,257	18,574	33,920	46,719
Herborn 本草堂	5,574	5,447	13,555	19,018
Litao 麗濤	8,704	9,820	17,873	21,213
Smerry 雪美人	1,915	1,149	1,045	809
Total (Note 1) 合計 (附註 1)	152,960	141,689	236,887	240,745

Note:

- Since there was no sale of Dr. Gao hand-wash liquid recorded in the first half of 2013 and the full year of 2014, the total amount in the second half of 2013 did not include the revenue generated from the sale of Dr. Gao hand-wash liquid in the second half of 2013 (amounting to RMB25,000) for comparison purpose.

附註：

- 由於於二零一三年上半年及二零一四年全年並沒有錄得高醫生洗手液的銷售，因此為求可比性，於二零一三年下半年的合計金額中未有包含高醫生洗手液的銷售收入(約人民幣25,000元)。

Corporate Information

公司資料

Directors

Executive Directors

CHEN Qiyuan (Chairman)
WAN Yuhua
CHEN Zheng He
(Appointed on 20 October 2014)
WONG Sin Yung CPA

Independent non-executive Directors

Dr. NGAI Wai Fung PhD, CPA, FCCA, FCIS, FCS (P.E.)
LI Bida
CHEN Kaizhi
(Resigned on 30 June 2014)
CHEUNG Kin Wing
(Appointed on 13 November 2014)

Audit Committee

Dr. NGAI Wai Fung PhD, CPA, FCCA, FCIS, FCS (P.E.) (Chairman)
LI Bida
CHEN Kaizhi
(Resigned on 30 June 2014)
CHEUNG Kin Wing
(Appointed on 13 November 2014)

Remuneration Committee

LI Bida (Chairman)
WAN Yuhua
CHEN Kaizhi
(Resigned on 30 June 2014)
Dr. NGAI Wai Fung PhD, CPA, FCCA, FCIS, FCS (P.E.)
(Appointed on 20 October 2014)

Nomination Committee

CHEN Qiyuan (Chairman)
LI Bida
CHEN Kaizhi
(Resigned on 30 June 2014)
Dr. NGAI Wai Fung PhD, CPA, FCCA, FCIS, FCS (P.E.)
(Appointed on 20 October 2014)

董事

執行董事

陳啟源(主席)
萬玉華
陳正鶴
(於二零一四年十月二十日獲委任)
黃善榕 CPA

獨立非執行董事

魏偉峰博士 PhD, CPA, FCCA, FCIS, FCS (P.E.)
李必達
陳開枝
(於二零一四年六月三十日辭任)
張建榮
(於二零一四年十一月十三日獲委任)

審核委員會

魏偉峰博士 PhD, CPA, FCCA, FCIS, FCS (P.E.) (主席)
李必達
陳開枝
(於二零一四年六月三十日辭任)
張建榮
(於二零一四年十一月十三日獲委任)

薪酬委員會

李必達(主席)
萬玉華
陳開枝
(於二零一四年六月三十日辭任)
魏偉峰博士 PhD, CPA, FCCA, FCIS, FCS (P.E.)
(於二零一四年十月二十日獲委任)

提名委員會

陳啟源(主席)
李必達
陳開枝
(於二零一四年六月三十日辭任)
魏偉峰博士 PhD, CPA, FCCA, FCIS, FCS (P.E.)
(於二零一四年十月二十日獲委任)

Company Secretary

WONG Sin Yung *CPA*

公司秘書

黃善榕 *CPA*

Authorised representatives

WAN Yuhua
WONG Sin Yung *CPA*

授權代表

萬玉華
黃善榕 *CPA*

Registered office

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

註冊辦事處

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

Principal place of business in the PRC

6/F, 181 Tangle Road
Tangyong Village, Xinshi
Baiyun District
Guangzhou
510410
PRC

中國主要營業地點

中國
廣州
白雲區
新市棠涌村
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郵編：510410

Place of business in Hong Kong

Suite B, 16/F
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Tsimshatsui
Kowloon
Hong Kong

香港營業地點

香港
九龍
尖沙咀
柯士甸道122號
麗斯中心
16樓B室

Corporate Information 公司資料

Hong Kong branch share registrar and transfer office

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

香港證券登記處

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

Cayman Islands principal share registrar and transfer office

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

開曼群島證券過戶登記總處

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

Auditors

SHINEWING (HK) CPA Limited
43rd Floor, The Lee Gardens
33 Hysan Avenue
Causeway Bay
Hong Kong

核數師

信永中和(香港)會計師事務所有限公司
香港
銅鑼灣
希慎道33號
利園43樓

Legal advisor on Hong Kong law

PETER YUEN & ASSOCIATES
(IN ASSOCIATION WITH FANGDA PARTNERS)
30/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

香港法律顧問

阮葆光律師事務所
(聯營上海市方達律師事務所)
香港中環
康樂廣場8號
交易廣場1期30樓

Company's website

www.bawang.com.cn

Stock code

01338

Principal bankers

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Bank of China Limited
1073 Jichang Road
Guangzhou 510180
PRC

公司網址

www.bawang.com.cn

股票代碼

01338

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

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中國
廣州市
機場路1073號
郵編：510180

Chairman's Statement

主席報告書

Dear shareholders of the Company,

On behalf of the board of directors of BaWang International (Group) Holding Limited (the “**Company**”), I present the audited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2014.

The Board reports that the total revenue of the continuing operations of the Group for the year ended 31 December 2014 was approximately RMB294.6 million, representing a decrease by approximately 38.3% from approximately RMB477.7 million in 2013. The operating loss from the continuing operations of the Group for the year ended 31 December 2014 was reduced to approximately RMB113.7 million, representing an improvement by approximately 16.5%, as compared with the operating loss of approximately RMB136.2 million in 2013.

For the year ended 31 December 2014, the net loss from the continuing operations of the Group narrowed to approximately RMB115.5 million, as compared with the net loss of approximately RMB136.9 million in 2013. The Group was able to optimize its resources, resulting in a decrease in net loss from the continuing operations as compared with 2013.

Loss attributable to owners of the Company improved to approximately RMB116.5 million as compared with the attributable loss of approximately RMB143.5 million for 2013.

For further information on the operating performance of the Group, please refer to the Financial Review section of this annual report.

During the year under review, the Group continued to implement stringent cost control measures. The successful implementation of the ongoing value-chain-oriented business model has enabled the Group to improve the operating results of the continuing operations by reducing the selling, distribution and administration costs in the amount of approximately RMB171.3 million for the year ended 31 December 2014, as compared with those in 2013.

各位尊敬的本公司之股東：

本人僅代表霸王國際(集團)控股有限公司(「**本公司**」)之董事會，向全體股東呈報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的經審核年度業績。

董事會報告本集團截至二零一四年十二月三十一日止年度的持續經營業務總營業額約為人民幣294.6百萬元，較二零一三年同期約人民幣477.7百萬元下降了約38.3%。本集團截至二零一四年十二月三十一日止年度錄得持續經營業務的經營虧損收窄至約為人民幣113.7百萬元，較二零一三年同期經營虧損約人民幣136.2百萬元改善了約16.5%。

本集團截至二零一四年十二月三十一日止年度錄得持續經營業務的淨虧損收窄至約為人民幣115.5百萬元，而二零一三年同期錄得淨虧損約人民幣136.9百萬元。本集團能優化資源，使得經營業務淨虧損較二零一三年同期減少。

本公司擁有人應佔年內虧損改善至約人民幣116.5百萬元，而二零一三年度同期錄得應佔年內虧損約人民幣143.5百萬元。

關於本集團經營業績詳細資料，請參閱本年度報告內財務回顧部分。

於回顧年度內，本集團繼續執行嚴格的成本控制方法。成功實施以價值鏈為導向的業務模式為截至二零一四年十二月三十一日止年度的銷售及分銷開支和行政費用，較二零一三年同期相比，節省約人民幣171.3百萬元，從而令本集團改善其持續經營業務之經營業績。

Looking forward, we focus on two areas to drive the strategic directions to sustain and develop our business in the midst of a volatile business environment. In the short run, the Group intends to continue building up a management team with strong experience in both domestic and global HPC sectors, to regain the sales growth momentum and profitability, and to improve investors' confidence on the Group. In the long run, the Group will continue to focus on strengthening the business model and positioning to acquire market shares from domestic and international competitors, maintaining a multi-brand and multi-product strategy in HPC sectors, and becoming a leader in the branded Chinese herbal HPC products.

On behalf of the Board, I would like to take this opportunity to express our gratitude to all Shareholders, customers, suppliers, banks, professional parties, and employees of the Group for their continuous patronage and support.

CHEN Qiyuan
Chairman

Hong Kong, 31 March 2015

展望未來，在不穩定的內部和外部經營環境中，維持和發展我們業務之戰略方向集中在兩方面。就短期而言，本集團擬繼續在國內外組建就家庭及個人護理行業建立豐富經驗的管理團隊、恢復銷售增長勢頭和盈利能力，以及提升投資者對本集團的信心。就長期而言，本集團將繼續鞏固發展模式及定位，以增加市場佔有率及迎戰國內外競爭對手；保持家庭及個人護理產品品牌及產品多樣化的均衡策略及成為全球中草藥家庭及個人護理產品領軍企業。

謹藉此機會，我代表董事會向不斷擁戴及支持本集團的全體股東、客戶、供應商、銀行、專業人士和僱員，致以衷心的謝意。

陳啟源
主席

香港，二零一五年三月三十一日

Management Discussion and Analysis

管理層討論及分析



Business Review

The Group always makes use of popular events and festive seasons for carrying out marketing campaigns and promotions to publicize its branded products. During the World Cup football tournament finals in June 2014, the Group seized the opportunity to further promote the Bawang anti-hair fall shampoos with its benefits to help relieve the hair-falling problems which might be caused by insufficient sleep, along with the on-going promotion slogan “Never fear of hair-loss, use Bawang shampoo (怕脫髮·用霸王)”. We also carried out the campaign “Shampoo for love (為愛洗一次頭)” during the major festivals in China. Mr. Jackie Chan continued to be the brand ambassador of Bawang shampoo during the year under review. As at 31 December 2014, the Bawang brand distribution network comprised approximately 481 distributors and 34 KA retailers, covering 27 provinces and four municipalities in China. Furthermore, products of the Group were also sold in Hong Kong, Singapore, Thailand, Malaysia and Indonesia.

業務回顧

本集團善於利用流行事件及節日來開展營銷活動及推廣品牌產品。二零一四年六月世界杯足球賽決賽期間，本集團藉此機遇，結合持續推廣口號「怕脫髮，用霸王」來推廣霸王防脫洗髮水有助於緩解可能因觀看世界杯足球賽直播導致睡眠不足而引起的脫髮問題。我們還在中國大陸的主要節日舉辦「為愛洗一次頭」的活動。於回顧年度內，成龍先生繼續擔任霸王洗髮水的品牌代言人。於二零一四年十二月三十一日，霸王品牌分銷網路包括大約481個分銷商及34個重點零售商，覆蓋中國27個省份及四個直轄市。此外，該等產品亦已在香港、新加坡、泰國、馬來西亞和印度尼西亞市場銷售。

During the year under review, the Group has successfully developed a new channel for supplying Royal Wind shampoo and shower gel to business hotel chains in China. The Group was promoting the brand image of Royal Wind shampoo with the marketing theme “Anti-dandruff in Speedy and Natural Manner (快速去屑更天然)” through multiple media such as television, the Internet and public bus light-boxes. As at 31 December 2014, the Royal Wind brand distribution network comprised 440 distributors and 27 KA retailers, covering 27 provinces and four municipalities in China.

The Litao products mainly comprise shampoo, shower gels and laundry detergent, targeting at consumers living in the second-tier or third-tier cities in China. The Group’s goal is to widen the market coverage in China. During the year under review, the Group started promoting Litao products through popular and interactive social media. As at 31 December 2014, the distribution network for Litao products comprised approximately 337 distributors covering 27 provinces and four municipalities in China.

The Group’s Herborn Chinese herbal skincare products target white-collar ladies in the age range of 25 to 45 who have relatively high net income and are enthusiastic about pursuing a healthy and natural lifestyle. From time to time, we conducted skincare seminars for our target consumers so as to allow them to understand the concepts and benefits of using traditional Chinese medicine for skin-care. In terms of sales channels, the Group is now selling the products mainly through cosmetics specialty shops throughout China. As at 31 December 2014, the sales and distribution network for the Herborn Chinese herbal skincare products comprised approximately 89 distributors covering 27

於回顧年度內，本集團已經開發了一個新渠道以供應追風洗髮水及沐浴露給中國的商務連鎖酒店。本集團繼續以「快速去屑更天然」為主題，通過多種媒體（如電視、互聯網和公交燈箱）推廣追風品牌產品。於二零一四年十二月三十一日，追風品牌分銷網絡包括440個分銷商及27個重點零售商，覆蓋中國27個省份及四個直轄市。

麗濤產品主要由洗髮水、沐浴露和洗衣液組成，是以中國二三線城市的消費者為目標客戶群體。本集團的目標是將市場擴大至整個中國。於回顧年度內，本集團開始在熱門互動社交媒體推廣麗濤品牌產品。於二零一四年十二月三十一日，麗濤品牌分銷網絡包括337個分銷商，覆蓋中國27個省份和四個直轄市。

本集團的中草藥護膚產品一本草堂，其目標客戶群體是擁有相對較高的收入、熱衷追求健康自然的生活方式、年齡介於25至45歲的白領女性。我們不時會組織目標消費者參加護膚品研討會，以便她們了解傳統中草藥護膚的概念及益處。在銷售渠道方面，目前本集團通過遍佈中國的化妝品專賣店來銷售產品。於二零一四年十二月三十一日，本草堂中草藥護膚產品的分銷網絡，包括大約89個分銷商，覆蓋中國27



Management Discussion and Analysis 管理層討論及分析

provinces and four municipalities in China. The Group also had about 5,500 counters in cosmetics specialty shops in mainland China.

During the year under review, we sold natural plant skincare products series, Smerry, which target young ladies in the age range of 18 to 28 who are to pursue a natural and healthy lifestyle. The Group is pleased to find that Smerry has established its brand position and recognition in its own target market segment.

The business operations of Bawang Herbal Tea had been discontinued since 1 July 2013. The Group is in the course of following up the matters after the discontinuance of this business. Save as disclosed above, there have been no material changes in the business of the Group since the publication of the Company's annual report for the year ended 31 December 2013.

In a presentation ceremony for the 18th National Top Selling and Leading Brand Awards held by the Chinese Industrial Information Issuing Centre of the National Bureau of Statistics of China in March 2014, Bawang branded product was awarded the No. 1 Anti Hair-fall Chinese Herbal Shampoo in China in 2013.



During the year under review, we obtained recognitions as follows:

- We were accredited as “The 2013 Innovator of the Guangdong Provincial Pharmaceutical Market (2013年度廣東省醫藥行業市場開拓先進單位)” by the Guangdong Pharmaceutical Profession Association in March 2014.
- Ms. Wan Yuhua, Chief Executive Officer and executive Director of the Group, has been appointed as Executive Vice-chairman of the Guangdong Chamber of Daily Used Chemical (廣東省日化商會) since March 2014.

個省份和四個直轄市。中國境內的化妝品專營店專櫃約5,500多家。

於回顧年度內，我們銷售天然植物護膚系列產品—雪美人，是以崇尚天然健康的生活方式、年齡介於18歲至28歲的年輕女性為目標客戶群體。本集團欣然發現雪美人已經在目標市場建立了品牌定位及認可度。

本集團霸王涼茶系列產品的經營業務自二零一三年七月一日起終止。本集團正在處理業務終止的後續事項。除了以上披露的信息，自本集團截至二零一三年十二月三十一日止年度的年度報告發佈之後，本集團業務上沒有重大改變。

於二零一四年三月，在國家統計局中國行業企業信息發佈中心舉辦的第十八屆全國市場銷量領先品牌信息發佈會上，霸王洗髮水再度榮獲二零一三年度全國中草藥防脫洗髮水市場同類產品銷量第一名的榮譽。

於回顧年度內我們已取得的獎項及認可如下：

- 於二零一四年三月，我們被廣東省醫藥行業協會授予「2013年度廣東省醫藥行業市場開拓先進單位」榮譽稱號。
- 自二零一四年三月起，本集團首席執行官及執行董事萬玉華女士被任命為廣東省日化商會常務副會長。



- A number of Bawang and Royal Wind branded shampoos were recognized as “The 2013 New High-tech Products in Guangdong (2013年廣東省高新技術產品)” by the Guangdong Provincial Bureau of Science & Technology in April 2014.
- Our marketing and promotional campaign with the theme “Shampoo for Love (為愛洗一次頭)” was awarded “The Best Social Project (最佳公益項目)” in the 4th China Social Festival in January 2015.

The Board believes that these achievements were recognitions of the Group’s continuous effort in research, development and industrialisation of Chinese herbal medicine.

From time to time, we make applications for registration of patents relating to our research findings on the application of Chinese herbs in the hair care, skincare and healthcare products. The successful registration of which is a further recognition for our continuous dedication to research and development.

Litigation

The Board considers that the contents of the relevant article published by Next Magazine on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, the Group commenced legal proceedings in the High Court of Hong Kong in October 2010 against Next Magazine seeking, *inter alia*, damages and an injunction to restrain Next Magazine from publishing such contents or similar contents. As at the date of this annual report, two pre-trial hearings in relation to the legal proceedings had taken place on 2 December 2014 and 2 February 2015, respectively. The trial of the legal proceedings has commenced on 2 March 2015 and is in progress.

- 於二零一四年四月，霸王和追風品牌數款洗髮水被廣東省科學技術廳認證為「2013年廣東省高新技術產品」。
- 於二零一五年一月，我們以「為愛洗一次頭」為主題的營銷活動獲得第四屆中國公益節「最佳公益項目獎」。

董事會認為這些成就是對本集團的不斷努力研究、開發和產業化中草藥的認可。

我們不時提交一些專利註冊申請，這些專利與應用中草藥於護髮、護膚及衛生保健的研究成果有關。成功註冊這些專利將進一步證明我們在研究和開發上不懈努力的認可。

訴訟

董事會認為壹週刊於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗及／或惡意中傷。因此，本集團已於二零一零年十月在香港高等法院向壹周刊提起法律訴訟，其中要求壹周刊賠償損失並且禁止出版該內容或類似內容。截至本年度報告公佈之日，該等法律訴訟之兩次審訊前覆核已分別於二零一四年十二月二日及二零一五年二月二日進行。該等法律訴訟已於二零一五年三月二日開始審訊。

Financial Review

Continuing Operations

Revenue

During the year under review, the Group's revenue of the continuing operations amounted to approximately RMB294.6 million, representing a decrease of approximately 38.3% from approximately RMB477.7 million in 2013. The decrease was primarily attributable to the slowdown of the economy in China and the change in the business model of the traditional trade channel by allowing a discount to the distributors for covering the selling expenses for Bawang branded products whereby such business model contributed to the saving in selling and distribution costs and hence improved the operating result.

The Group's core brand, Bawang, generated approximately RMB229.2 million in revenue, which accounted for approximately 77.8% of the Group's total revenue of continuing operations in 2014, and represented a decrease of approximately 29.1% as compared to 2013.

The branded Chinese herbal anti-dandruff hair-care series, Royal Wind, generated approximately RMB32.8 million in revenue, which accounted for approximately 11.1% of the Group's total revenue of continuing operations in 2014, and represented a decrease of approximately 59.3% as compared to 2013.

The natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated approximately RMB18.5 million in revenue, which accounted for approximately 6.3% of the Group's total revenue of continuing operations in 2014, and represented a decrease of approximately 52.7% as compared to 2013.

The branded Chinese herbal skincare series, Herborn, generated approximately RMB11.0 million in revenue, which accounted for approximately 3.7% of the Group's total revenue of continuing operations in 2014, and represented a decrease of approximately 66.3% as compared to 2013.

財務回顧

持續經營業務

營業額

於回顧年度內，本集團營業額約為人民幣294.6百萬元，較二零一三年約人民幣477.7百萬元下降了約38.3%。下降的主要原因是中國整體的經濟放緩及傳統銷售渠道業務模式的改變，通過給予經銷商折扣，取代霸王品牌產品的銷售費用，這樣的業務模式節約了銷售和分銷開支，從而改善了經營業績。

本集團核心品牌一霸王，其營業額約人民幣229.2百萬元，約佔本集團二零一四年度持續經營業務總營業額的77.8%，比二零一三年度下降了約29.1%。

中草藥去屑品牌一追風，其於二零一四年度的營業額約人民幣32.8百萬元，約佔本集團二零一四年度持續經營業務總營業額的11.1%，比二零一三年度下降了約59.3%。

以天然為基礎的洗髮水、沐浴露和洗衣液產品系列一麗濤，其營業額約人民幣18.5百萬元，約佔本集團二零一四年度持續經營業務總營業額的6.3%，比二零一三年度下降了約52.7%。

中草藥護膚品牌一本草堂，其營業額約人民幣11.0百萬元，約佔本集團二零一四年度持續經營業務總營業額的3.7%，比二零一三年度下降了約66.3%。

Smerry generated approximately RMB3.1 million in revenue, which accounted for approximately 1.1% of the Group's total revenue of continuing operations in 2014.

We sold our products through extensive distribution and retail networks. During the year under review, sales to our distributors and retailers represented approximately 66.6% and approximately 33.4% of the Group's total revenue of continuing operations respectively.

In 2014, our products were sold in Hong Kong, Singapore, Thailand, Malaysia and Indonesia. The sales to these markets outside China accounted for approximately 5.3% of our total revenue of continuing operations for 2014.

Cost of Sales

Cost of sales for 2014 amounted to approximately RMB184.4 million, representing a decrease of approximately 25.1% compared to approximately RMB246.1 million for 2013. Such decrease was mainly due to the decrease in direct labour, raw materials and package materials consumed, partially offset by higher fixed costs such as rental and depreciation.

Gross Profit

During the year under review, the Group's gross profit decreased to approximately RMB110.2 million, representing a decrease of approximately 52.4% as compared to approximately RMB231.6 million for 2013. The gross profit margin decreased from approximately 48.5% for 2013 to 37.4% for 2014. Such decrease was mainly attributable to the decrease of revenue and the change in the business model of the traditional trade channel as mentioned above, which was partially offset by the decrease in cost of sales.

雪美人的營業額約人民幣3.1百萬元，約佔本集團二零一四年度持續經營業務總營業額的1.1%。

我們一般通過廣泛的分銷商和零售商網絡銷售我們的產品。於回顧年度內，我們通過分銷商和零售商的銷售額分別約佔本集團持續經營業務總營業額的66.6%和33.4%。

我們的產品於二零一四年度也在香港、新加坡、泰國、馬來西亞和印度尼西亞市場上銷售，這些海外市場的銷售額約佔本集團二零一四年度持續經營業務總營業額的5.3%。

銷售成本

二零一四年度的銷售成本約人民幣184.4百萬元，相比二零一三年度約人民幣246.1百萬元，下降了約25.1%。下降的主要原因是工人工資、原材料和包裝材料成本下降，但部分下降被高額的固定成本(如：租金和折舊)抵消。

毛利

於回顧年度內，本集團的毛利下降至約人民幣110.2百萬元，與二零一三年度約人民幣231.6百萬元相比下降了約52.4%。毛利率從二零一三年約48.5%下降至二零一四年的37.4%。毛利率下降的主要原因是收入下降及上述提及的傳統銷售渠道業務模式的轉變，部分抵銷了成本下降帶來的影響。

Management Discussion and Analysis

管理層討論及分析

Selling and Distribution Costs

Selling and distribution costs decreased to approximately RMB144.5 million for 2014, representing a decrease of approximately 51.0% as compared to that for 2013. Such decrease was mainly due to the effective cost controls leading to the decrease in depreciation, advertising fee and the saving achieved in promotion fee and salary through optimising the resources of promotion staff. As a percentage of revenue, our selling and distribution costs decreased from approximately 61.8% in 2013 to 49.1% in 2014.

Administrative Expenses

Administrative expenses for 2014 amounted to approximately RMB37.8 million, representing a decrease of approximately 35.5% as compared to approximately RMB58.6 million in 2013. Such reduction was mainly due to the decrease in amortization of share option cost, depreciation, training fee, non-capitalisable research and development expenditures, salary and remuneration payments, which was partially offset by the increase in legal and professional fees. As a percentage of revenue, our administration costs were approximately 12.8% and 12.3% in 2014 and 2013 respectively.

Loss from Operations

The Group recorded reduced operating loss for the continuing operations of approximately RMB113.7 million for 2014, as compared to the operating loss of approximately RMB136.2 million for 2013. The decrease in operating loss for the continuing operations was mainly because of the various cost optimization measures persistently adopted by the Group resulting in a decrease in selling, distribution and administration costs of approximately RMB171.3 million for the year ended 31 December 2014, as compared to those of 2013. However, such decrease was partially offset by the impairment loss of assets of approximately RMB28.4 million (2013: approximately RMB17.1 million) following a valuation of the property, plant and equipment in use in the continuing operations, by reference to their value in use.

Taxation

The Group did not have any income tax in 2013 and 2014.

銷售及分銷開支

二零一四年度銷售及分銷開支減少至約人民幣144.5百萬元，較二零一三年度減少約51.0%。其下降的原因主要是成本控制帶來的折舊、廣告費的減少，以及通過優化促銷人力資源節省了促銷費用及工資。以佔收益的百分比計算，我們的銷售及分銷開支由二零一三年的約61.8%減少至二零一四年的49.1%。

行政費用

二零一四年度行政費用約為人民幣37.8百萬元，較二零一三年度同期的約人民幣58.6百萬元，下降約35.5%。有關下降的主要原因是攤銷的期權成本、折舊、培訓費、不能資本化的研發費用支出和工資薪金支出的減少，但是部分被增加的法律專業費用所抵銷。以佔收益的百分比計算，我們二零一四年和二零一三年的行政費用分別約為12.8%和12.3%。

經營虧損

本集團二零一四年度錄得經營虧損收窄至約人民幣113.7百萬元，而二零一三年度錄得經營虧損約人民幣136.2百萬元。其改善的主要原因是本集團持續推行的成本優化措施有助於銷售、分銷和管理成本，比二零一三年同期節省約人民幣171.3百萬元。然而，持續經營業務中的使用估值，物業、廠房及設備的資產減值損失約人民幣28.4百萬元（二零一三年：約人民幣17.1百萬元）抵銷了部分經營虧損的減少。

稅項

本集團在二零一三年及二零一四年沒有所得稅支出。

Loss for the Year from Continuing Operations

As a result of the combined effect of the above mentioned factors, the Group recorded reduced loss of approximately RMB115.5 million for 2014, as compared to the loss of approximately RMB136.9 million for 2013.

Discontinued Operation

During the year under review, no revenue was attributable to the Group's Herbal tea products and this business segment recorded an operating loss of approximately RMB0.9 million. As a result of the unsatisfactory financial performance of the business of the herbal tea products, the Board decided to discontinue the production and sales of its herbal tea products with effect from 1 July 2013. Since then, the Group has been able to focus on the business development of the hair-care and skin-care products.

Loss for the Year Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded an improved attributable loss of approximately RMB116.5 million for 2014, as compared with the attributable loss of approximately RMB143.5 million for 2013.

Event after the Reporting Period

On 31 March 2015, an additional amount of HK\$40.0 million (equivalent to approximately RMB31.7 million) was advanced to the Group by the controlling shareholders of the Company. The loan is unsecured, interest free and repayable by 30 March 2016 or earlier as determined by the Group.

持續經營業務虧損

綜合以上列報的因素，二零一四年度本集團錄得持續經營業務虧損約人民幣115.5百萬元，而二零一三年同期錄得經營虧損約人民幣136.9百萬元。

已終止經營業務

於回顧年度，本集團涼茶產品並無營業收入，並且此業務分部錄得經營虧損約人民幣0.9百萬元。由於涼茶產品業務不佳的財務表現，董事會決定於二零一三年七月一日起停止涼茶產品的生產和銷售。自此，本集團可以集中精力開發護髮和護膚的產品。

本公司擁有人應佔年內虧損

因上述因素的綜合影響，本集團二零一四年度錄得有改善的應佔虧損約人民幣116.5百萬元，而二零一三年度錄得應佔虧損約人民幣143.5百萬元。

呈報期後事項

於二零一五年三月三十一日，本公司控股股東提供總金額為港幣40.0百萬元（相當於約人民幣31.7百萬元）的資金給本集團。此借款為無抵押、免息及由本集團決定於二零一六年三月三十日或之前償還。

Outlook

To attain a more sustainable economic growth in the long run, China is undergoing a structural transformation from an investment-driven economy to one that is based on, among others, domestic consumption. Consequently, China's economic structure, growth drivers and industry developments have all been subject to considerable change and challenge. Because of the uncertainties during this transitional stage, China experienced a relatively mild pace of economic growth rate of 7.4% in 2014. The Directors believe that the Chinese government would gear its economic stimulus package towards a continuous and sustainable economic growth in China. The Group will adopt a prudent approach in revamping its business development model, which could enable the Group to sustain the stability of its business and to maintain a mild growth pattern.

Now that the Group has successfully streamlined its operations and optimized its operating costs, the Group will strive to regain the sales growth momentum and profitability by launching new and/or enhanced products series, and to develop new marketing channels. We will make every effort to strengthen our corporate image and the confidence of our customers in our products. The Group will carry out marketing campaigns for the "Bawang" brand name along the central theme that the Group continues to rank the first in the Chinese herbal shampoo products for a consecutive period of seven years. To foster a customer belief in the quality of our products, the Group would promote and enhance the transparency in its production process through arrangement of regular visits to the production complex by government officials, media, students, and selected groups of consumers.

業務展望

為了實現長期可持續經濟增長，中國正處於結構轉型期，從投資驅動型經濟轉向國內消費驅動型經濟。因此，中國的經濟結構、增長動力及產業發展都受到了相當大的變化和挑戰。出於過渡階段的不確定性，二零一四年中國迎來了相對平緩的發展期，經濟增長率為7.4%。董事相信中國政府將繼續推出多種措施刺激經濟增長、維持經濟穩定。本集團將採取謹慎的業務發展模式以維持集團業績的穩定及保持溫和的增長模式。

目前，本集團已經成功精簡業務、優化經營成本，將致力於通過推出新的系列產品及／或升級新產品和開拓新的銷售渠道來重獲銷售增長及獲利能力。本集團將努力加強企業形象塑造及消費者對我們產品的信心。本集團將以霸王品牌「中草藥洗髮水市場連續七年銷量第一」為核心主題展開營銷活動。為了加強消費者對我們產品質量的信心，本集團將生產過程作出推廣及增加透明度，將定期安排政府官員、媒體人員、學生及選定的消費者群體參觀複雜的生產過程。

In line with the rapid development of electronic commerce, more and more consumers would like to do their shopping through online sales platform which has even become habitual to many consumers. The change in buying behavior from shopping at physical stores to online shopping has caused considerable challenges to the traditional retailing channel. To turn the challenges into opportunities arising from this consumer behavioral change, the Group has started establishing online flagship shops for our Bawang, Royal Wind and Herborn branded products at a number of well-known and popular online retailing platforms in China such as Taobao tmall (天貓), JD (京東) and 1mall (1號店). To enhance the revenue stream, the Group intends to roll out a new series of HPC products this year which satisfy the needs of online consumers and to expand this channel by signing up more popular online platforms.

For the two branded shampoo and hair-care products, namely, Bawang and Royal Wind, the Bawang branded products target the mass market and the Royal Wind brand products are designed for a group of younger consumers. Though each of branded products has respective functionalities of its own and each of them targets different market segments, both of them are leveraging the Group's unique renowned traditional Chinese medicine family background with its core competence in making Chinese herbal-based hair-care products.

For Bawang branded products, the Group intends to enhance its product offerings with different concepts which satisfy the needs of the various consumer segments. Apart from launching new products, the Group will enhance and repackage some of the existing product series in order to retain the existing consumers and to attract new users at the same time. Additionally, the Group will strive to sell the products through online platform so as to enhance the revenue stream.

隨著電子商貿業務的快速發展，越來越多的消費者喜歡網上購物，甚至對大多數消費者而言，網上購物已成習慣。這種消費習慣的改變，對傳統銷售渠道帶來了一定的挑戰。為了應對消費習慣改變帶來的挑戰及機遇，本集團開始在國內多家知名網絡營銷平台，如淘寶天貓、京東、一號店等分別建立霸王、追風和本草堂的品牌旗艦店。為了提升銷售業績，本集團計劃推出一個全新的家庭及個人護理產品系列以滿足網購消費者的需求，及登錄更多的網銷平台以拓展銷售渠道。

對於霸王和追風這兩個品牌的洗髮和護髮產品，霸王品牌產品是以大眾市場為目標，而追風品牌產品是為年輕消費者設計的。雖然每個品牌產品都有各自的功能和不同的細分目標市場，但兩者都是利用本集團中藥世家背景的核心競爭力研製的草本護髮產品。

對於霸王品牌產品，本集團擬提升其產品及提出不同概念以滿足不同消費群體的需求。除了推出新產品，本集團將改良和重新包裝現有的一些系列產品以留住現有客戶，同時吸引新的客戶。另外，本集團將致力於通過線上平台銷售產品以提高銷售業績。

Management Discussion and Analysis

管理層討論及分析

For Royal Wind branded products, the Group will continue to enhance the brand recognition and image through advertising and publicity campaigns. The Group plans to roll out a promotion slogan known as “Royal Wind: Natural Carefree Anti-dandruff in an Easy Way (天然追風·去屑輕鬆)”. In line with this theme, the Group intends to launch a new Royal Wind natural product series, which do not contain silicones. To cope with the lifestyle of the young consumers, the Group will place emphasis on the commercials of the branded shampoo through popular and interactive social media such as the Internet, smart phone messaging and micro-blogging in addition to the traditional media. The Group will continue to expand new channels for supplying the products to hotel chains.

For Herborn branded products, the Group will streamline and enhance its skincare product series with the objective to increase the revenue contribution. The Group will expand the sales network by establishing more sales counters inside cosmetic specialty shops and expand new channels through beauty salons. In addition, the Group will enhance its efforts through Internet sales channel.

For Litao branded products with the product image focusing on natural and healthy household care products, the Group will roll out a brand new product series of Chinese herbal based laundry detergent and softener to the Hong Kong market. At the same time, the Group will expand the sales network for the refreshing laundry detergent and softeners and plant-oil based shower-gels in China. As Litao products are principally sold through traditional sales channels in the second-tier or third-tier cities in China, such expansion does not need to incur significant selling and distribution costs.

For Smerry branded natural plant skincare products, the Group will strengthen sales and promotional efforts to expand the network of chain stores and further increase same store sales. As Smerry products are sold through an established network of chain stores, such expansion does not need to incur significant selling expenses.

對於追風品牌產品，本集團將繼續通過廣告和宣傳活動來提升品牌知名度和形象。本集團計劃推出一個促銷口號「天然追風，去屑輕鬆」。針對這一主題，本集團計劃推出一個全新無硅油的追風天然產品系列。為了迎合年輕消費者的生活方式，本集團將側重於通過熱門互動社交媒體，例如互聯網、智能手機信息、微博和傳統媒體來宣傳品牌洗髮水。本集團將繼續拓寬供應產品給連鎖酒店的新銷售渠道。

對於本草堂品牌產品，本集團將整合並改良護膚產品系列，以提高其銷售比率。本集團將通過在化妝品專營店設立更多的專櫃以及拓展美容院渠道以加強銷售網絡。另外，本集團進一步將拓展互聯網銷售渠道。

對於主推自然和健康的家居護理產品—麗濤品牌產品，本集團將針對香港市場推出一系列中草藥草本洗衣液和柔順劑。同時，本集團將在中國境內拓寬天然植物系列洗衣液、柔順劑及精油沐浴露的銷售網絡。由於麗濤產品主要是通過傳統的銷售渠道在中國二三線城市出售，擴張這渠道並不需要承擔顯著的銷售費用。

對於天然植物護膚品牌—雪美人品牌產品，本集團將擴大銷售和加強推廣，擴大連鎖店網絡規模，並進一步推動門店銷售額增長。由於雪美人產品通過已建立的連鎖店網絡出售，擴張這渠道並不需要承擔顯著的銷售費用。

For production management, the Group will enhance the profitability of the production facilities by expanding the coverage of the performance measurement system “independent profit centre” to the entire production plant. To eliminate the spoilage among production lines, the Group will enhance the material synchronization system. To improve the quality of work-life balance of frontline workers, the Group will increase the frontline workers’ awareness of occupational health and safety, to improve the recreational facilities in the dormitory, and to carry out social activities for workers. The Directors believe that the combined effect of these motivational efforts would inspire the workers towards a proactive working attitude thereby enhancing productivity.

As part of the business expansion plan, the Group will continue to explore with potential distributors the possibility of launching our branded products in other countries. The Group is open to explore further business opportunities with potential overseas distributors.

As at the date of this annual report, the Group does not have any business acquisition opportunity on hand, nor explore actively business opportunities that may involve potential acquisition.

對於生產管理方面，本集團將通過提升績效評價體系「獨立營利中心」以涵蓋整個工廠來加強生產設施的盈利能力。為了降低生產線中的損耗，本集團將升級原材料的同步系統。為了提高前線工人的工作生活質量，本集團將提升他們職業健康及安全意識，改善宿舍娛樂設施和舉辦社交活動。董事相信，這些激勵措施將激發工人積極的工作態度，從而提高勞動生產率。

在業務擴展計劃方面，本集團將繼續開發與潛在經銷商合作，把我們的品牌推廣至其他國家。本集團將以開放的態度尋找與潛在的海外經銷商洽談更多的商業合作機會。

於本年度報告發佈之日，本集團並無任何正在洽談處理的收購事宜，並且暫時不會積極尋找潛在的收購機會。

Management Discussion and Analysis 管理層討論及分析

Liquidity, Financial Resources and Capital Structure

The Group adopts conservative financial management policies and maintains a good and solid financial position. A summary of liquidity and financial resources is set out below:

流動資金、財務資源及資本架構

本集團採用保守的理財策略並維持良好穩定的財務狀況。流動資金和財務資源概要列載如下：

		31 December 2014	31 December 2013
		於二零一四年 十二月三十一日	於二零一三年 十二月三十一日
		RMB in million	RMB in million
		人民幣百萬元	人民幣百萬元
Cash and cash equivalent	現金及現金等價物	16.9	43.3
Total loans	貸款總額	44.1	—
Total assets	總資產	383.1	490.3
The gearing ratio ¹	資產負債率 ¹	11.5%	—

Note:

1. Calculate as total loans divided by total assets

備註：

1. 資產負債率按貸款總額除以資產總額計算

Material Acquisition and Disposal

The Group did not engage in any material acquisitions or disposal of any of its subsidiaries or associate during the year under review.

重大收購及出售

於回顧年度，本集團並無重大收購或出售其附屬及聯營公司的活動。

Exposure to Fluctuations in Exchange Rates and Related Hedge

The operations of the Group are mainly carried out in China, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. During the year under review, the Group had exported its goods to Hong Kong and certain overseas countries. The transactions were settled in either Hong Kong Dollars or United States Dollars. The Group's cash and bank deposits are mostly denominated in Renminbi. The Company will pay dividends in Hong Kong Dollars if dividends are declared. In addition, the Group paid certain advertising fees in United States Dollars or Hong Kong Dollars. The Directors are of the view that the Group conducts its business transactions principally in Renminbi and thus the exchange risk at the Group's operational level is not significant. As at 31 December 2014, the Group had not issued any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Directors will continue to monitor the foreign exchange exposure and are prepared to take prudent measures such as hedging when required.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2014.

Capital Commitment

As at 31 December 2014, the capital commitment of the Group amounted to approximately RMB8.2 million.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

匯率波動風險及有關對沖

本集團主要在中國境內經營業務，大部分交易以人民幣結算，本集團的報告貨幣為人民幣。於回顧年度，本集團出口產品銷往香港以及其他海外地區，交易以港幣或美元結算。本集團大部份現金及銀行存款均以人民幣計值。倘若本公司宣派股息時，利息亦將以港幣派付。此外，本集團以美元或港幣支付若干廣告費。董事認為本集團從事的業務主要是以人民幣結算的，因此外匯風險對本集團的日常經營影響並不重大。於二零一四年十二月三十一日，本集團並沒有發行任何重大金融工具或訂立任何重大合約作外匯對沖用途。然而，董事將繼續監察外匯風險，並準備在需要時採取審慎的措施，例如對沖。

或然負債

於二零一四年十二月三十一日，本集團並無重大或然負債。

資本承擔

於二零一四年十二月三十一日，本集團資本承擔總額為約人民幣8.2百萬元。

購入、出售或贖回本公司之上市證券

於回顧期間，本公司或其任何附屬公司並無購入、出售或贖回本公司之任何上市證券。

Human Resources

To provide incentive to the employees of the Group, the Group is committed to staff training and development under any economic circumstances. The Group will continue to invest in our human capital so as to retain a quality workforce to achieve our organisational goal.

In 2014, the Group organised various in-house training classes to strengthen the soft skills of our staff members such as time management, stress management, and leadership development. Apart from these in-house courses, the Group also required our department managers to attend external courses on reward and compensation, and motivation, we required our senior sales and marketing staff to attend brand positioning strategy course, and we required our finance and accounting staff members to attend seminars about the latest accounting standards, taxation practices and budgetary control.

As at 31 December 2014, the Group employed approximately 2,073 employees (31 December 2013: 2,858), consisting of full-time employees and contract personnel in the PRC and Hong Kong. Additionally, the Group did not engage salespersons (31 December 2013: 208) through contract personnel agency to help with our marketing and promotional activities. The total personnel expenses of the continuing operations, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to RMB74.8 million for 2014 (31 December 2013: RMB132.6 million).

人力資源

為了激勵本集團的員工，本集團能諾在任何經濟環境下都為員工提供培訓和發展。我們將繼續投資人力資本，以保持一個高素質的員工團隊，協助我們實現組織目標。

在二零一四年，本集團舉辦了多項內部培訓課程，以增強我們工作人員的軟技能，例如：時間管理、壓力管理和領導能力發展等。除此之外，本集團還要求部門經理參加有關獎勵和激勵的外部培訓課程。我們要求市場策劃人員參加品牌定位策略培訓課程，也要求財務人員參加有關最新會計準則、稅務實踐以及預算編製方面的研討會。

於二零一四年十二月三十一日，本集團僱用大約2,073名員工(二零一三年十二月三十一日：2,858)，其中包括在中國和香港的全職員工以及合約僱員。另外，本集團不再通過勞務派遣公司聘用促銷人員(二零一三年十二月三十一日：208)，以幫助我們的營銷及推廣活動。總持續經營業務人事開支包括工資、薪金和福利以及以權益結算之股份支付款項，於二零一四年為74.8百萬元(二零一三年度：人民幣132.6百萬元)。

The following table sets forth a breakdown of the total headcount of our employees and outsourcing personnel of the continuing operations as at 31 December 2014 and 2013:

下表載列於二零一四年十二月三十一日及二零一三年十二月三十一日我們持續經營業務的總僱員及外包人員的明細：

		31 December 2014	31 December 2013
		於二零一四年 十二月三十一日	於二零一三年 十二月三十一日
Full-time employees	全職僱員	327	361
Contract personnel	合約僱員		
— Sales persons	— 促銷員	1,206	1,670
— Others	— 其他	540	827
Total employees	總僱員人數	2,073	2,858
Outsourcing personnel	外包人員		
— Sales persons	— 促銷員	—	208
Total headcount of the continuing operations	持續經營業務 總人數	2,073	3,066

The employees' remuneration, promotion and salary review are based on individual job responsibilities, work performances, professional experiences and the prevailing industry practices.

本集團的員工薪酬、晉升及工資是按照各人的工作責任、工作表現、專業經驗及行業標準來釐定的。

Our employees in the PRC and Hong Kong joined social insurance contribution plans and mandatory provident fund scheme respectively. Other benefits include performance-based incentive bonus scheme and share options granted or to be granted under the share option schemes.

本集團於中國及香港的員工分別參加社會保障計劃和香港強制性公積金計劃。其他福利包括按工作表現釐定的獎金花紅計劃和購股權計劃下已授出或將會授出的購股權。

The Directors believe that the Group's human resources policies play a crucial part in the further development of the Group. Promising career prospects, good staff remuneration and benefits as well as pleasant working environment are essential factors for maintenance of a stable workforce for the Group.

董事們深信本集團之人力資源政策對集團未來發展擔當着重要角色。良好的職業前景、優厚的員工薪酬福利以及舒適的工作環境，可以使本集團維持一支穩定的工作團隊。

Corporate Governance Report

企業管治報告

Corporate Governance Code

The Company is committed to enhancing the corporate governance of the Group, and the Board reviews and updates all such necessary measures in order to promote good corporate governance.

The Board is of the view that the Company has complied with the principles and applicable code provisions set out in the Corporate Governance Code (the “**Corporate Governance Code**”) as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the year ended 31 December 2014 save as disclosed below.

On 30 June 2014, Mr. CHEN Kaizhi resigned as the independent non-executive Director and member of audit committee, remuneration committee and nomination committee of the Company. Following the resignation of Mr. CHEN Kaizhi, the Board comprised five Directors and of which two were independent non-executive Directors, thus fell below the following requirements under the Listing Rules since 30 June 2014:

According to Rule 3.10(1) of the Listing Rules, the Company must appoint at least three independent non-executive directors. The Board had two independent non-executive Directors at that time, and thus fell below such requirement.

According to Rule 3.21 of the Listing Rules, the audit committee must comprise a minimum of three members. The audit committee of the Board comprised only two members at that time and thus fell below such requirement.

According to Rule 3.25 of the Listing Rules, the remuneration committee must comprise a majority of independent non-executive directors. The remuneration committee of the Board comprised two members at that time, of which only one is independent non-executive Director and thus fell below such requirement.

According to Code Provision A.5.1 of the Corporate Governance Code, the nomination committee should comprise a majority of independent non-executive directors. The nomination committee of the Board comprised two members, of which only one is independent non-executive Director at that time and thus fell below such requirement.

企業管治守則

本公司致力提高本集團的企業管治水平，而董事會則檢討及更新為促進良好企業管治的一切必要措施。

董事會認為本公司截至二零一四年十二月三十一日止年度內遵守《香港聯合交易所有限公司證券上市規則》(「**上市規則**」)證券上市附錄十四所載之《企業管治守則》(「**《企業管治守則》**」)所載之原則。

於二零一四年六月三十日，陳開枝先生辭任本公司獨立非執行董事、審計委員會、薪酬委員會及提名委員會成員之職務。繼陳開枝先生辭職後，董事會由五名董事組成，其中兩名是獨立非執行董事。自二零一四年六月三十日，本公司不符合上市規則下列要求：

根據上市規則第3.10(1)條，本公司必須委任至少三名獨立非執行董事。當時，董事會僅有兩名獨立非執行董事，因此不符合這一項要求。

根據上市規則第3.21條，審核委員會須包括最少三名成員組成。當時，董事會審核委員會僅由兩名成員組成，因此不符合這一項要求。

根據上市規則第3.25條，薪酬委員會必須包括大多數獨立非執行董事。當時，董事會薪酬委員會僅由兩名成員組成，其中只有一名是獨立非執行董事，因此不符合這一項要求。

根據《企業管治守則》守則條文第A.5.1條，提名委員會應包括大多數獨立非執行董事。當時，董事會提名委員會僅由兩名成員組成，其中只有一名是獨立非執行董事，因此不符合這一項要求。

On 20 October 2014, Dr. NGAI Wai Fung, the independent non-executive Director of the Company has been appointed as a member of the nomination committee and remuneration committee of the Board. Following the appointment of Dr. NGAI, the Company has complied with Rule 3.25 of the Listing Rules and Code Provision A.5.1 of the Corporate Governance Code.

On 13 November 2014, Mr. CHEUNG Kin Wing has been appointed as the independent non-executive Director and a member of the audit committee of the Board. Following the appointment of Mr. CHEUNG, the Company has complied with Rules 3.10(1) and 3.21 of the Listing Rules.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as contained in Appendix 10 to the Listing Rules as the standards for the directors' dealings in the securities of the Company. Having made specific enquiry with all Directors, the Company confirms that the Directors have complied with the required standard set out in the Model Code throughout the year under review.

Board of Directors

The Board comprises seven members, including Chairman, Chief Executive Officer ("**CEO**"), Chief Financial Officer and three independent non-executive Directors. Biographical details of the Directors are set out in the section headed Directors and Senior Management on pages 51 to 56 of this annual report.

The Board is responsible for approving and monitoring the Group's strategies and policies, approving annual budgets and business plans, evaluating the performance of the Group and supervising the work of management. The management is responsible for the daily operations of the Group under the leadership of the CEO.

The Board has delegated a schedule of responsibilities to the executive Directors and senior management of the Company. These responsibilities include implementing decisions of the Board and directing and co-ordinating day-to-day operation and management of the Company.

於二零一四年十月二十日，本公司之獨立非執行董事魏偉峰博士獲委任為董事會提名委員會成員及薪酬委員會成員。魏博士上任後，本公司已符合上市規則第3.25條，以及《企業管治守則》守則條文第A.5.1條要求。

於二零一四年十一月十三日，張建榮先生獲委任為本公司的獨立非執行董事及董事會審核委員會成員。張先生上任後，本公司已符合上市規則第3.10(1)條及第3.21條。

董事進行證券交易

本公司已經採用上市規則附錄十所載上市公司董事進行證券交易的標準守則（「標準守則」）作為各董事買賣本公司證券的交易標準。本公司在向各董事作出特定查詢後確認，於回顧年度內，各董事均遵從標準守則訂明的標準。

董事會

董事會由七位成員組成，其中包括主席、首席執行官（「首席執行官」）、首席財務官及三位獨立非執行董事。各董事之履歷載於本年度報告第51頁至第56頁董事及高級管理層簡介。

董事會負責批准及監察本集團的整體策略及政策，批准年度預算及業務計劃，評估本集團表現，以及監督管理層的工作。管理層在行政總裁的領導下，負責集團日常業務。

董事會已將一部分責任轉授予本公司執行董事及高級管理層。該等責任包括：執行董事會的決定，指示及協調本公司的日常運作及管理。

Save as disclosed above, the Company has complied with Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors. Of which, one independent non-executive director has the appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive directors represent at least one-third of the Board. To satisfy the independence requirement of the independent non-executive Directors, the Board must determine that the independent non-executive Director does not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Listing Rules to determine the independence of Directors.

The roles of the Chairman and the CEO are separated in order to reinforce their independence and accountability. Except that the CEO, Ms. WAN Yuhua, is the spouse of Mr. CHEN Qiyuan and Mr. CHEN Zheng He is the son of Mr. CHEN Qiyuan and Ms. Wan Yuhua, the Directors are not otherwise related to each other.

The board held nine meetings in 2014. Each of Mr. CHEN Qiyuan, Mr. WONG Sin Yung, Dr. NGAI Wai Fung and Mr. LI Bida has attended all nine meetings. Ms. WAN Yuhua attended eight out of the nine meetings. Mr. CHEN Kaizhi attended all two meetings which had been held before his resignation on 30 June 2014. Mr. CHEN Zheng He attended all three meetings which were held after his appointment on 20 October 2014. Mr. CHEUNG Kin Wing attended all two meetings which were held after his appointment on 13 November 2014.

The Company has adopted the board diversity policy (the “**Diversity Policy**”) as required by the Corporate Governance Code and has taken into account the diversity of the Board when selecting the candidates from a number of perspectives as stated in the Diversity Policy. The Nomination Committee will monitor the implementation of the Diversity Policy and review the same as appropriate.

Remuneration of Directors and Senior Management

Details of the remuneration of each Director and senior management for the year ended 31 December 2014 are set out in note 16 to the consolidated financial statements.

除上文所披露者之外，本公司遵守上市規則第3.10及3.10A條規定委任至少三名獨立非執行董事。其中一名獨立非執行董事具備適當的專業資格或會計或相關財務管理專業知識，並且獨立非執行董事至少佔董事會的三分之一。為了滿足獨立非執行董事的獨立性要求，獨立非執行董事須經董事會確定與集團並無任何直接或間接的重大關係。董事會按照上市規則的規定，確定董事的獨立性。

主席及首席執行官職責分開，以加強他們的獨立性和問責性。除首席執行官萬玉華女士是主席陳啟源先生的配偶，陳正鶴先生是陳啟源先生與萬玉華女士的兒子外，董事之間概無其他關係。

二零一四年期間，董事會召開九次會議。陳啟源先生、黃善榕先生、魏偉峰博士和李必達先生均有出席上述九次會議。萬玉華女士出席九次會議中的八次。陳開枝先生出席二零一四年六月三十日其辭任前所召開的兩次會議。陳正鶴先生出席二零一四年十月二十日其獲得委任後所召開的三次會議。張建榮先生出席二零一四年十一月十三日其獲得委任後所召開的兩次會議。

根據《企業管治守則》要求，本公司已採納董事會多樣性原則（「**多樣性政策**」），以及在遴選董事候選人時從多個方面考慮多樣性政策中所述的董事會成員多元化。提名委員會將監察多樣性政策的實施並檢查是否適用。

董事及高級管理層成員薪酬

截至二零一四年十二月三十一日止年度有關各董事及高級管理層成員薪酬的詳情載於綜合財務報表附註16。

Directors' Training

Under Code Provision A.6.5 of the Corporate Governance Code, directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally facilitated briefings for directors are arranged and reading materials on relevant topics are issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2014, all Directors (being Mr. CHEN Qiyuan, Ms. WAN Yuhua, Mr. CHEN Zheng He, Mr. WONG Sin Yung, Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEUNG Kin Wing) received regular updates on the Group's business, operations, risk management and corporate governance matters, and participated in the directors' training offered by professional body or arranged by the Company. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the Directors. Directors are requested to provide their records of training they received to the Company Secretary for record.

Remuneration Committee

The Remuneration Committee comprises our executive Director, Ms. WAN Yuhua, and our two independent non-executive Directors, Mr. LI Bida and Dr. NGAI Wai Fung. Mr. LI Bida is the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance based remuneration and ensures none of our Directors determine their own remuneration.

The Remuneration Committee held five meetings in 2014. Each of Mr. LI Bida and Ms. WAN Yuhua has attended all five meetings. Mr. CHEN Kaizhi attended the only one meeting which had been held before his resignation on 30 June 2014. Dr. NGAI Wai Fung attended all two meetings which were held after his appointment on 20 October 2014.

董事培訓

根據《企業管治守則》守則條文第A.6.5條，董事須參與合適的持續職業發展，以提高及更新其知識及技能，以確保繼續在具備全面資訊及切合所需的情況下向董事會作出貢獻。本公司於適當時為董事安排內部用簡報，並就有關主題刊發閱讀材料。本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。

截至二零一四年十二月三十一日止年度，全體董事（即陳啟源先生、萬玉華女士、陳正鶴先生、黃善榕先生、魏偉峰博士、李必達先生及張建榮先生）均定期接收有關本集團業務、營運、風險管理及企業管治事宜的簡報及更新，以及參與由專業機構提供或本公司安排的培訓。董事獲提供適用於本集團的新訂重點法律及條例或重要法律及條例之變動。董事須向公司秘書提供彼等所接受培訓的記錄以作記錄。

薪酬委員會

薪酬委員會由我們的執行董事萬玉華女士及兩名獨立非執行董事，即李必達先生及魏偉峰博士組成。李必達先生為薪酬委員會主席。薪酬委員會的主要職責乃就本集團全體董事及高級管理人員的整體薪酬政策及架構向董事會作出推薦建議；審閱通過表現而釐定的薪酬；以及確保我們的董事概無釐訂本身的薪酬。

二零一四年期間，薪酬委員會召開五次會議。李必達先生和萬玉華女士均有出席上述五次會議。陳開枝先生出席二零一四年六月三十日其辭任前所召開的一次會議。魏偉峰博士出席二零一四年十月二十日其獲得委任後所召開的兩次會議。

Nomination Committee

The Nomination Committee comprises our executive Director, Mr. CHEN Qiyuan, and our two independent non-executive Directors, Mr. LI Bida and Dr. NGAI Wai Fung. Mr. CHEN Qiyuan is the chairperson of the Nomination Committee. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board and to make recommendations to the Board regarding candidates to fill vacancies on the Board and the re-election of Directors.

The Nomination Committee held five meetings in 2014, including, among other things, approving the candidate nominated by the Directors to fill director's casual vacancy according to its terms of reference. Each of Mr. CHEN Qiyuan and Mr. LI Bida has attended all five meetings. Mr. CHEN Kaizhi attended the only one meeting which had been held before his resignation on 30 June 2014. Dr. NGAI Wai Fung attended all two meetings which were held after his appointment on 20 October 2014.

Audit Committee

The Audit Committee comprises three Independent non-executive Directors and two of whom possesses the appropriate business and financial experience and skills to understand the accounts of the Group. The Audit Committee is chaired by Dr. NGAI Wai Fung and other members are Mr. LI Bida and Mr. CHEUNG Kin Wing. The Audit Committee was formed in compliance with Rule 3.21 of the Listing Rules and to review and supervise the financial reporting process and internal controls of the Company.

The written terms of reference which describes the authority and duties of the Audit Committee were prepared and adopted in accordance with the Listing Rules. The Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of internal controls of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determines necessary and to perform investigations.

During the year, the Audit Committee has performed the following:

- met with the external auditor to discuss the general scope and findings of their annual audit and interim review work;

提名委員會

提名委員會由我們的執行董事陳啟源先生及兩名獨立非執行董事，即李必達先生及魏偉峰博士組成。陳啟源先生為提名委員會主席。提名委員會的主要職責為檢討董事會架構、人數和組成及就填補董事會空缺及重選向董事會作出推薦建議。

二零一四年期間，提名委員會召開五次會議其中包括按其職權範圍審批由董事提名以填補董事空缺的候選人。陳啟源先生和李必達先生均有出席上述五次會議。陳開枝先生出席二零一四年六月三十日其辭任前所召開的一次會議。魏偉峰博士出席二零一四年十月二十日其獲得委任後所召開的兩次會議。

審核委員會

審核委員會包括三位獨立非執行董事，他們其中二人具備了解財務報表所需的商業與財務技巧與經驗。委員會由魏偉峰博士擔任主席，其他成員為李必達先生與張建榮先生。審核委員會根據上市規則第3.21條成立，負責審閱及監督本公司財務報告程序及內部監控。

審核委員會之書面職權範圍列明審核委員會之權力與職責，乃參照上市規則而編製和採納的。審核委員會之職責，其中包括監察與外聘核數師的關係、審閱集團的中期業績與年度業績、檢討集團內部控制的範疇、規限與有效性，審閱集團所採用的會計政策及慣例，在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。

在本年度內，審核委員會進行了下列各項：

- 與外聘核數師討論其年度核數和中期審閱工作的一般範疇和結果；

- reviewed and recommended to the Board for approval of the external auditor's remuneration;
 - made recommendations to the Board on the reappointment of the external auditor;
 - reviewed the external auditor's independence, objectivity and the effectiveness of the auditing process;
 - reviewed the annual and interim reports and annual and interim results announcements of the Company;
 - discussed auditing, internal control, risk management and financial reporting matters of the Company before recommending them to the Board for approval; and
 - reviewed the connected transactions entered into by the Group
- 檢討外聘核數師酬金並建議董事會予以批准；
 - 就重新委任外聘核數師事宜，向董事會提出建議；
 - 檢討外聘核數師的獨立性、客觀性和核數程序的有效性；
 - 審閱本公司年度報告和中期報告以及年度和中期業績公告；
 - 就本公司審核、內部監控、風險管理制度和財務報告事項，於建議董事會予以批准前進行討論；及
 - 審閱本集團訂立的關連交易。

The Audit Committee has reviewed the annual report with the management and the external auditors and recommended its adoption by the Board.

審核委員會已與管理層和外部核數師審閱年度報告，並建議董事會採納。

All issues raised by the external auditor and the Audit Committee have been addressed by the senior management of the Company. The work and findings of the Audit Committee have been reported to the Board. During the year, no issues were brought to the attention of the senior management of the Company and the Board of sufficient significance for disclosure in this annual report.

高級管理層已就外聘核數師和審核委員會提出的所有問題作出回應。審核委員會的工作和結果已經向董事會匯報。本年度內，需要高級管理層和董事會注意的問題之重要性不足以在本年度報告內作出有關披露。

The Audit Committee held six meetings in 2014. Each of Dr. NGAI Wai Fung and Mr. LI Bida has attended all six meetings. Mr. CHEN Kaizhi attended all two meetings which had been held before his resignation on 30 June 2014. Mr. CHEUNG Kin Wing attended all two meetings which were held after his appointment on 13 November 2014.

二零一四年期間，審核委員會召開六次會議。魏偉峰博士和李必達先生均有出席上述六次會議。陳開枝先生出席二零一四年六月三十日其辭任前所召開的兩次會議。張建榮先生出席二零一四年十一月十三日其獲得委任後所召開的兩次會議。

Corporate Governance Functions

The Audit Committee is responsible for performing the functions set out in the Code Provision D.3.1 of the Corporate Governance Code.

企業管治職能

審核委員會負責履行《企業管治守則》守則條文第D.3.1條所載的職能。

Up to the date of this annual report, the Audit Committee met once to review the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and the compliance of the Company with the Corporate Governance Code and disclosure in this Corporate Governance Report.

Directors' responsibilities for financial statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company, and for ensuring that the financial statements are prepared in accordance with applicable statutory requirements and accounting standards.

A statement from the auditor of the Company about their reporting responsibilities on the financial statements of the Group for the year ended 31 December 2014, is set out on pages 57 to 58 of the annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Internal control and risk management

The Board and the management of the Group maintain a sound and effective system of internal control of the Group so as to ensure the effectiveness and efficiency of operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations. During the year under review, the Board has conducted a review of the effectiveness of the internal control system of the Company.

The Board is also responsible for making appropriate assertions on the adequacy of internal control and procedures. Through the audit committee of the Group, the Board review the effectiveness of these systems on a regular basis.

截至本年度報告日期，審核委員會曾舉行一次會議，審閱本公司的企業管治政策及常規、董事及高級管理層的培訓及持續職業發展、本公司在遵守法律及監管規定方面的政策及常規及遵守《企業管治守則》的情況以及於本企業管治報告內的披露。

董事對財務報表的責任

董事知悉須負責編製本公司財務報表，確保財務報表遵照適用的法定要求及會計準則編製。

本公司核數師就其對本集團截至二零一四年十二月三十一日止年度綜合財務報表的申報責任所做的聲明載於本年度報告第57至58頁。

並無若干事項或情況之重大不明朗因素可能對本公司持續經營的能力產生重大疑問。

內部監控及風險管理

本集團董事會與管理層負責維持本集團的內部監控制度穩健妥善而且有效，以確保本集團有效地以高效率營運，藉以達成企業目標、保障本集團資產、提供可靠的財務申報以及遵守適用的法律及規例。於回顧年度內，董事會已審閱本公司內部監控系統的有效性。

董事會亦負責對財務申報的內部監控是否充分以及披露監控和程序是否有效，作出適當的聲明，並透過轄下的審核委員會定期檢討該等制度是否有效。

Investor Relations and Communication with Shareholders

The Company establishes different communication channels with Shareholders and investors: (i) dispatching printed copies of corporate communication documents to Shareholders; (ii) the annual general meeting provides a forum for Shareholders to raise comments and exchange views with the Board; (iii) latest and key information of the Group are available on the website of the Company; (iv) regular press conferences and briefing meetings with investors, Shareholders and analysts are set up from time to time on updated information of the Group, and; (v) the Company's registrars serve the Shareholders respecting all share registration matters. The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. The Chairman of the Board as well as the Chairmen and/or other members of the Audit Committee and Remuneration Committee will normally attend the annual general meetings and other shareholders' meetings of the Company to answer questions raised.

The Company convened one shareholders' general meeting in 2014, the Annual General Meeting (the "AGM") for the year 2013. The AGM held on 30 May 2014 reviewed and approved numerous resolutions such as the financial statements for the year 2013, Report of Directors and appointment and remuneration of auditors of the Company. All the Directors, namely Mr. CHEN Qiyuan, Ms. WAN Yuhua, Mr. WONG Sin Yung, Dr. NGAI Wai Fung, Mr. CHEN Kaizhi (before his resignation) and Mr. LI Bida have attended the AGM of the Company.

Company Secretary

The company secretary is Mr. WONG Sin Yung, an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG is also our executive Director and Chief Financial Officer. He assists the Board by ensuring good information flow within the Board and that the policy and procedures of the Board are followed.

In compliance with Rule 3.29 of the Listing Rules, Mr. WONG has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2014.

投資者關係及股東通訊

本公司與股東及投資者建立不同的通訊途徑：(i)送遞公司通訊文件之印刷本予股東；(ii)股東可於股東週年大會上發表建議及與董事交換意見；(iii)本公司網頁載有集團之最新及重要資訊；(iv)本公司不時召開新聞發佈會，及投資者、股東和分析員簡佈會以提供本集團最新資料，及(v)本公司之股份過戶處就股份登記事宜為股東提供服務。董事會歡迎股東提出意見，並鼓勵彼等出席股東大會以直接就其對董事會或管理層的任何存疑作出提問。董事會主席及審核委員會及薪酬委員會主席及／或其他成員一般會出席本公司股東週年大會及其他股東大會，解答股東的提問。

本公司於二零一四年召開一次股東大會，為二零一三年度股東週年大會（「股東週年大會」）。於二零一四年五月三十日召開的股東週年大會審議通過了二零一三年財務報告、董事報告書及核數師聘任及酬金等多項議案。所有董事，即陳啟源先生、萬玉華女士、黃善榕先生、魏偉峰博士、陳開枝先生（於其辭任前）及李必達先生均有出席公司的股東週年大會。

公司秘書

公司秘書黃善榕先生是香港註冊會計師公會之會員。黃先生亦為本公司之執行董事兼財務總監。他協助董事會以確保董事會內信息得以傳遞，以及董事會的政策及程序得到遵守。

為遵守上市規則第3.29條規定，黃先生於截至二零一四年十二月三十一日止年度內參加不少於15小時的相關專業培訓。

Shareholders' Rights

Pursuant to the articles of association of the Company (the “**Articles**”), shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board.

Contact details are as follows:

Address: Suite B, 16/F Ritz Plaza,
122 Austin Road,
Tsimshatsui, Kowloon, Hong Kong
(For the attention of Mr. WONG Sin Yung,
Company Secretary)
Fax: +852 3114 8819
Email: IR@1338.hk

During the year under review, the Company has not made any changes to its Articles. An up-to-date Articles is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles for further details of their rights.

Auditors' Remuneration

The remuneration paid/payable to the Company's independent external auditor, SHINEWING (HK) CPA Limited, for the year ended 31 December 2014 in relation to audit and non-audit services are RMB737,417 and RMB159,120 respectively.

股東權利

根據本公司組織章程(「**組織章程**」)，持有不少於十分之一本公司附有股東大會投票權的繳足股本的股東可要求本公司召開股東特別大會，方法為向董事會或公司秘書發出書面要求。

股東可向本公司寄發書面查詢或建議以向董事會作出任何查詢。

聯絡詳情如下：

地址：香港九龍尖沙咀
柯士甸道122號
麗斯中心16樓B室
(收件人為公司秘書
黃善榕先生)
傳真：+852 3114 8819
電子郵件：IR@1338.hk

在回顧年度內，本公司並無對其組織章程作出任何變動。組織章程的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程以取得有關其權利的詳情。

核數師薪酬

截至二零一四年十二月三十一日止年度，本公司已付／應付外聘獨立核數信永中和(香港)會計師事務所有限公司所有關核數及非核數服務的薪酬分別為人民幣737,417元和人民幣159,120元。

Report of the Directors

董事會報告

The Directors submit this Report of Directors together with the audited consolidated financial statements for the year ended 31 December 2014.

Principal Activities

The principal activities of the Group are the designing, manufacturing, trading and distribution of Chinese herbal products, including shampoo products, hair-care products, skin-care products, herbal tea products and household cleaning products. The principal activities and other particulars of the subsidiaries are set out on pages 161 to 162 of this annual report.

Dividends

Following a review of the operating results of the Group, the Board does not recommend the payment of any final dividends in respect of the year ended 31 December 2014.

Results and Appropriations

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss on page 59 of this annual report.

Reserves

Details of the movements in the reserves of the Group and the Company during the financial year 2014 are set out on pages 63 and 150 of this annual report respectively.

董事呈列董事會報告，連同截至二零一四年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本集團之主要業務是設計、製造、銷售中草藥產品，包括洗髮產品、護髮產品、護膚產品、中草藥飲品以及家庭清潔產品。各附屬公司之主要業務及其他詳情載列於本年度報告第161至162頁。

派息

根據本集團經營業績的回顧，董事會不建議派發關於截至二零一四年十二月三十一日止年度的任何末期股息。

業績及分配

本年度截至二零一四年十二月三十一日止年度之集團業績載於本年度報告第59頁之綜合損益表內。

儲備

有關本集團及本公司於二零一四年財政年度的儲備變動，詳情分別載於本年度報告第63及150頁。

Major Customers and Suppliers

During the year ended 31 December 2014, sales made to the Group's five largest customers and the largest customer accounted for approximately 37.9% and 22.1%, respectively of the total sales of the Group. The Group purchased approximately 38.0% and 11.0%, respectively of its goods and services from its five largest suppliers and the largest supplier.

None of the Directors, their associates or any shareholder of the Company, which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital had any interest in the share capital of the Group's five largest customers and five largest suppliers.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 164 of this annual report.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

Share Capital And Share Options

Details of the movements in the share capital of and the share options granted by the Company are set forth in notes 26 to 27 to the consolidated financial statements.

Pre-emptive Rights

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

主要客戶及供應商

截至二零一四年十二月三十一日止年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔本集團總銷售額約37.9%及22.1%。本集團向五大供應商及最大供應商採購的貨物及服務分別佔其採購的38.0%和11.0%。

本公司之董事、彼等之聯繫人士或任何股東（據董事所知持有本公司發行股本5%以上者）概無於本年度任何時間擁有該等五大客戶或五大供應商之任何權益。

財務概要

本集團於最近五個財政年度之業績及資產與負債概要載於本年度報告第164頁。

物業、廠房及設備

有關本集團物業、廠房及設備的變動，詳情載於綜合財務報表附註18。

股本及購股權

有關本公司股本及已授出購股權的變動，詳情載於綜合財務報表附註26至27。

優先購買權

本公司組織章程細則或本公司註冊成立地點開曼群島之法律均無有關優先購買權的規定。

Purchase, Sale or Redemption of the Company's Listed Securities

During the year under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this annual report, the Company has maintained the prescribed public float with at least 25% of the Shares held by the public as required under the Listing Rules during the year ended 31 December 2014 and up to the date of this annual report.

Charitable Donations

Charitable donations made by the Group during the year ended 31 December 2014 amounted to RMB1.3 million.

Management Contracts

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

Directors

The Directors during the year were:

Executive Directors

CHEN Qiyuan (*Chairman*)

WAN Yuhua

CHEN Zheng He

(*Appointed on 20 October 2014*)

WONG Sin Yung *CPA*

購入、出售或贖回本公司之上市證券

於回顧年度內，本公司或其任何附屬公司概無購入、出售或贖回本公司之任何上市證券。

足夠公眾持股量

按本公司可公開獲得之資料及就董事所知，於本報告刊發前之最後可行日期，本公司於截至二零一四年十二月三十一日止年度內及截至本年度報告發佈之日一直維持上市規則指定數額之公眾持股量不低於25%。

慈善捐款

截至二零一四年十二月三十一日止年度內，本集團的慈善捐款為人民幣1.3百萬元。

管理合約

年內概無訂立或存在任何有關管理及經營本公司全部或任何重大部份業務的合約。

董事

於本年度內之董事如下：

執行董事

陳啟源 (*主席*)

萬玉華

陳正鶴

(*於二零一四年十月二十日獲委任*)

黃善榕 *CPA*

Report of the Directors 董事會報告

Independent non-executive Directors

Dr. NGAI Wai Fung *PhD, CPA, FCCA, FCIS, FCS (P.E.)*

LI Bida

CHEN Kaizhi

(Resigned on 30 June 2014)

CHEUNG Kin Wing

(Appointed on 13 November 2014)

Details of the Directors' biographies have been set out on pages 51 to 56 of the annual report.

In accordance with article 84(1) of the Articles, Mr. CHEN Zheng He, Mr. WONG Sin Yung, Mr. LI Bida and Mr. CHEUNG Kin Wing will retire and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Directors' Service Contracts

Each of our executive Directors (other than Mr. CHEN Zheng He) has entered into a director's service agreement with the Company for a term of three years from 4 July 2012. Mr. CHENG Zheng He has entered into a director's service agreement with the Company for a term of three years from 20 October 2014.

Each of our independent non-executive Directors (other than Mr. CHEUNG Kin Wing) has entered into a letter of appointment with the Company for a term of three years from 4 July 2012. Mr. CHEUNG Kin Wing has entered into a letter of appointment with the Company for term of three years from 13 November 2014.

None of the Directors of the Company has entered into any service contract with the Company which cannot be terminated by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Emoluments

The emoluments for the Directors are determined with reference to salaries paid by comparable companies, experience, responsibilities and performance of the Group. In addition to the fees, salaries, housing allowances, other allowances, benefits in kind or bonuses, the Company has conditionally adopted a share option scheme pursuant to which the participants, including the Directors, may be granted options to subscribe for the Shares.

獨立非執行董事

魏偉峰博士 *PhD, CPA, FCCA, FCIS, FCS (P.E.)*

李必達

陳開枝

(於二零一四年六月三十日辭任)

張建榮

(於二零一四年十一月十三日獲委任)

本公司董事之履歷詳情載於本年度報告第51至56頁。

根據本公司組織章程細則第84(1)條，陳正鶴先生、黃善榕先生、李必達先生及張建榮先生於應屆股東大會上退任，彼等符合資格並願意應選連任。

董事服務合約

各執行董事(陳正鶴先生除外)已與本公司訂立董事服務協議，由二零一二年七月四日起，為期三年。陳正鶴先生已與本公司訂立董事服務協議，由二零一四年十月二十日起，為期三年。

各獨立非執行董事(張建榮先生除外)已與本公司簽訂委任函件，由二零一二年七月四日起，為期三年。張建榮先生已與本公司簽訂委任函件，由二零一四年十一月十三日起，為期三年。

概無任何董事與公司簽訂任何服務協議而根據該服務協議公司不能在不付賠償金的情況下(法定賠償金除外)於一年內終止該協議。

董事酬金

董事酬金乃參考可比公司支付的薪金、其經驗、職責及其在本集團的表現而釐定。除袍金、薪金、住房津貼、其他津貼、實物利益或花紅外，本公司已有條件採納一項購股權計劃，據此參與者(包括董事)可獲授購股權以認購股份。

Confirmation of Independence

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at 31 December 2014, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register that was required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”):

獨立性之確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立。

董事及最高行政人員於本公司及其相聯法團的股份、相關股份或債權證中擁有的權益及淡倉

於二零一四年十二月三十一日，董事及本公司行政人員於本公司及其相聯法團（按香港法例第571章證券及期貨條例（「證券及期貨條例」）條例第XV部的涵義的股份、相關股份或債券證中，擁有 (a) 根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b) 或根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉，(c) 或根據上市發行人之董事進行證券交易之標準守則（「標準守則」）規定須知會本公司及香港聯交所如下：

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Long Positions in shares, underlying shares and debentures of the Company or any associated corporation

於本公司及其相聯法團的股份和相關股份中之權益

Name of director 董事名稱	Long/Short position in Ordinary Shares 普通股中之好/淡倉	Nature of interest 權益性質	Number of shares/ underlying shares held 股份及相關股份數目	Approximate percentage of issued share capital 持股百分比
CHEN Qiyuan 陳啟源	Long 好倉	Interest in controlled corporation (Note 1) 所控制法團權益 (附註1)	1,900,840,000	65.30%
WAN Yuhua 萬玉華	Long 好倉	Interest in controlled corporation (Note 2) 所控制法團權益 (附註2)	1,900,840,000	65.30%
WONG Sin Yung 黃善榕	Long 好倉	Beneficial owner (Note 3) 實益擁有人 (附註3)	2,100,000	0.07%

Notes:

附註：

1. CHEN Qiyuan is deemed to be interested in the shares held by Fortune Station Limited ("**Fortune Station**") by virtue of Fortune Station being controlled by CHEN Qiyuan and WAN Yuhua.
2. WAN Yuhua is deemed to be interested in the shares held by Fortune Station by virtue of Fortune Station being controlled by WAN Yuhua and CHEN Qiyuan.
3. Including 630,000 shares, which would be allotted and issued to WONG Sin Yung upon the exercise in full of the share options granted to WONG Sin Yung under the Pre-IPO Share Option Scheme of the Company. For details, please refer to section headed "Share Option Scheme and Pre-IPO Share Option Scheme" below.

1. 憑藉 Fortune Station Limited (「**Fortune Station**」) 為陳啟源及萬玉華所控制，陳啟源被視為擁有 Fortune Station 所持有的股份的權益。
2. 憑藉 Fortune Station 為萬玉華及陳啟源所控制，萬玉華被視為擁有 Fortune Station 所持有的股份的權益。
3. 包括 630,000 股被配發及發行給黃善榕。根據本公司首次公開發售前購股權計劃，黃善榕行使購股權後，該等股份將被配發及發行給黃善榕。有關詳情，請參閱下文「購股權計劃及首次公開發售前購股權計劃」一節。

Long Position in Shares, Underlying Shares and Debentures of the Associated Corporations

於相關法團的股份和相關股份中之權益

Name of director 董事名稱	Name of associated corporation 相聯法團名稱	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of interest in associated corporation 於相關法團中之權益百分比
CHEN Qiyuan 陳啟源	Fortune Station Fortune Station	Beneficial owner 實益擁有人	5,100	51.00%
WAN Yuhua 萬玉華	Fortune Station Fortune Station	Beneficial owner 實益擁有人	4,900	49.00%

Other than as disclosed above, as at 31 December 2014, so far as known to any Directors or chief executive of the Company, neither the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露的人員之外，於二零一四年十二月三十一日，目前所知本公司的任何董事及最高行政人員，無論是本公司董事或者是最高行政人員，都沒有擁有本公司及其相聯法團（按證券及期貨條例第 XV 部的涵義）的股份、相關股份或債券證中，(a) 根據證券及期貨條例第 XV 部第 7 及第 8 分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等更具上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b) 或根據證券及期貨條例第 352 條規定須登記於需存置的登記冊內，(c) 或根據標準守則規定須知會本公司及香港聯交所。

Interests and Short Positions of Substantial Shareholders of the Company

As at 31 December 2014, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as

本公司主要股東的權益及淡倉

據本公司任何董事或最高行政人員所知，於二零一四年十二月三十一日，股東（除本公司董事或最高行政人員外）於股份或相關股份中擁有根據證券及

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recorded in the register that was required to be kept pursuant to Section 336 of the SFO were as follows:

期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Fortune Station	Beneficial owner (Note 3) 實益擁有人(附註3)	1,900,840,000 (L)	65.30%
CHEN Qiyuan 陳啟源	Interest in controlled corporation (Note 1) 所控制法團權益(附註1)	1,900,840,000 (L)	65.30%
WAN Yuhua 萬玉華	Interest in controlled corporation (Note 2) 所控制法團權益(附註2)	1,900,840,000 (L)	65.30%

(L) – Long Position

L – 好倉

Notes:

附註：

1. CHEN Qiyuan is the beneficial owner of 51.0% of the issued share capital of Fortune Station and is deemed to be interested in the shares held by Fortune Station. CHEN Qiyuan, the spouse of WAN Yuhua, is deemed to be interested in WAN Yuhua's interests in Fortune Station.
2. WAN Yuhua is the beneficial owner of 49.0% of the issued share capital of Fortune Station and is deemed to be interested in the shares held by Fortune Station. WAN Yuhua, the spouse of CHEN Qiyuan, is deemed to be interested in CHEN Qiyuan's interests in Fortune Station.
3. On 1 April 2015, Fortune Station has pledged 1,900,840,000 Shares in favour of Wisdom Bright Ventures Limited ("**Wisdom Bright**") as security for a loan facility provided by Wisdom Bright. Wisdom Bright is wholly-owned by TUNG Sun Tat Clement. As such, TUNG Sun Tat Clement is deemed to be interested in Wisdom Bright's interests in the Company.

1. 陳啟源為 Fortune Station 已發行股本的 51.0% 實益擁有人，並被視為於 Fortune Station 持有的股份中擁有權益。萬玉華的配偶陳啟源被視為於萬玉華在 Fortune Station 的權益中擁有權益。
2. 萬玉華為 Fortune Station 已發行股本的 49.0% 實益擁有人，並被視為於 Fortune Station 持有的股份中擁有權益。陳啟源的配偶萬玉華被視為於陳啟源在 Fortune Station 的權益中擁有權益。
3. 於二零一五年四月一日，Fortune Station 將其持有的 1,900,840,000 股股份抵押予 Wisdom Bright Ventures Limited (「**Wisdom Bright**」) 作為 Wisdom Bright 向其提供融資額度的擔保。Wisdom Bright 為董身達全資擁有的公司。因此，董身達被視為於 Wisdom Bright 持有的股份中擁有權益。

Other than as disclosed above, as of 31 December 2014, the Company has not notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

於二零一四年十二月三十一日，除上文所披露人士之外，本公司未接到通知有任何人士(除本公司董事或最高行政人員外)於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉。

Share Option Scheme and Pre-IPO Share Option Scheme

The Company has adopted two share option schemes, a share option scheme dated on 20 May 2009 (the “**Share Option Scheme**”) and a pre-IPO share option scheme dated on 10 December 2008 (the “**Pre-IPO Share Option Scheme**”), the purpose of which is to give the Directors, senior management and employees of the Group an opportunity to have a personal stake in the Company and help motivate its employees to optimise their performance and efficiency, and also to retain employees whose contributions are important to the long-term growth and profitability of the Group.

Share Option Scheme

The Share Option Scheme became effective on 20 May 2009 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date becoming effective.

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company, must not, in aggregate, exceed 30.0% (or such other percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time. The maximum number of Shares issuable to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1.0% of the Shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval at a general meeting.

Share options granted to a connected person (or its associates) of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5.0 million, within any 12-month period, are subject to shareholders’ approval in advance at a general meeting.

購股權計劃及首次公開發售前購股權計劃

本公司已經採用了兩種股權激勵計劃，也就是於二零零九年五月二十日採納的購股權計劃（「購股權計劃」）和於二零零八年十二月十日採納的首次公開發售前購股權計劃（「首次公開發售前購股權計劃」），目的在於為公司董事、高級管理人員和僱員提供一個機會擁有公司股票，以激勵他們表現地更好及更有效率，並以此挽留那些為本集團的長遠增長及盈利能力做出重大貢獻的員工。

購股權計劃

購股權計劃於二零零九年五月二十日起生效，除非另行取消或修訂，從已獲接納之日起生效，有效期為10年。

因行使根據購股權計劃及本公司任何其他計劃授出而尚未行使的所有購股權而發行的股份總數，不能超過本公司已發行總股份的30.0%（或根據上市規則可獲准的其他百分比）。購股權計劃的每個合資格參與者在任何十二個月期間內發行股份的最大數目不得超過在任何時間本公司已發行總股份的1.0%。任何授出的購股權超過此限額的須經股東在股東大會上批准。

授予本公司之關連人士（或其聯營公司）或彼等之任何聯繫人之購股權，須事先獲得獨立非執行董事批准。此外，在任何十二個月期間，任何授予本公司主要股東或獨立非執行董事，或彼等之任何聯繫人之購股權超過本公司已發行股份之0.1%的，以及其總價值（以本公司授出之日之股票價格為基礎計算）超過港元5.0百萬的，須經股東在股東大會上事先批准。

The offer of a grant of share options may be accepted, upon payment of an option price to be determined by the Board from time to time. The exercise period of the share options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of grant of the share options.

The exercise price of share options is determinable by the Board, but shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

As of 31 December 2014, an aggregate of 2,880,000 shares options were granted to three employees by the Company under the Share Option Scheme, but all of them have been forfeited.

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme became effective on 10 December 2008. As of 31 December 2014, options to subscribe for an aggregate of 14,532,000 Shares were granted, representing approximately 0.5% of the issued share capital of the Company as at the latest practicable date. No further options will be granted under the Pre-IPO Share Option Scheme.

The above options have been conditionally granted to 42 participants by the Company at a consideration of HK\$1.0 each. The subscription price of the pre-IPO share options would be at par value or at HK\$1.19.

經董事會釐定不時支付之購股權價格後，授出購股權之要約方可被接受。授出購股權的行使期由董事會釐定，並經過一定的行權等待期間開始，但結束日期不能超過授出購股權之日起10年。

購股權之行使價由董事會釐定，但應至少是以下價格之最高者(i)為要約日(必須是一個營業日)當天聯交所每日報價表所列股份之收市價；(ii)要約日前五個營業日聯交所每日報價表所列股份之收市價的平均值；及(iii)股份面值。

於二零一四年十二月三十一日，本公司已根據購股權計劃授予三名僱員總共2,880,000股股份的購股權，但已經全部失效。

首次公開發售前購股權計劃

首次公開發售前購股權計劃於二零零八年十二月十日起生效。於二零一四年十二月三十一日，已授予總共14,532,000股的購股權，大約佔本公司截至最後實際可行日期已發行股份之0.5%。沒有根據首次公開發售前購股權計劃授出的其他購股權。

上述購股權被本公司有條件地以每人1.0港元授予42名參與者，其認購價格分別是面值或1.19港元。

A total of 4,200,000 pre-IPO share options were granted to two executive Directors on 8 June 2009. Of which, options to subscribe for a total of 840,000 shares held by a director resigned on 28 May 2013 were forfeited on the same date, which was partially exercised up to 31 December 2014. Movement of these share options during the year ended 31 December 2014 are as follows:

於二零零九年六月八日，公司授予兩名執行董事合共4,200,000股的首次公開發售前購股權。其中，一名董事於二零一三年五月二十八日辭任而其持有合共840,000股份購股權已於同日失效，截至二零一四年十二月三十一日，該購股權已部分被行使。這些首次公開發售前購股權截至二零一四年十二月三十一日止年度明細如下：

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行權價(港元)	Number of share options 股份期權數目				Outstanding as at 31 December 2014 截至 二零一四年 十二月三十一日 尚未行使	Approximate percentage of issued share capital of the Company (%) 已發行股本的概 約百分比(%)	Exercised Period 行權期間
			Outstanding as at 1 January 2014 截至 二零一四年 一月一日 尚未行使	Granted during the year 於年內 授予數目	Exercise during the year 於年內 行權數目	Forfeited during the year 於年內失效			
WONG Sin Yung 黃善榕	8 June 2009 二零零九年六月八日	Par Value 面值	630,000	—	—	—	630,000	0.01	4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一九年六月八日
Total 合計			630,000	—	—	—	630,000	0.01	

Apart from the above, options to subscribe for a total of 10,332,000 Shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. Of which, options to subscribe for totalling 4,887,120 Shares granted to 25 employees had been forfeited.

除此以外，在二零零九年六月八日，根據首次公開發售前購股權計劃，總共有10,332,000股股份的購股權分配給了本集團40名僱員。其中，之前授予25名僱員總共4,887,120股股份的購股權已被取消。

As at 31 December 2014, there was a balance of unexpired and unexercised options to subscribe for 2,834,160 Shares. Except for the options which had been granted as disclosed above, no further options were granted as of 31 December 2014. Details of Pre-IPO Share Option Scheme are set out in Note 27 under the section headed "Notes to the Consolidated Financial Statements" in this annual report.

於二零一四年十二月三十一日，尚未到期並未被行使的購股權餘額是2,834,160股。除了上述已經披露授出的購股權，於二零一四年十二月三十一日，再無任何購股權授出。首次公開發售前購股權計劃詳見本年度報告「綜合財務報告」附註27。

Continuing connected transactions

For the year ended 31 December 2014, the Group had the following continuing connected transactions in accordance with Chapter 14A of the Listing Rules:

1. Production and Office Premises Lease Agreement

Bawang (Guangzhou) Co., Ltd (“**Bawang Guangzhou**”) and Guangzhou Bawang Cosmetics Co., Ltd (“**Guangzhou Bawang**”) entered into a lease agreement (the “**Production Plant Lease Agreement**”) on 9 August 2013 for the lease of production plant at Bawang Industrial Complex which is located in Baiyun District, Guangzhou, the PRC. The term of the Production Plant Lease Agreement is three years commenced from 9 August 2013, renewable at the option of Bawang Guangzhou by giving one month’s notice prior to the expiry of the lease. The monthly rent and property management fee in aggregate is RMB1,120,000 and is fixed throughout the term of the lease. Bawang Guangzhou has been granted a right of first refusal to purchase the production premises under the Production Plant Lease Agreement.

For the year ended 31 December 2014, pursuant to the Production Plant Lease Agreement, the rent paid by Bawang Guangzhou to Guangzhou Bawang was approximately RMB13.44 million.

Mr. CHEN Qiyuan and Ms. WAN Yuhua are Directors. Guangzhou Bawang is company beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua. The transactions contemplated under the Production Plant Lease Agreement therefore constitute continuing connected transactions for the Company.

持續關連交易

根據上市規則第14A章，截至二零一四年十二月三十一日止年度，本集團有下列連交易。

1. 生產廠房及辦公樓租賃協議

霸王(廣州)有限公司(以下簡稱「霸王廣州」)與廣州霸王化妝品有限公司(以下簡稱「廣州霸王」)於二零一三年八月九日簽訂一份生產廠房租賃協議(「生產廠房租賃協議」)，自二零一三年八月九日起租用位於中國廣州市白雲區的霸王工業園。根據生產廠房租賃協議，其租期為三年，可由霸王廣州於租賃屆滿前發出一個月通知予以續約。租金和物業管理費每月共人民幣1,120,000元。於租期內，月租固定不變。根據生產廠房租賃協議，霸王廣州亦獲授購買生產廠房的優先權。

截至二零一四年十二月三十一日止年度，根據生產廠房租賃協議，霸王廣州支付廣州霸王的租金約人民幣13.44百萬元。

陳啟源先生和萬玉華女士均是董事，而廣州霸王實質上由陳啟源先生和萬玉華女士共同擁有。生產廠房租賃協議項下進行的交易構成本公司的持續關連交易。

2. Office Premises Lease Agreement

Bawang Guangzhou and Guangzhou Bawang entered into a lease agreement (the “**Office Premises Lease Agreement**”) on 9 August 2013 for the lease of office, which is located in Baiyun District, Guangzhou, the PRC. The term of the Office Premises Lease Agreement is three years commenced from 9 August 2013, renewable at the option of Bawang Guangzhou by giving one month’s notice prior to the expiry of the lease. The monthly rent and property management fee in aggregate is RMB92,800 and is fixed throughout the term of the lease. Bawang Guangzhou has been granted a first right of refusal to purchase the office premises under the Office Premises Lease Agreement. Bawang Guangzhou has a right to terminate the Office Premises Lease Agreement by giving three months’ prior notice to Guangzhou Bawang.

For the year end 31 December 2014, pursuant to the Office Premises Lease Agreement, the annual rent paid by Bawang Guangzhou to Guangzhou Bawang was approximately RMB1.11 million.

Mr. CHEN Qiyuan and Ms. WAN Yuhua are Directors. Guangzhou Bawang is company beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua. The transactions contemplated under the Office Premises Lease Agreement therefore constitute continuing connected transactions for the Company.

2. 辦公場所租賃協議

霸王廣州與廣州霸王於二零一三年八月九日簽訂一份辦公場所租賃協議（「**辦公場所租賃協議**」），自二零一三年八月九日起租用位於中國廣州市白雲區的辦公場所。根據辦公場所租賃協議，其租期為三年，可由霸王廣州於租賃屆滿前發出一個月通知予以續約。租金和物業管理費每月共人民幣92,800元。於租期內，月租固定不變。根據辦公場所租賃協議，霸王廣州亦獲授購買辦公場所的優先權。霸王廣州有權提前三個月通知廣州霸王終止辦公場所租賃協議。

截至二零一四年十二月三十一日止年度，根據辦公場所租賃協議，霸王廣州支付廣州霸王年度租金約人民幣1.11百萬元。

陳啟源先生和萬玉華女士均是董事，而廣州霸王實質上由陳啟源先生和萬玉華女士共同擁有。辦公場所租賃協議項下進行的交易構成本公司的持續關連交易。

3. Packaging Material Supply Agreement

Bawang Guangzhou and Guangzhou Chenming Paper Products Company Limited (“**Chenming Paper**”) entered into a packaging material supply agreement on 28 March 2009, pursuant to which Chenming Paper agreed to supply packaging material to Bawang Guangzhou from time to time at fixed unit prices for a term of three years commencing from 1 January 2009 and has been renewed subsequently (the “**Packaging Material Supply Agreement**”). Bawang Guangzhou and Chenming Paper will review the prices offered by Chenming Paper at least once annually to ensure that they are at market prices or at prices no less favourable than those offered to Bawang Guangzhou by independent third-parties. The Packaging material Supply Agreement was renewed by Bawang Guangzhou and Chenming Paper on 12 December 2014 for a further term of three years commencing from 1 January 2015 and on the same terms as the original Packaging Material Supply Agreement. The Packaging Material Supply Agreement will be automatically renewed by a term of three years in the absence of a three-month prior written notice.

For the year ended 31 December 2014, pursuant to the Packaging Material Supply Agreement, the annual transaction amount for the supply of packaging material by Chenming Paper to Bawang Guangzhou was approximately RMB6.0 million.

Mr. CHEN Qiyuan is a Director. Chenming Paper is wholly-owned by Mr. CHEN Qiwen, who is Mr. CHEN Qiyuan's brother. The transactions contemplated under the Packaging Material Supply Agreement therefore constitute continuing connected transactions for the Company.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions.

The independent non-executive Directors have reviewed and confirmed that the above continuing connected transactions were entered into the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole, and the respective annual caps are fair and reasonable and in the interests of the Shareholders as a whole.

3. 包裝物料供應協議

霸王廣州與廣州晨明紙品有限公司(以下簡稱「**晨明紙品**」)於二零零九年三月二十八日訂立一份包裝物料供應協議。據此，晨明紙品同意不時以固定單位價格向霸王廣州供應包裝物料，自二零零九年一月一日起，為期三年及於其後續期(「**包裝物料供應協議**」)。霸王廣州及晨明紙品將每年至少一次評審晨明紙品提供的價格，以確保有關價格符合市價或不遜於由獨立第三方向霸王廣州所提供的價格。包裝物料供應協議於二零一四年十二月十二日簽署續約，自二零一五年一月一日起為期三年，條件與原有的包裝物料供應協議相同。除非有三個月的事前書面通知，包裝物料供應協議將自動續期三年。

截至二零一四年十二月三十一日止年度，根據包裝物料供應協議，晨明紙品向霸王廣州供應包裝物料的全年交易額約為人民幣6.0百萬元。

陳啟源先生是董事。晨明紙品由陳啟文先生全資擁有，而陳啟文先生是陳啟源先生的弟弟。包裝物料供應協議項下進行的交易構成本公司的持續關連交易。

本公司確認上述有關關連交易已符合上市規則第14A章的披露規定。

獨立非執行董事認為，上述非豁免持續關連交易乃於本公司的一般及日常業務過程中，按一般商業條款訂立，屬公平合理，並符合股東的整體利益，而相關年度上限為公平合理，並符合股東的整體利益。

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group above in accordance with Rule 14A.56 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

Directors' interests in contracts of significance

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the financial year.

Directors' and Controlling Shareholders' interest in competing business

As at 31 December 2014, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders (as defined in the Listing Rules) of the Company had any interest in a business, which competes or may compete with the business of the Group.

Retirement schemes

The Group participates in several defined contribution retirement plans which cover the Group's eligible employees in the PRC, and a Mandatory Provident Fund scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in note 31 to the consolidated financial statements of this annual report.

Corporate governance

For the year ended 31 December 2014, save as disclosed in the corporate governance report on pages 26 to 34 of the annual report, all the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules were met by the Company.

本公司核數師已獲聘請根據香港會計師公會頒佈的香港審核保證委聘準則第3000號《審核或審閱過去財務資料以外之核證委聘》，及實務說明第740號《關於香港上市規則所述持續關連交易的核數師函件》以匯報本集團的關連交易。核數師已根據香港聯合交易所有限公司證券上市規則第14A.56條出具無保留意見函件，該函件載有核數師對本集團已披露的持續關連交易的發現和結論。本公司已將有關之核數師函件副本呈交至香港聯合交易所有限公司。

董事之合約權益

本財政年度內，在本公司、其控股公司或其任何附屬公司亦屬訂約方之一的合約中，無任何董事於其中直接或者間接有重大權益。

董事及控股股東於競爭業務的權益

於二零一四年十二月三十一日，董事及其各自的聯繫人(定義見上市規則)或本公司控股股東(定義見上市規則)概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

退休計畫

本集團為本集團之合資格中國員工參與多種定額供款退休計劃及為香港員工參與強制性公積金計劃，該等退休計劃之詳情載於本年度報告綜合財務報表附註31。

企業管治

截至二零一四年十二月三十一日止年度，除本年度報告第26至34頁企業管治報告另有披露外，本公司已遵守上市規則附錄14所載的企業管治守則所列的原則。

Audit Committee

Save as disclosed above, the Company has established the Audit Committee in compliance with the Rule 3.21 of the Listing Rules. The Company has also complied with Rules 3.10(1) and 3.10(2) of the Listing Rules and appointed three independent non-executive Directors including two with financial management expertise. The primary duties of the Audit Committee are, among other things, to review the financial reporting process and internal control system of the Group. The Audit Committee also provides advice and suggestions to the Board. The Audit Committee has reviewed the audited annual financial statements of the Group contained in this annual report with the management of the Company and the Company's independent auditors and recommended its adoption by the Board.

Auditors

During the year ended 31 December 2013, KPMG resigned and SHINEWING (HK) CPA Limited was appointed as auditor of the Company. SHINEWING (HK) CPA Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

CHEN Qiyuan
Chairman

Hong Kong, 31 March 2015

審核委員會

除了前文披露後，本公司已按上市規則第3.21條規定成立審核委員會。本公司亦已遵守上市規則第3.10(1)及第3.10(2)條，委任三名獨立非執行董事，其中兩位擁有財務管理專業知識。其主要職責包括審查本集團的財務申報程序和內部控制制度並向董事會提供建議及意見。審核委員會已與本公司的管理層及獨立核數師審閱本年度報告所載的本集團年度經審核的財務報表，並建議董事會將其採納。

核數師

於截至二零一三年十二月三十一日止年度內，畢馬威會計師事務所提出辭職及後信永中和(香港)會計師事務所有限公司被聘為本公司核數師。信永中和(香港)會計師事務所有限公司將任滿告退，惟願應聘連任。在即將召開之股東周年大會上將提呈議案，議決續聘信永中和(香港)會計師事務所有限公司為本公司之核數師。

董事會代表

陳啟源
主席

香港，二零一五年三月三十一日

Directors and Senior Management

董事及高層管理人員

Directors

The Board consists of seven Directors, including four executive Directors and three independent non-executive Directors. The following table sets forth certain information in respect of our Directors:

Name 姓名	Age 年齡	Position/Title 職位／職銜
Mr. CHEN Qiyuan 陳啟源先生	53	Chairman and Executive Director 主席兼執行董事
Ms. WAN Yuhua 萬玉華女士	49	Chief Executive Officer (“CEO”) and Executive Director 首席執行官兼執行董事
Mr. CHEN Zheng He 陳正鶴先生	26	Executive Director 執行董事
Mr. WONG Sin Yung 黃善榕先生	60	Chief Financial Officer and Executive Director 首席財務官兼執行董事
Dr. NGAI Wai Fung 魏偉峰博士	53	Independent non-executive Director 獨立非執行董事
Mr. LI Bida 李必達先生	74	Independent non-executive Director 獨立非執行董事
Mr. CHEUNG Kin Wing 張建榮先生	61	Independent non-executive Director 獨立非執行董事

Executive Directors

Mr. CHEN Qiyuan (陳啟源), aged 53, is the co-founder of our Group, our chairman and has been our executive Director since 12 November 2007. Mr. CHEN is responsible for the overall strategic planning and management of our Group. Mr. CHEN has extensive experience in the Chinese herbal HPC product industry, having been engaged in the consumer chemical product business for over 20 years. Mr. CHEN and Ms. WAN entered the HPC product business by establishing Guangzhou Bawang Cosmetics Co., Ltd. (the predecessor entity of the Company) in 1994, to enter the HPC product business in the PRC. Mr. CHEN was engaged in the trading of pesticides in the PRC before the establishment of Guangzhou Bawang Cosmetics Co., Ltd.. In November of 2010, Mr. CHEN Qiyuan was recognised as the “Representative Successor of Chinese Herbal Tea Culture” by the Guangdong Provincial Bureau of Culture. In December 2013, Mr.

董事

董事會由七名董事組成，包括四名執行董事及三名獨立非執行董事。下表載列關於董事的若干資料：

執行董事

陳啟源先生，53歲，為本集團共同創辦人、我們的主席，並自二零零七年十一月十二日出任我們的執行董事。陳先生負責本集團整體策略規劃及管理。陳先生從事日化產品行業方面的業務超過20年，在中草藥家用個人護理產品行業擁有豐富經驗。考慮到中國市場的家用個人護理產品業務，陳先生及萬女士於一九九四年成立廣州霸王化妝品有限公司(本公司的前身實體)以進軍家用個人護理產品業務。創立廣州霸王化妝品有限公司之前，陳先生曾參與中國農藥貿易生意。二零一零年十一月，陳啟源先生被認定為涼茶傳統技藝的「廣東省非物質文化遺產項目代表性傳承

Directors and Senior Management 董事及高層管理人員

CHEN Qiyuan had been honoured as the “Distinguished People of Yunfu City” for recognition of his contribution to the development of the city. Mr. CHEN is the spouse of Ms. WAN.

Ms. WAN Yuhua (萬玉華), aged 49, is the co-founder of our Group, our CEO and has been our executive Director since 12 November 2007. Ms. WAN is responsible for the overall strategic planning, marketing planning, sales and distribution and research and development of our Group. Ms. WAN has extensive experience in the Chinese herbal HPC product industry. She has over 19 years experience in the consumer chemical product industry in the PRC. She also has extensive experience in the sales and corporate management. Prior to the establishment of Guangzhou Bawang Cosmetics Co., Ltd. (the predecessor entity of the company), Ms. WAN worked in South China Botanical Garden, Chinese Academy of Sciences (中國科學院華南植物研究所) as an engineer. Ms. WAN has been serving as the deputy head of the Chamber of Beauty Culture & Cosmetics of All-China Federation of Industry & Commerce (中華全國工商業聯合會美容化妝品業商會) since 2008. She was also elected Charismatic Leader in Chinese Herbal Consumer Chemical Industry in China (中國中藥日化行業魅力領軍人物) by The Election Committee of the National Industry Leading Brand (全國行業領先企業品牌推選組委會) in 2008. Ms. WAN obtained Guangzhou Overseas Chinese Entrepreneurship Award (廣州新僑回國創業貢獻獎) in 2008 from Guangzhou Personnel Bureau (廣州人事局), a government body, and Guangzhou Overseas Chinese Federation (廣州市歸國華僑聯合會). Ms. WAN was elected Ten Excellent Entrepreneurs for Chinese Brand Building (中國品牌建設十大優秀企業家) by China Enterprise Culture Improvement Association in 2006. In 2013, Ms. WAN was recognised as “The 4th Standing Committee Award” by the Chinese National Joint Trade Association of Beauty-care & Cosmetic Industry. She was recognised as “Honorable Civilian Diplomat” of the Beijing British Commonwealth Society. She was recognised as the “People of the Economic Year 2013” in the 11th Chinese Economists Annual Competition of the China Economic Summit 2013. She obtained a bachelor’s degree in plant genetics from South China Agricultural University (華南農業大學) in 1988. Ms. WAN is the spouse of Mr. CHEN.

人」。二零一三年十二月，陳啟源先生因其為城市作出的貢獻，被授予「雲浮傑出紳士」的榮譽稱號。陳先生為萬女士的配偶。

萬玉華女士，49歲，為本集團共同創辦人、我們的首席執行官，並自二零零七年十一月十二日出任我們的執行董事。萬女士負責本集團的整體策略規劃、營銷規劃、銷售和分銷及研究與開發。萬女士在中草藥家用個人護理產品行業擁有豐富經驗。彼在中國日化產品行業方面擁有超過19年經驗。彼對銷售及企業管理有豐富經驗。創立廣州霸王化妝品有限公司(本公司的前身實體)前，萬女士在中國科學院華南植物研究所工作，擔任工程師。自二零零八年，萬女士任中華全國工商業聯合會美容化妝品業商會副會長。彼亦於二零零八年獲全國行業領先企業品牌推選組委會選為「中國中藥日化行業魅力領軍人物」。萬女士於二零零八年取得廣州人事局(為政府機關)及廣州市歸國華僑聯合會頒發的「廣州新僑回國創業貢獻獎」。彼於二零零六年更獲中國企業文化促進會選為「中國品牌建設十大優秀企業家」。於二零一三年，萬女士被中華全國工商業聯合會美容化妝品業商會授予「第四屆理事會特殊貢獻獎」，還獲得英聯邦成員國北京協會授予「民間外交家榮譽稱號」，亦在2013中國經濟高峰論壇暨第十一屆中國經濟人物徵評活動中被評選為「2013中國經濟年度人物」。萬女士於一九八八年在華南農業大學取得植物遺傳學學士學位。萬女士為陳先生的配偶。

Mr. CHEN Zheng He, aged 26, was appointed as our executive Director on 20 October 2014. Mr. CHEN joined the Group in March 2007 and has been officially appointed as a director of Bawang Guangzhou since then and started to involve in the planning of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN was appointed as the personal assistant to the chief executive officer of the Company since March 2012, mainly responsible for the daily administration and management of Bawang Guangzhou. Since mid-2013, Mr. CHEN has also been responsible for the supervision and execution of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN works closely with the chairman and the chief executive officer of the Company on formulating overall strategic plan and management of the Group, and executing strategic plans in marketing, and sales and distribution. Mr. CHEN obtained the degree of bachelor of commerce from the University of Toronto in 2012. Mr. CHEN is the son of Mr. CHEN Qiyuan, the chairman and an executive Director of the Company, and Ms. WAN Yuhua, an executive Director and the chief executive officer of the Company.

Mr. WONG Sin Yung (黃善榕), aged 60, is our Chief Financial Officer and executive Director. Mr. WONG joined our Group in April 2008 and was appointed as our executive Director on 10 December 2008. He is responsible for the finance management and control, accounting, auditing, company secretarial and investor relations of our Group. Prior to joining our Group, Mr. WONG was an executive director of China Ting Group Holdings Limited (華鼎集團控股有限公司) (03398), from 2005 to 2008, the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. WONG was the chief accountant and finance manager of Mark Wong & Associates (Industrial Consultants) Limited from 1988 to 1992 and from 1994 to 2003 respectively. He also worked for a certified public accountant firm from 1992 to 1994. Mr. WONG has over 29 years experience in corporate finance, accounting, auditing, corporation administration, and project consulting. He is an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG obtained a master’s degree in human resource management from Macquarie University in 1996 and a master’s degree in business administration from the University of Hong Kong in 1999.

陳正鶴先生，26歲，於二零一四年十月二十日獲委任為我們的執行董事。陳先生於二零零七年三月起加入本集團並自此正式被任命為公司中國附屬公司霸王(廣州)有限公司(「霸王廣州」)的董事，並開始參與霸王廣州的銷售、廣告及推廣活動的策劃。陳先生於二零一三年三月起擔任公司首席執行官私人助理一職，負責廣州霸王的日常行政及管理。在二零一三年中開始，陳先生亦同時負責霸王廣州的銷售、廣告及推廣活動的監督及執行。陳先生就制訂本集團之策略性計劃及管理，及銷售、廣告及推廣計劃的執行方面均與公司主席及首席執行官緊密合作。陳先生於二零一二年獲得多倫多大學商業學士學位。陳先生是公司集團主席兼執行董事陳啟源先生和公司執行董事及首席執行官萬玉華女士的兒子。

黃善榕先生，60歲，為我們的首席財務官兼執行董事。黃先生於二零零八年四月加入本集團，並於二零零八年十二月十日獲委任為我們的執行董事。彼負責本集團的財務管理及監控、會計、審核、公司秘書及投資者關係。加入本集團之前，黃先生於二零零五年至二零零八年曾為華鼎集團控股有限公司(03398)(其股份於香港聯合交易所有限公司(以下簡稱「聯交所」)上市)的執行董事。於一九八八年至一九九二年及一九九四年至二零零三年期間，黃先生在Mark Wong & Associates (Industrial Consultants) Limited擔任總會計師及財務經理。彼亦於一九九二年在一家執業會計師事務所工作。黃先生在企業融資、會計、審核、公司管理及項目諮詢方面擁有超過29年的經驗。彼為香港會計師公會會員。黃先生於一九九六年獲麥格理大學的人力資源管理碩士學位，於一九九九年獲香港大學工商管理碩士學位。

Directors and Senior Management 董事及高層管理人員

Dr. NGAI Wai Fung (魏偉峰), aged 53, was appointed as our independent non-executive Director on 10 December 2008. He is currently the Managing Director of MNCOR Consulting Limited and the Chief Executive Officer of SW Corporate Services Group Limited, a specialty corporate governance and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider. He has over 20 years of senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and secretarial work for listed issuers including major red chips companies. He had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. Dr. NGAI was appointed by the Chief Executive of The Hong Kong Special Administrative Region as a member of the Working Group on Professional Services under the Economic Development Commission for two years in 2013 and reappointed for further two years in 2015. He is a president of the Hong Kong Institute of Chartered Secretaries since 2014, a fellow of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators, a fellow of the Hong Kong Institute of Chartered Secretaries, a fellow of Hong Kong Institute of Directors, a member of Hong Kong Securities and Investment Institute, the Adjunct Professor of Law of Hong Kong Shue Yan University, a member of the Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants and a member of the General Committee of the Chamber of Hong Kong Listed Companies. He obtained a doctor's degree in Finance from Shanghai University of Finance and Economics in 2011, a master's degree in corporate finance from Hong Kong Polytechnic University in 2002 and a master's degree in business administration from Andrews University of Michigan in 1992. Dr. NGAI was an independent non-executive director and a member of the audit committee of China Life Insurance Company Limited (中國人壽保險股份有限公司) (02628) from 2006 to 2009, Franshion Properties (China) Limited (方興地產(中國)有限公司) (0817) from 2007 to 2011 and China Railway Construction Corporation Limited (中國鐵建股份有限公司) (01186) from 2007 to 2014, and is currently an independent non-executive director and a member

魏偉峰博士，53歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。彼現任萬年高顧問有限公司的董事總經理及信永方圓企業服務集團有限公司的行政總裁，該公司專門為上市前及上市後的公司提供企業管治及合規專門服務。在此之前，彼曾擔任獨立運作綜合企業服務公司的董事兼上市服務部主管。魏博士擁有超過20年高層管理包括執行董事、財務總監及公司秘書的經驗，其中絕大部分經驗涉及上市發行人(包括大型紅籌公司)的財務、會計、內部控制及法規遵守，企業管治及公司秘書方面，彼曾領導或參與多個上市、收購合併、發債等重大企業融資項目。魏博士於二零一三年一月起獲香港特別行政區行政長官委任為經濟發展委員會專業服務業工作小組非官守成員，任期為兩年，並於二零一五年獲重新委任，任期亦為兩年，彼自二零一四年起擔任香港特許秘書公會會長。彼為英國特許公認會計師公會資深會員、香港會計師公會會員、特許秘書及行政人員公會資深會員及香港特許秘書公會資深會員、香港證券及投資學會會員、香港樹仁大學法律系兼任教授，香港會計師公會專業資格及考試評議會委員會成員及香港上市公司商會常務委員會成員。彼於二零一一年取得上海財經大學金融學博士學位，於二零零二年取得香港理工大學企業融資碩士學位，於一九九二年獲得美國密茲根州安德魯大學工商管理碩士學位。魏博士於二零零六年至二零零九年曾擔任中國人壽保險股份有限公司(02628)的獨立非執行董事及審核委員會成員，於二零零七年至二零一一年曾擔任方興地產(中國)有限公司(0817)的獨立非執行董事及審核委員會成員，於二零零七年至二零一四年曾擔任中國鐵建股份有限公司(01186)的獨立非執行董事及審核委員會成員。而目前為中國中鐵股份有限公司(0390)、中國中煤能源股份有限公司

of the audit committee of China Railway Group Limited (中國中鐵股份有限公司) (0390), China Coal Energy Company Limited (中國中煤能源股份有限公司) (01898), SITC International Holdings Company Limited (海豐國際控股有限公司) (01308) and an independent non-executive director and the chairman of the audit committee of Bosideng International Holdings Limited (波司登國際控股有限公司) (03998), Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司) (01238), Sany Heavy Equipment International Holdings Limited (三一重裝國際控股有限公司) (0631), Juda International Holdings Limited (鉅大國際控股有限公司) (01329), Biostime International Holdings Limited (合生元國際控股有限公司) (01112) and Yangtze Optical Fibre and Cable Joint Stock Limited Company (長飛光纖光纜股份有限公司) (06869), shares of which are listed on the Stock Exchange and/or the Shanghai Stock Exchange. An independent director of LDK Solar Co. Ltd which was listed on the New York Stock Exchange, (LDK), now listed on the OTC Pink Limited Information.

Mr. Li Bida (李必達), aged 74, was appointed as our independent non-executive Director on 10 December 2008. Prior to joining our Group, Mr. Li was the head of Department of Lawyers, the Ministry of Justice of the PRC (中國司法部律師司), currently known as Department of Directing Lawyers and Notarization, Ministry of Justice (司法部律師公証工作指導司), from 1988 to 1992. He was also an arbitrator in China International Economics and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) from 1989 to 1990. From 1992 to 1995, he served as standing deputy head of State Trademark Bureau (國家商標局). From 1992 to 2001, he held various positions in State Administration of Industry and Commerce (國家工商行政管理總局) including the head of the Fair Trading Bureau (公平交易局) and the head of Registration Bureau (企業註冊局). He was a consultant with a number of companies, including Galanz Group (格蘭仕集團) from 2001 to 2003, Perfect (China) Co., Ltd. (完美(中國)日用品有限公司) and Nanfong Lee Kum Kee Co., Ltd. (南方李錦記有限公司) from 2001 to 2005, Ricoh China Co., Ltd. (理光(中國)投資有限公司) from 2005 to 2006, and NU Skin (China) Co., Ltd. (如新(中國)日用保健品有限公司) from 2006 to 2007. He is currently a consultant of Intellectual Property Institute of Peking University (北京大學知識產權學院), professor of Renmin University of China Law School (中國人民大學法律學院) and Capital University of Economics and Business (首都經濟貿易大學). Mr. Li obtained a bachelor's degree in law from Hubei University (湖北大學) in 1965.

(01898)及海豐國際控股有限公司(01308)的獨立非執行董事及審核委員會成員，以及波司登國際控股有限公司(03998)、寶龍地產控股有限公司(01238)、三一重裝國際控股有限公司(0631)、鉅大國際控股有限公司(01329)、合生元國際控股有限公司(01112)、長飛光纖光纜股份有限公司(06869)的獨立非執行董事及審核委員會主席，上述公司的股份於聯交所及/或上海證券交易所上市。賽維LDK太陽能高科技有限公司(LDK)的獨立董事(曾於紐約證券交易所上市，現於OTC Pink Limited Information上市)。

李必達先生，74歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。在加入本集團之前，李先生於一九八八年至一九九二年期間為中國司法部律師司司長(現稱為司法部律師公証工作指導司)。彼於一九八九年至一九九零年期間為中國國際經濟貿易仲裁委員會仲裁員。於一九九二年至一九九五年期間，彼任職國家商標局常務副局長。一九九二年至二零零一年期間，彼在國家工商行政管理總局擔任不同職位，包括公平交易局局長及企業註冊局局長。彼曾為多家公司的顧問，包括二零零一年至二零零三年期間擔任格蘭仕集團的顧問、二零零一年至二零零五年期間擔任完美(中國)日用品有限公司及南方李錦記有限公司的顧問、二零零五年至二零零六年期間擔任理光(中國)投資有限公司的顧問及於二零零六至二零零七年期間擔任如新(中國)日用保健品有限公司的顧問。彼目前擔任北京大學知識產權學院顧問、中國人民大學法律學院及首都經濟貿易大學教授。李先生於一九六五年獲湖北大學法學學士學位。

Directors and Senior Management 董事及高層管理人員

Mr. CHEUNG Kin Wing, aged 61, was appointed as our independent non-executive Director on 13 November 2014. Mr. CHEUNG has around 30 years of experience in information technology, financial accounting, auditing and management. Mr. CHEUNG has been a member of Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales since May 1986 and January 2005, respectively. Since February 1999, Mr. CHEUNG has been a director and lead consultant of Sunplex Consultants Limited, a company providing human resources management and information technology consultancy services to its clients (including government organisations and private companies). Mr. CHEUNG has also been an independent director of AXA China Region Trustees Limited since August 1999, and an independent non-executive director of Bank of Communications Trustee Limited since November 2003. Mr. CHEUNG had held several positions, including Assistant Manager, Manager and Senior Manager between September 1980 and July 1991 in Coopers & Lybrand. Mr. CHEUNG had been a partner of Coopers & Lybrand since March 1995, and had been a partner of PricewaterhouseCoopers since Coopers & Lybrand was merged with Price Waterhouse into PricewaterhouseCoopers in October 1998 until his resignation in May 1999. Mr. CHEUNG was a director of the finance and operation department of Hong Kong Institute of Certified Public Accountants between July 2004 and April 2008 and a consultant of Hong Kong Institute of Certified Public Accountants between April 2008 and August 2008. Mr. CHEUNG obtained a Bachelor of Commerce from The University of Calgary in Canada in June 1979.

張建榮先生，61歲，於二零一四年十一月十三日獲委任為我們的獨立非執行董事。張先生於資訊科技、財務會計、審計及管理領域擁有約30年經驗。張先生自一九八六年五月及二零零五年一月起分別成為香港會計師公會及英格蘭及威爾士特許會計師公會的會員。張先生自一九九九年二月起擔任輝柏顧問有限公司的董事兼首席顧問，主要為客戶（包括政府機構及私營企業）提供人力資源管理和資訊科技諮詢服務。張先生亦自一九九九年八月起擔任安盛信托有限公司的獨立董事，及自二零零三年十一月起擔任交通銀行信托有限公司的獨立非執行董事。張先生於一九八零年九月至一九九一年七月期間曾在容永道會計師事務所擔任不同工作崗位，包括助理經理、經理及高級經理。張先生於一九九五年三月起擔任容永道會計師事務所的合伙人，並自一九九八年十月容永道會計師事務所與羅兵咸會計師事務所合併成羅兵咸永道會計師事務所後繼續擔任其合伙人至一九九九年五月本人離開羅兵咸永道會計師事務所為止。張先生曾於二零零四年七月至二零零八年四月期間擔任香港會計師公會的營運及財務總監及於二零零八年四月至八月期間擔任香港會計師公會顧問。張先生於一九七九年六月獲得加拿大卡爾加里大學的商學士學位。

Independent Auditor's Report

獨立核數師報告



SHINEWING (HK) CPA Limited
43/F, The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

信永中和(香港)
會計師事務所有限公司
香港銅鑼灣
希慎道33號利園43樓

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAWANG INTERNATIONAL (GROUP) HOLDING LIMITED
(incorporated in the Cayman Islands with limited liability)

致霸王國際(集團)控股有限公司股東
之獨立核數師報告
(於開曼群島註冊成立的有限公司)

We have audited the consolidated financial statements of BaWang International (Group) Holding Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 59 to 163, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

我們已審計列載於第59至第163頁霸王國際(集團)控股有限公司(「**貴公司**」)及其子公司(以下合稱「**貴集團**」)的綜合財務報表，其中包括於二零一四年十二月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他解釋資料。

Directors' Responsibility for the Consolidated Financial Statements

董事就綜合財務報表須承擔之責任

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 issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

貴公司董事須負責遵照國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定，編製真實而公平意見之綜合財務報表，及負責就編製綜合財務報表而言實施董事認為必要之相關內部控制，以確保綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

Auditor's Responsibility

核數師之責任

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

我們之責任乃根據我們審核對該等綜合財務報表時發表意見，並僅向全體股東報告，除此之外並無其他目的。我們概不就本報告之內容對任何其他人士負責或承擔任何責任。我們根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核工作，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014 and of the Group's loss 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.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chan Wing Kit

Practising Certificate Number: P03224

Hong Kong

31 March 2015

審核工作涉及執行程序以獲取有關綜合財務報表所載數據及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估綜合財務報表是否存有由欺詐或錯誤而導致重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製真實而公平地列報之綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對公司之內部控制之有效性發表意見。審核工作亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審核憑證已充足及適當地為我們之審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映貴集團於二零一四年十二月三十一日之財務狀況及其截至該日止年度之虧損及現金流量，並已按照香港公司條例妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

陳永傑

執業證書編號：P03224

香港

二零一五年三月三十一日

Consolidated Statement of Profit or Loss

綜合損益表

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

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Continuing operations	持續經營業務			
Revenue	營業額	7	294,649	477,657
Cost of sales	銷售成本		(184,417)	(246,066)
Gross profit	毛利		110,232	231,591
Other income	其他收入	8	2,778	5,408
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益		(1,782)	(223)
Selling and distribution costs	銷售及分銷開支		(144,544)	(295,024)
Administrative expenses	行政費用		(37,810)	(58,583)
Other expenses	其他費用		(42,585)	(19,358)
Finance costs	融資成本	9	(1,830)	(702)
Loss before taxation	稅前虧損		(115,541)	(136,891)
Taxation	稅項	10	—	—
Loss for the year from continuing operations attributable to owners of the Company	本公司擁有人應佔有持續經營業務之年內虧損	11	(115,541)	(136,891)
Discontinued operation	已終止經營業務			
Loss for the year from discontinued operation attributable to owners of the Company	本公司擁有人應佔有已終止經營業務之年內虧損	13	(916)	(6,611)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年內虧損		(116,457)	(143,502)
Loss per share	每股虧損	15		
<i>From continuing and discontinued operations</i>	<i>來自持續經營業務及已終止經營業務</i>			
Basic and diluted (RMB cents)	基本及攤薄 (人民幣 仙)		(4.00)	(4.93)
<i>From continuing operations</i>	<i>來自持續經營業務</i>			
Basic and diluted (RMB cents)	基本及攤薄 (人民幣 仙)		(3.97)	(4.70)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		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
Loss for the year	年內虧損	(116,457)	(143,502)
Other comprehensive expense	其他全面支出		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>可於其後重新分類至損益之項目：</i>		
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	(106)	(6,910)
Total comprehensive expense for the year attributable to owners of the Company	本公司擁有人應佔年內全面支出總額	(116,563)	(150,412)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2014
於二零一四年十二月三十一日

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	225,340	294,256
Prepaid advertising fee	預付廣告費用		—	123
Biological assets	生物資產	19	175	170
			225,515	294,549
Current assets	流動資產			
Inventories	存貨	20	52,039	55,341
Biological assets	生物資產	19	426	1,886
Trade and other receivables	貿易及其他應收款項	21	68,168	94,922
Restricted bank balance	受限制銀行存款	22	—	309
Deposit with bank	銀行存款	22	20,000	—
Bank balances and cash	銀行結存及現金	22	16,934	43,302
			157,567	195,760
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	166,034	212,121
Amounts due to related parties	應付關連方款項	32(a)	6,208	1,514
Income tax payables	應付所得稅		9,645	9,645
Provisions	計提準備	24	2,044	1,826
			183,931	225,106
Net current liabilities	流動負債淨值		(26,364)	(29,346)
Total assets less current liabilities	資產總值減流動負債		199,151	265,203
Non-current liabilities	非流動負債			
Loans from controlling shareholders	控股股東借款	32(g)	44,069	—
Deferred tax liability	遞延稅項負債	25	2,031	2,031
			46,100	2,031
Net assets	資產淨值		153,051	263,172

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2014
於二零一四年十二月三十一日

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Capital and reserves	資本及儲備			
Share capital	股本	26(a)	256,639	256,639
Reserves	儲備	26(b)	(103,588)	6,533
Total equity	權益總額		153,051	263,172

The consolidated financial statements on pages 59 to 163 were approved and authorised for issue by the board of directors on 31 March 2015 and are signed on its behalf by:

第59至第163頁之綜合財務報表已於二零一五年三月三十一日獲董事會批准及授權發行，並由下列董事代表簽署：

Director
董事
CHEN Qiyuan
陳啟源

Director
董事
WAN Yuhua
萬玉華

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司權益持有人應佔								
		Share capital	Share premium	PRC statutory reserves	Capital reserve	Merger reserve	Translation reserve	Other reserve	Accumulated losses	Total
		股本	股本溢價	中國法定儲備	準備儲備	合併儲備	匯兌儲備	其他儲備	累計虧損	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2013	於二零一三年一月一日	256,639	1,354,742	49,887	8,521	8,468	(19,458)	—	(1,246,130)	412,669
Loss for the year	年內虧損	—	—	—	—	—	—	—	(143,502)	(143,502)
Other comprehensive expense for the year	其他全面費用	—	—	—	—	—	—	—	—	—
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	—	—	—	—	—	(6,910)	—	—	(6,910)
Total comprehensive expense for the year	年內全面支出總額	—	—	—	—	—	(6,910)	—	(143,502)	(150,412)
Recognition of equity-settled share-based payments	確認以股權結算並以股份為基礎的付款	—	—	—	915	—	—	—	—	915
Forfeiture of vested equity-settled share-based payments	取消歸屬的以股權結算並以股份為基礎的付款	—	—	—	(2,893)	—	—	—	2,893	—
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及二零一四年一月一日	256,639	1,354,742	49,887	6,543	8,468	(26,368)	—	(1,386,739)	263,172
Loss for the year	年內虧損	—	—	—	—	—	—	—	(116,457)	(116,457)
Other comprehensive expense for the year	其他全面費用	—	—	—	—	—	—	—	—	—
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	—	—	—	—	—	(106)	—	—	(106)
Total comprehensive expense for the year	年內全面支出總額	—	—	—	—	—	(106)	—	(116,457)	(116,563)
Deemed contribution arising from non-interest bearing loans from controlling shareholders (note 32(g))	控股股東提供的免息借款所產生之視同注資(附註32(g))	—	—	—	—	—	—	6,245	—	6,245
Recognition of equity-settled share-based payments	確認以股權結算並以股份為基礎的付款	—	—	—	197	—	—	—	—	197
Forfeiture of vested equity-settled share-based payments	取消歸屬的以股權結算並以股份為基礎的付款	—	—	—	(1,774)	—	—	—	1,774	—
At 31 December 2014	於二零一四年十二月三十一日	256,639	1,354,742	49,887	4,966	8,468	(26,474)	6,245	(1,501,422)	153,051

Consolidated Statement of Cash Flows

綜合現金流量表

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

		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
OPERATING ACTIVITIES	經營活動		
Loss before taxation from continuing operations	持續經營業務之稅前虧損	(115,541)	(136,891)
Loss before taxation from discontinued operation	已終止經營業務之稅前虧損	(916)	(6,611)
		(116,457)	(143,502)
Adjustments for:	就下列作出調整：		
Bank interest income	銀行利息收入	(540)	(836)
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益	1,782	223
Depreciation of property, plant and equipment	物業、廠房及設備折舊	26,998	27,653
Finance costs	融資成本	1,830	702
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之減值損失確認	42,544	17,738
Impairment loss recognised (reversed) in respect of trade receivables	貿易應收款項之減值損失確認(撥回)	72	(2,717)
Loss (gain) on disposal of property, plant and equipment	處置物業、廠房及設備損失(收益)	127	(267)
Provision for litigation	訴訟計提費用	662	1,826
Reversal of write-down of inventories	存貨跌價撥回	(893)	(9,957)
Reversal of provision for litigation	訴訟計提費用撥回	(120)	—
Equity-settled share-based payment expenses	以股權結算並以股份為基礎的支付費用	197	915
Write-back of trade and other payables	貿易及其他應付款項撥回	—	(2,471)
Write-down of inventories	存貨跌價	1,256	4,143
Write-off of inventories	存貨報廢	9,908	13,054
Write-off of trade and other receivables	貿易及其他應收款項撇銷	128	589
Operating cash flows before working capital changes	營運資金變動前之經營資金流量	(32,506)	(92,907)
(Increase) decrease in inventories	存貨(增加)減少	(6,930)	2,329
Decrease in prepaid advertising fee	預付廣告費用減少	123	1,331
Decrease in trade and other receivables	貿易及其他應收款項減少	26,858	36,873
Decrease (increase) in restricted bank balance	受限制銀行存款減少(增加)	309	(309)
Decrease in trade and other payables	貿易及其他應付款項減少	(40,539)	(30,823)
Increase (decrease) in amounts due to related parties	應付關連方款項增加(減少)	4,694	(2,576)
Decrease in provisions	計提費用減少	(324)	—
Cash used in operations	經營活動所用的現金	(48,315)	(86,082)
Income taxes paid	已付所得稅	—	—
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用的現金淨額	(48,315)	(86,082)

Consolidated Statement of Cash Flows 綜合現金流量表

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

		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
INVESTING ACTIVITIES	投資活動		
Placement of deposit with bank	銀行存款之存入	(20,000)	—
Bank interest received	已收銀行利息	139	836
Plantation expenditure of biological assets — non-current portion	生物資產種植支出 — 非流動部份	(366)	(410)
Proceeds from disposal of property, plant and equipment	處置物業、廠房及設備的 所得款項	480	1,021
Purchase of property, plant and equipment	購買物業、廠房及設備	(6,787)	(18,815)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用的現金淨額	(26,534)	(17,368)
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	—	(1,434)
Proceeds from loans from controlling shareholders	控股股東借款所得款項	48,484	—
Repayment of secured bank borrowings	償還抵押的銀行貸款	—	(76,390)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動產生(所用)的現金淨額	48,484	(77,824)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(26,365)	(181,274)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等價物	43,302	224,608
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動影響	(3)	(32)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	於年終之現金及現金等價物 即指銀行結存及現金	16,934	43,302

Notes to the Consolidated Financial Statements

綜合財務報表附註

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 and Basis of Preparation of Consolidated Financial Statements

BaWang International (Group) Holding Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate parent company is Fortune Station Limited, which is incorporated in the British Virgin Islands (the “**BVI**”) and is beneficially owned by Mr. CHEN Qiyuan, the Chairman of the board of directors (the “**Directors**”) of the Company, and Ms. WAN Yuhua, the director and Chief Executive Officer of the Company (collectively referred to as the “**Controlling Shareholders**”).

The address of the registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is at 6th Floor, 181 Tangle Road, Tangyong Village, Xinshi, Baiyun District, Guangzhou, 510410, the People’s Republic of China (the “**PRC**”).

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are the manufacturing and sales of the household and personal care products. The Group was also engaged in the sales of herbal tea products which were discontinued in the year ended 31 December 2013 (see note 13).

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

Going concern basis

The Group incurred a net loss of approximately RMB116,457,000 and reported a net cash outflow from operating activities of approximately RMB48,315,000 for the year ended 31 December 2014, and had accumulative losses of approximately RMB1,501,422,000 and net current liabilities of approximately RMB26,364,000 as at 31 December 2014. In view of such circumstances, the Directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

1. 一般資料及綜合財務報表之編製基準

霸王國際(集團)控股有限公司(「**本公司**」)於開曼群島註冊成立為獲豁免的有限公司並且在香港聯合交易所有限公司(「**聯交所**」)上市。其直接母公司為在英屬處女群島(「**英屬處女群島**」)註冊的 Fortune Station Limited，其股份受益人為本公司的董事(「**董事**」)會主席陳啟源先生和本公司的董事兼首席執行官萬玉華女士(統稱「**控股股東**」)。

本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，主要營業地址為中華人民共和國(「**中國**」)廣州市白雲區新市棠涌村棠樂路181號6樓，郵編510410。

本公司及其子公司(以下統稱(「**本集團**」))主要從事製造及銷售家用及個人護理產品業務。本集團亦從事銷售涼茶飲品業務，並已於截至二零一三年十二月三十一日止年度內終止(詳見附註13)。

綜合財務報表以人民幣(「**人民幣**」)列示，與本公司的功能貨幣相同。

持續經營基準

截至二零一四年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約人民幣116,457,000及經營活動之現金流出淨值約人民幣48,315,000，並且於二零一四年十二月三十一日錄得累計虧損約人民幣1,501,422,000及流動負債淨值約人民幣26,364,000。在此情況下，本公司董事已考慮本集團未來資金流動性和業績情況，並評估本集團是否擁有足夠的財務資源支持其持續經營。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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 and Basis of Preparation of Consolidated Financial Statements (continued)

Going concern basis (continued)

In the opinion of the Directors of the Company, the Group is able to continue as a going concern in the coming year taking into consideration of the following:

- (i) The Group's Controlling Shareholders and Guangzhou Bawang Cosmetics Co., Ltd. ("**Guangzhou Bawang**"), an entity wholly-owned by the Controlling Shareholders, shall continue to provide loan facility to the Group until 31 December 2015 under the existing available facility amounted to approximately RMB91,516,000 as at 31 December 2014. On 31 March 2015, amount of HK\$40,000,000 (equivalent to approximately RMB31,684,000) has been drawn down by the Group. The loan is unsecured, interest-free and repayable by 30 March 2016 or earlier as determined by the Group.
- (ii) The Group shall implement cost-saving measures to maintain adequate cash flows for the Group's operations, including but not limited to adopting more cost-effective advertising and promotion channels.

In light of the above, the Directors of the Company are of the opinion that it is still appropriate to prepare the consolidated financial statements for the year ended 31 December 2014 on a going concern basis.

Should the Group be not able to continue to operate as a going concern, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities, write down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments.

1. 一般資料及綜合財務報表之編製基準(續)

持續經營基準(續)

本公司董事考慮到以下各項因素，認為本集團在來年能夠持續經營：

- (i) 本集團控股股東及其全資擁有的廣州霸王化妝品有限公司(「廣州霸王」)將根據於二零一四年十二月三十一日的現有可動用貸款融資為約人民幣91,516,000，繼續向本集團提供貸款融資直至二零一五年十二月三十一日。於二零一五年三月三十一日，本集團已提取港元40,000,000(相當於約人民幣31,684,000)。此借款為無擔保、免息及由本集團決定於二零一六年三月三十日或之前償還。
- (ii) 本集團將採取節省成本措施，維持充足現金流以供本集團業務營運之用，其中包括但不僅限於採取成本效益更好的廣告及宣傳渠道。

有鑒於上述各項，本公司董事認為，按持續經營基準編製截至二零一四年十二月三十一日止年度綜合財務報表仍屬恰當。

倘本集團未能按持續經營基準經營，則須作出調整，將所有非流動資產及負債重新分類為流動資產及負債、撇減資產價值至其可收回款額，以及就日後可能出現之負債撥備。此等調整並未於綜合財務報表入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”)

In the current year, the Group has applied the following amendments to IFRSs and a new interpretation, issued by the International Accounting Standards Board (“IASB”).

Amendments to IFRS 10, Investment Entities
IFRS 12 and IAS 27

Amendments to IAS 32 Offsetting Financial Assets and
Financial Liabilities

Amendments to IAS 36 Recoverable Amount Disclosures
for Non-Financial Assets

Amendments to IAS 39 Novation of Derivatives and
Continuation of Hedge
Accounting

IFRS Interpretations Levies
Committee —
Interpretation 21

Except as described below, the application of the above amendments to IFRSs and interpretation in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）

於本年度，本集團應用以下由國際會計準則委員會（「國際會計準則委員會」）頒佈之國際財務報告準則之修訂本及新詮釋。

國際財務報告 投資實體
準則第10號、
第12號及
國際會計
準則第27號
之修訂本

國際會計準則 財務資產及
第32號之 財務負債之
修訂本 互相抵銷

國際會計準則 非財務資產
第36號之 可收回金額之
修訂本 披露

國際會計準則 衍生工具之變更
第39號之 及對沖會計之
修訂本 延續

國際財務報告 徵費
準則詮釋
委員會
— 詮釋
第21號

除了下文所述者，於本年度應用國際財務報告準則之修訂本及新詮釋並無對本年度之綜合財務報表所載之呈報的數據及／或披露資料產生任何重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to IAS 36 Recoverable Amount Disclosure for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

These amendments have been considered while making disclosures for impairment of non-financial assets in note 18. These amendments would continue to be considered for future disclosures.

New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際會計準則第36號之修訂本「非財務資產可收回金額之披露」

本集團首次在本年度應用國際會計準則第36號之修訂本「非財務資產可收回金額之披露」。國際會計準則第36號之修訂本剔除對獲分配商譽或無限使用年期之其他無形資產的現金產生單位（「現金產生單位」）並無減值或減值撥回時可收回金額的披露要求。此外，修訂本就資產或現金產生單位以公允價值減處置成本淨額決定的可收回金額引入額外披露之要求。該等新修訂包括披露公允價值層級、所使用的主要假設及估價方法按國際財務報告準則第13號「公允價值計量」要求披露。

該等修訂已於附註18中非財務資產減值的披露作考慮。該等修訂會繼續應用在未來的披露中。

已頒佈惟尚未生效之新訂及經修訂國際財務報告準則

本集團並無提早應用以下已頒佈惟尚未生效之新訂及經修訂國際財務報告準則。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

New and revised IFRSs in issue but not yet effective (continued)

Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle ²
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle ³
IFRS 9	Financial Instruments ⁵
IFRS 15	Revenue from Contracts with Customers ⁴
Amendments to IAS 1	Disclosure Initiative ³
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ³
Amendments to IAS 19	Define Benefit Plans: Employee Contributions ²
Amendments to IAS 27	Equity Method in Separate Financial Statements ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception ³
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

已頒佈惟尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則之修訂本	國際財務報告準則之年度改進（二零一零年至二零一二年週期 ¹
國際財務報告準則之修訂本	國際財務報告準則之年度改進（二零一一年至二零一三年週期 ²
國際財務報告準則之修訂本	國際財務報告準則之年度改進（二零一二年至二零一四年週期 ³
國際財務報告準則第9號	財務工具 ⁵
國際財務報告準則第15號	來自客戶合約之收入 ⁴
國際會計準則第1號之修訂本	披露計劃 ³
國際會計準則第16號、第38號之修訂本	釐清可接受之折舊及攤銷方法 ³
國際會計準則第16號、第41號之修訂本	農業：生產性植物 ³
國際會計準則第19號之修訂本	界定福利計劃：僱員供款 ²
國際會計準則第27號之修訂本	獨立財務報表之權益法 ³
國際財務報告準則第10號及國際會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間出售或投資
國際財務報告準則第10號、第12號及國際會計準則第28號之修訂本	投資實體：應用綜合入賬之例外情況 ³
國際財務報告準則第11號之修訂本	收購合營業務權益之會計處理 ³

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

New and revised IFRSs in issue but not yet effective (continued)

- ¹ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
- ² Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
- ⁴ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- ⁵ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

Annual Improvements to IFRSs 2010–2012 Cycle

The Annual Improvements to IFRSs 2010–2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of “vesting condition” and “market condition”; and (ii) add definitions for “performance condition” and “service condition” which were previously included within the definition of “vesting condition”. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

已頒佈惟尚未生效之新訂及經修訂國際財務報告準則（續）

- ¹ 於二零一四年七月一日或以後開始之年度期間生效，並可提前應用。
- ² 於二零一四年七月一日或以後開始之年度期間生效，並可提前應用。
- ³ 於二零一六年一月一日或以後開始之年度期間生效，並可提前應用。
- ⁴ 於二零一七年一月一日或以後開始之年度期間生效，並可提前應用。
- ⁵ 於二零一八年一月一日或以後開始之年度期間生效，並可提前應用。

國際財務報告準則之年度改進（二零一零年至二零一二年週期）

國際財務報告準則之年度改進（二零一零年至二零一二年週期）包括對若干國際財務報告準則之多項修訂，概述如下。

國際財務報告準則第2號之修訂本(i)更改了「歸屬條件」和「市場條件」的定義；及(ii)增加了「業績條件」及「服務條件」的定義（先前已納入「歸屬條件」的定義）。國際財務報告準則第2號修訂本對授予日期為二零一四年七月一日或之後的股份付款交易有效。

國際財務報告準則第3號之修訂本闡明，於各報告日期被分類為資產或負債的或然代價應按公允值計量，不論該或然代價是否屬於國際財務報告準則第9號或國際會計準則第39號範圍內的財務工具或非財務資產或負債。公允值變動（計量期調整除外）應於損益內確認。國際財務報告準則第3號修訂本對收購日期為二零一四年七月一日或之後的業務合併有效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Annual Improvements to IFRSs 2010–2012 Cycle (continued)

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”; and (ii) clarify that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則之年度改進（二零一零年至二零一二年週期）（續）

國際財務報告準則第8號之修訂本(i)規定實體披露管理層在經營分部運用合併計算標準時所作出的判斷，包括對合併分部之描述，及於釐定經營分部是否具有「相似的經濟特點」時的經濟指標；及(ii)闡明倘向主要經營決策者定期提供分部資產，則僅應提供可報告分部的資產總額與實體資產的對賬。

對國際財務報告準則第13號之結論所依據基準之修訂闡明，頒佈國際財務報告準則第13號及對國際會計準則第39號及國際財務報告準則第9號作出的相應修訂不會剝奪按未折現的發票金額計量無規定利率的短期應收款項及應付款項的能力，條件是折現的影響並不重大。

在對物業、廠房及設備項目或無形資產進行重新估值時，國際會計準則第16號及國際會計準則第38號修訂本刪除了在對累計折舊／攤銷進行會計處理時所識別的認知分歧。經修訂的準則闡明，賬面總值乃按與資產賬面值重新估值一致的方式進行調整及累計折舊／攤銷為賬面總值與賬面值之間的差額（經計及累計減值虧損後）。

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For the year ended 31 December 2014
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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Annual Improvements to IFRSs 2010–2012 Cycle (continued)

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2010–2012 Cycle will have a material effect on the Group’s consolidated financial statements.

Annual Improvements to IFRSs 2011–2013 Cycle

The Annual Improvements to IFRSs 2011–2013 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則之年度改進（二零一零年至二零一二年週期）（續）

國際會計準則第24號修訂本闡明，向報告實體提供主要管理人員服務的管理實體為報告實體的關連方。因此，報告實體應按關連方交易披露就接受管理實體提供的主要管理人員服務而已付或應付的款項。然而，毋須披露有關報酬的組成部份。

本公司董事預期採納國際財務報告準則之年度改進（二零一零年至二零一二年週期）中所載之修訂將不會對本集團的綜合財務報表構成重大影響。

國際財務報告準則之年度改進（二零一一年至二零一三年週期）

國際財務報告準則之年度改進（二零一一年至二零一三年週期）包括對若干國際財務報告準則之多項修訂，概述如下。

國際財務報告準則第3號之修訂本闡明，該準則並不適用於合營安排自身之財務報表中就所有類型合營安排的形成所進行之會計處理。

國際財務報告準則第13號之修訂本闡明，以淨額基礎計量一組財務資產和財務負債公允價值的投資組合例外的適用範圍包括屬於國際會計準則第39號或國際財務報告準則第9號範圍或按照該兩項準則核算的所有合同，即使該等合同並不符合國際會計準則第32號中財務資產或財務負債之定義。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Annual Improvements to IFRSs 2011–2013 Cycle (continued)

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- (a) the property meets the definition of investment property in terms of IAS 40; and
- (b) the transaction meets the definition of a business combination under IFRS 3.

The Directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2011–2013 Cycle will have a material effect on the Group’s consolidated financial statements.

Annual Improvements to IFRSs 2012–2014 Cycle

The Annual Improvements to IFRSs 2012–2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則之年度改進(二零一一年至二零一三年週期)(續)

國際會計準則第40號之修訂本闡明，國際會計準則第40號與國際財務報告準則第3號並非互相排斥，並且可能要求同時應用該兩項準則。因此，實體收購投資物業須確定：

- (a) 該物業是否符合國際會計準則第40號中投資物業的定義；及
- (b) 該交易是否符合國際財務報告準則第3號中業務合併的定義。

本公司董事預期採納國際財務報告準則之年度改進(二零一一年至二零一三年週期)中所載之修訂將不會對本集團的綜合財務報表構成重大影響。

國際財務報告準則之年度改進(二零一二年至二零一四年週期)

國際財務報告準則之年度改進(二零一二年至二零一四年週期)包括對若干國際財務報告準則之多項修訂，現概述如下。

國際財務報告準則第5號之修訂本於國際財務報告準則第5號，引入了對實體將資產(或出售組別)從持作銷售重新分類為持作向擁有人分派(反之亦然)或持作分派終止入賬時間的具體指引。該等修訂按未來適用基準應用。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Annual Improvements to IFRSs 2012–2014 Cycle (continued)

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that offsetting disclosures (introduced in the amendments to IFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 Interim Financial Reporting.

The amendments to IAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to IAS 34 clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2012–2014 Cycle will have a material effect on the Group’s consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則之年度改進(二零一二年至二零一四年週期)(續)

國際財務報告準則第7號的修訂本額外指引釐清服務合約於資產轉移中是否持續牽涉(就有關資產轉移所要求的披露而言)並釐清對所有中期期間並無明確要求抵銷披露(已於二零一一年十二月頒佈並於二零一三年一月一日或之後開始之期間生效之國際財務報告準則第7號之修訂本[披露事項一抵銷財務資產及財務負債]引入)。然而，披露或需載入簡明中期財務報表，以遵從國際會計準則第34號中期財務報告。

國際會計準則第19號之修訂本闡明，用於估計退休後福利的折現率的優質公司債券應按與將予支付福利相同的貨幣發行。該等修訂會導致按貨幣層面評估的優質公司債券的市場深度。該等修訂從首次應用有關修訂的財務報表所呈列的最早可資比較期間起應用。所引致的任何初步調整應於該期間初在保留溢利內確認。

國際會計準則第34號之修訂本闡明，有關國際會計準則第34號要求於中期財務報告內其他部分但於中期財務報表外呈列的資料的規定。該等修訂要求有關資料從中期財務報表以交叉引用方式併入中期財務報告的其他部分(按與中期財務報表相同的條款及時間提供予使用者)。

本公司董事預期採納國際財務報告準則之年度改進(二零一二年至二零一四年週期)中所載之修訂將不會對本集團的綜合財務報表構成重大影響。

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綜合財務報表附註

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則第9號「財務工具」

於二零零九年頒佈之國際財務報告準則第9號引入財務資產之分類及計量之新規定。其後於二零一零年修訂之國際財務報告準則第9號加入財務負債之分類及計量及終止確認之規定並再次修訂對沖會計之新要求。於二零一四年頒佈的國際財務報告準則第9號的另一個經修訂版本主要加入a) 財務資產的減值規定；及b) 藉為若干簡單債務工具引入透過「按公允值列賬並於其他全面收益內處理」（「按公允值列賬並於其他全面收益內處理」）計量類別，對分類及計量規定作出有限修訂。

國際財務報告準則第9號之主要規定載述如下：

- 所有符合國際會計準則第39號「財務工具：確認及計量」範圍內所有已確認之財務資產其後按攤銷成本或公允值計量。具體而言，根據業務模式以收取合約現金流量為目的之債務投資及純粹為支付本金及未償還本金之利息之債務投資，一般於其後會計期間結束時按攤銷成本計量。於目的為同時收回合約現金及出售財務資產流的業務模式中持有的債務工具，以及財務資產條款令於特定日期產生的現金流純為支付本金及未償還本金的利息的債務工具，按公允值列賬並於其他全面收益內處理的方式計量。所有其他債務投資及股本投資乃按於其後會計期間結束時之公允值計量。此外，根據國際財務報告準則第9號，實體可以選擇在其他全面收益中不可撤回地呈列股本投資（並非持作買賣）之其後公允值變動，一般在損益中只確認股息收入。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

IFRS 9 Financial Instruments (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則第9號「財務工具」（續）

- 就計量指定按公允值列賬並在損益內處理的財務負債而言，國際財務報告準則第9號規定，財務負債因其信貸風險變動引致的公允值變動數額於其他全面收益呈列，除非於其他全面收益確認該負債的信貸風險變動影響會造成或擴大損益的會計錯配則作別論。財務負債因其信貸風險變動而引致的公允值變動其後不會重新分類至損益。根據國際會計準則第39號，指定按公允值列賬並在損益內處理的財務負債的公允值變動全部數額均於損益呈列。
- 就財務資產的減值而言，與國際會計準則第39號項下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等信貸虧損的預期變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

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綜合財務報表附註

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截至二零一四年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

IFRS 9 Financial Instruments (continued)

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The Directors of the Company anticipate that the adoption of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities. Regarding the Group’s financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則第9號「財務工具」（續）

- 新訂一般對沖會計規定保留三種對沖會計類型。然而，符合對沖會計資格交易之類型已引入更大彈性，尤其是擴闊符合對沖工具資格之工具類型及符合對沖會計資格之非財務項目之風險成份類型。此外，成效測試已經修訂並由「經濟關係」原則取代。對沖成效之追溯評估不再需要。增加實體風險管理活動之披露規定已被引入。

本公司董事預期，日後採納國際財務報告準則第9號可能對本集團之財務資產及財務負債所呈報金額構成重大影響。有關本集團之財務資產，於完成詳盡審閱前，提供該影響之合理預測並不可行。

國際財務報告準則第15號「來自客戶合約之收入」

國際財務報告準則第15號於二零一四年五月發布，旨在制定一項單一全面模式供實體用作確認與客戶之間的合同產生的收入。國際財務報告準則第15號生效後，將會取代國際會計準則第18號「收益」，國際會計準則第11號「建築合約」及相關詮釋等現行收益確認指引。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

IFRS 15 – Revenue from Contracts with Customers (continued)

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第15號「來自客戶合約之收入」(續)

國際財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓已承諾貨品或服務的收益金額，應反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立之合同
- 第二步：識別合同中的履約義務
- 第三步：確定交易價格
- 第四步：將交易價格分攤至履約義務
- 第五步：當(或於)實體履約義務之時確認收入

根據國際財務報告準則第15號，實體當(或於)主體履行履約責任時確認收益，即當特定履約責任的相關貨品或服務的「控制權」轉移至客戶時。國際財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，國際財務報告準則第15號規定作出詳盡的披露。

本公司董事預期，日後應用國際財務報告準則第15號可能對本集團綜合財務報表內已呈報的金額及已作出的披露造成重大影響。然而，在本集團進行詳細檢討前對國際財務報告準則第15號的影響作出合理估計並不切實可行。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2014
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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Amendments to IAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the consolidated financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the consolidated financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a IFRS if the information resulting from that disclosure is not material. This is the case even if the IFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity’s financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

- (i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
- (ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際會計準則第1號之修訂本「披露計劃」

該等修訂本闡明公司應運用專業判斷哪些信息、應在何處及以何種順序呈現在綜合財務報表中。具體地，主體應同時考慮所有相關事實及情況，如何將這些信息整合到綜合財務報表中，其中包括附註。如果需要披露的信息無關緊要，國際財務報告準則不要求主體提供具體披露，即使國際財務報告準則包含了具體要求清單或將之列為最低要求。

此外，當實體的展示與其財務狀況及財務業績相關之時，該等修訂本就展示的行項目、標題及小結提出了額外的要求。對聯營公司或合營公司有投資的實體，必須採用權益法，出示聯營公司和合營公司的其他綜合收益的份額佔比，(i)不會被隨後重新分類至當期損益，及；(ii)在滿足特定情況的條件下，將會被隨後重新分類至損益。

再者，該等修訂本闡明：

- (i) 在確定附註之順序時，實體應當考慮到其財務報表之可理解性及可比性的影響；及
- (ii) 不要求主要會計政策都在一個附註披露，而是可在其他附註中包含相關信息。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2014
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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Amendments to IAS 1 Disclosure Initiative (continued)

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The Directors of the Company anticipate that the application of Amendments to IAS 1 in the future may have a material impact on the disclosures made in the Group’s consolidated financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can be rebutted in the following two limited circumstances:

- (a) when the intangible asset is expressed as a measure of revenue; or
- (b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its property, plant and equipment. The Directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group’s consolidated financial statement.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際會計準則第1號之修訂本「披露計劃」（續）

該等修訂本將於二零一六年一月一日或以後開始之年度期間的財務報表生效，並可提前使用。

本公司董事預期未來採納國際會計準則第1號之修訂本將對本集團的綜合財務報表造成重大影響。

國際會計準則第16號及第38號之修訂本「釐清可接受之折舊及攤銷方法」

國際會計準則第16號之修訂本禁止主體針對物業、廠房及設備項目使用以收入為基礎的折舊方法。國際會計準則第38號引入了一個可推翻的假設，即收入並非適當的無形資產攤銷的基礎。該假設僅在下列兩種有限情形下被推翻：

- (a) 當無形資產作為收入的衡量方式；或
- (b) 當收入與無形資產的消耗存在高度關聯性。

該等修訂本預期於二零一六年一月一日或以後開始之年度期間生效。目前，本集團針對物業、廠房及設備使用直線折舊法。本公司董事相信直線折舊法乃反映各自資產消耗的經濟效益情況最佳之方法。因此，本公司董事認為採納國際會計準則第16號及第38號之修訂本不會對本集團的綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The Directors of the Company anticipate that the application of these amendments to IAS 16 and IAS 41 in the future will have a material impact on the Group’s consolidated financial statements. However, it is not practicable to provide reasonable estimate of the effect until the Group performs a detailed review.

Other than disclosed above, the Directors of the Company anticipate that the application of the other new and revised IFRSs will have no material impact on the results and the financial position of the Group.

In addition, the annual report 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 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 Hong Kong 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 will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際會計準則第16號和第41號之修訂本「農業：生產性植物」

國際會計準則第16號及國際會計準則第41號之修訂本為生產性植物定義並要求根據國際會計準則第16號，替代國際會計準則第41號，將符合生產性植物定義的生物資產以物業、廠房及設備入賬。生產性植物上生長的農產品則繼續根據國際會計準則第41號入賬。

本公司董事預期國際會計準則第16號和國際會計準則第41號之修訂本在未來並不會對本集團合併財務報表產生重大影響。然而，在本集團進行詳細檢討前對該影響作出合理估計並不切實可行。

除上文披露者外，本公司董事預期國際財務報告準則的其他新訂和經修訂之應用對本集團之業績和財務狀況並無重大影響。

此外，根據新香港公司條例（第622章）第358條第9部「賬目及審計」的年度報告規定由公司於二零一四年三月三日或之後開始的首個財政年度起實施。本集團正在評估香港公司條例的變動對首次應用新香港公司條例（第622章）第9部期間的綜合財務報表的預期影響。本集團現時之結論為未必出現重大影響，主要將僅影響綜合財務報表呈報及披露之資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Account and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for biological assets that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

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

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

3. 主要會計政策

綜合財務報表乃根據國際會計師公會頒佈之國際財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露（按照為香港公司條例（第622章）第9部「賬目及審計」作的過渡性安排（載於該條例附表11第76至87條），就本財政年度及比較期間而言繼續為前身公司條例（第32章））。

誠如下文會計政策所闡述，除下文在會計政策中解釋的以公允價值計量之生物資產外，綜合財務報表按歷史成本基準編製。

歷史成本一般以為換取貨物所作代價之公允價值為準。

公允價值為於計量日期市場參與者之間按有序交易中出售一項資產將收取或轉讓負債須支付之價格，不論價格可直接觀察或使用另外估值法估計。於估計資產或負債的公允價值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債特點。該等綜合財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟屬於國際財務報告準則第2號之以股份支付之交易、國際會計準則第17號之租賃交易及與公允價值類似但非公允價值的計量（如國際會計準則第2號之可變現淨值或國際會計準則第36號之使用價值）除外。

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3. Significant Accounting Policies (continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. 主要會計政策 (續)

此外，就財務呈報而言，公允價值計量根據公允價值計量之輸入數據可觀察程度及公允價值計量之輸入數據對其整體重要性分類為第1、第2或第3級，詳情如下：

- 第1級：輸入參數為實體於計量日就相同之資產或負債於活躍市場獲得之報價(未調整)；
- 第2級：輸入參數為可直接或間接從觀察資產或負債之資料而得出之輸入參數(不包括第1級之報價)；及
- 第3級：輸入參數不可從觀察資產或負債得出之輸入參數。

主要會計政策載列如下。

綜合賬目之基準

綜合財務報表包括本公司及受本公司及其附屬公司控制之實體之財務報表。當本公司在以下情況下即擁有控制權：

- 擁有對投資對象之權力；
- 承擔參與投資對象活動中所涉及不同形式之回報或享有該等回報之權利；及
- 能夠行使其權力以影響其對象之回報。

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變化，本集團將重新評估其是否對投資對象擁有控制權。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

3. 主要會計政策(續)

綜合賬目之基準(續)

倘本集團於投資對象之投票權未能佔大多數，則當投票權足以賦予實際能力以單方面指揮投資對象之相關活動時即對投資對象擁有權力。本集團於評估本集團於投資對象之投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 相對其他投票權持有人所持投票權之數量及分散情況，本集團持有投票權之數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 需要作出決定時，本集團目前能夠或不能指揮相關活動之任何額外事實及情況(包括於過往股東大會上之投票模式)。

當本集團取得附屬公司之控制權時，該等附屬公司之賬目開始合併，而當本集團失去附屬公司之控制權時終止合併。具體而言，於年內所收購或出售之附屬公司之收入及開支自本集團取得控制權之日起至本集團失去控制權之日止計入綜合損益表中。

損益及其他全面收益之各項目歸屬於本公司擁有人及非控股權益。即使會導致非控股權益產生虧損結餘，附屬公司之全面收益總額亦會歸屬於本公司擁有人及非控股權益。

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3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

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

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

3. 主要會計政策 (續)

綜合賬目之基準 (續)

如有需要，亦會將對附屬公司之財務報表作出調整，以使其會計政策與本集團所採用會計政策保持一致。

集團所有成員公司之間之資產及負債、權益、收入、開支及現金流量，將於綜合賬目時悉數對銷。

收入確認

收入按已收或應收代價的公允值計算，乃經扣除預計客戶退貨、返利及其他類似撥備。

銷售貨品之收入於貨品付運及擁有權轉移時，並符合下列所有條件時確認入賬：

- 本集團已將貨物的重大風險及回報轉嫁至買方；
- 本集團並無保留一般與擁有權有關之已出售貨品持續管理權或實際控制權；
- 收入金額能可靠計量；
- 交易涉及之經濟利益很可能流向本集團；及
- 就交易所引致或將引致之成本能可靠計量。

財務資產之利息收入於經濟利益有可能流入本集團且收入金額能可靠計量時確認。利息收入乃按時間基準，參考未償還本金及適用實際利率，即初次確認時按該財務資產估計未來現金在預期可使用期內實切地折現至資產賬面淨值之利率累計。

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3. Significant Accounting Policies (continued)

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Foreign currencies

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

3. 主要會計政策(續)

租賃

凡租約條款規定擁有權附帶的一切風險及回報轉移至承租人者，均分類為融資租賃。所有其他租約則分類為經營租賃。

本集團作為承租人

經營租賃款項按相關租賃年期以直線法確認為支出。對於經營租約中獲得的租金減免應記為負債。而合共的租金減免之收益會以直線法於有關租金扣除確認。

外幣

於編製個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易乃按交易當日之通行匯率折算確認。於呈報期末，以外幣列值之貨幣項目按該日之通行匯率重新換算。以外幣列值按公允價值入賬之非貨幣項目按釐定公允價值當日之通行匯率換算。以外幣列值按歷史成本計量之非貨幣項目不予重新換算。

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3. Significant Accounting Policies (continued)

Foreign currencies (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

Borrowing costs

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

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

3. 主要會計政策 (續)

外幣 (續)

結算貨幣項目所產生之匯兌差額於其產生期間內在損益中確認，除以下情況：

- 為將來用作生產用途之在建工程而借的外幣貸款所產生的匯兌差異，作為利息成本調整，而計入彼等資產的成本；
- 對沖一定外幣風險之交易而產生的匯兌差異；以及
- 無計劃或不可能償還之對海外業務的應收或應付貨幣項目(會歸入對海外業務投資淨值的一部份)所產生的匯兌差異，其差異會首先於其他全面收入確認，並於償還此等貨幣項目時才重新分類至損益中。

就呈列綜合財務報表而言，本集團之海外業務資產及負債採用呈報期末之通行匯率換算為本集團之呈列貨幣(即人民幣)。除非採用交易日之匯率，而當期匯率變動明顯，否則收入及開支項目會按年內之平均匯率換算。所產生之匯兌差額(如有)於其他全面收益內確認並累計入權益項下之匯兌儲備中。

貸款成本

與購買、建造或生產合資格資產(須耗用大量時間以達至其擬定用途或銷售之資產)直接相關之貸款成本，可撥入該等資產之成本，直至該等資產已大致上可供其擬定用途或出售為止。

所有其他貸款成本於產生期間會於損益中確認。

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3. Significant Accounting Policies (continued)

Employee benefits

Short-term employee benefits

Salaries, wages, annual bonuses and staff welfare are accrued in the year in which the associated services are rendered by employees of the Group.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Defined contribution retirement plans

Obligations for contributions to local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC and Hong Kong are recognised as an expense in profit or loss when employees have rendered services entitling them to the contributions, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

Termination benefits

A liability for a termination benefits is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of the equity-settled share-based transactions are set out in note 27.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (capital reserve).

3. 主要會計政策(續)

僱員福利

短期僱員福利

薪金、工資、年度花紅及員工福利均計提於本集團僱員提供有關服務的年度內。

短期僱員福利按相關服務換取的未折現預期福利金額計量，確認為負債。

定額供款退休計劃

根據中國及香港有關勞動規則及規例，對當地定額供款退休計劃的供款責任於僱員提供使其有權獲得有關供款的服務時在損益中確認為開支，惟已計入尚未確認為開支的存貨成本內則除外。

終止福利

終止福利之負債於企業不能撤銷終止福利或當其確認任何重組成本二者較早時確認。

以股權結算並以股份為基礎的交易

授予僱員的購股權

授予僱員的以股權結算並以股份為基礎的購股權，所獲服務按權益工具的授予日之公允值計量。以股權結算並以股份為基礎的交易的公允值決定之詳情載於附註27。

基於對最終授予的權益工具的估計，以股權結算並以股份為基礎的交易的授予日之公允值以直線基準在歸屬期間費用化，並於權益(資本儲備)作出相應增加。

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3. Significant Accounting Policies (continued)

Equity-settled share-based payment transactions (continued)

Share options granted to employees (continued)

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

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in capital 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 capital reserve will be transferred to accumulated losses.

Taxation

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

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

3. 主要會計政策 (續)

以股權結算並以股份為基礎的交易 (續)

授予僱員的購股權 (續)

在呈報期末，本集團會修訂預期最終歸屬的估計購股權數量。更改最初預計的影響會於損益中確認並相應地調整資本儲備，以使累計費用反映經修訂估計。

就於授出日期即時行使的購股權而言，其所授出之購股權的公允值會即時於損益中列賬為開支。

購股權獲行使時，先前在資本儲備確認的金額將轉入股份溢價。倘歸屬日後被沒收或於屆滿日仍未行使，之前在資本儲備確認的金額會轉入累計損失。

稅項

所得稅支出指應繳即期稅項及遞延稅項之總和。

應繳即期稅項根據本年度之應課稅溢利計算。應課稅溢利與綜合損益表中呈報的稅前溢利不同，乃基於其並無計入其他年度應課稅收入或可扣稅開支以及無需課稅及不獲扣稅之項目所致。本集團之即期稅項負債乃按呈報期末已訂定或大致訂定之稅率計算。

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3. Significant Accounting Policies (continued)

Taxation (continued)

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

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

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

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

3. 主要會計政策(續)

稅項(續)

遞延稅項乃於綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者間之暫時性差異確認。遞延稅項負債一般按所有應課稅暫時性差異確認。遞延稅項資產一般按可能會出現可用作抵銷可扣稅暫時性差異之應課稅溢利就所有可扣稅的暫時性差異確認。倘暫時性差異乃初始確認(業務合併中的除外)一項交易中的資產及負債所產生但不影響應課稅溢利或會計溢利，則不會確認該等遞延資產及負債。此外，倘商譽的初始確認引起暫時性差異，則不會確認遞延稅項負債。

遞延稅項負債乃按附屬公司投資有關之應課稅臨時差額確認，惟若本集團可控制臨時差額之回撥及臨時差額有很可能不會於可見將來回撥之情況除外。有關該等投資及權益之可扣除暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可動用暫時差額利益且預計於可見將來撥回時確認。

遞延稅項資產之賬面值於每一呈報期末進行檢討，並於不可能再有足夠應課稅溢利可用以收回所有或部份遞延稅項資產時作出相應的賬面值扣減。

遞延稅項資產及負債乃根據於呈報期末時已頒佈或實際已頒佈之稅率(及稅法)，按預期於清償負債或變現資產期間適用之稅率計算。

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3. Significant Accounting Policies (continued)

Taxation (continued)

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

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

Property, plant and equipment

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

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

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項負債及資產之計算反映本集團預期於呈報期末時收回或償還其資產及負債之賬面值所產生之稅務後果。

即期及遞延稅項於損益中確認，惟倘關於在其他全面收益內或直接在權益中確認之項目有關，在此情況下，即期及遞延稅項亦分別於其他全面收益內或直接在權益中確認。

物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務或作行政用途的樓宇，乃以成本值減隨後累計折舊及隨後累計減值損失(如有)於綜合財務狀況表列賬。

物業指用作生產、供應或行政用途乃按成本值減任何已確認減值虧損列賬。成本包括專業費用，符合條件之資產需根據本集團會計政策將貸款成本資本化。該等物業需在完工後合適地分類至物業、廠房及設備。相關的折舊亦應根據其他物業資產的基準，在該等物業可供其擬定用途時入賬。

折舊是基於該等資產的成本金額減去預計淨殘值後於估計的可使用年限內按直線法確認。估計可使用年期、剩餘價值及折舊方法於每個呈報期末作出檢討，其估計變動之影響按未來適用基準入賬。

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3. Significant Accounting Policies (continued)

Property, plant and equipment (continued)

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

Biological assets

Biological assets are living plants involved in the agricultural activities of the transformation of biological assets into agricultural produce for sale or into additional biological assets. Biological assets are measured at fair value less costs to sell at initial recognition and at the end of each reporting period while agricultural produce are measured at fair value less costs to sell at the point of harvest, which is deemed as the cost at that date when the agricultural produce becomes inventory or additional biological assets.

If an active market exists for a biological asset or agricultural produce with reference to comparable species, growing condition and expected yield of the crops, the quoted price in that market is adopted for determining the fair value of that asset. If an active market does not exist, the Group uses the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the transaction date and the end of reporting period, or the market prices for similar assets adjusted to reflect differences to determine fair values or as determined by independent professional valuers. The gain or loss arising on initial recognition and subsequent changes in fair values less costs to sell of biological assets is recognised in profit or loss in the period in which it arises.

3. 主要會計政策(續)

物業、廠房及設備(續)

一項物業、廠房及設備項目於出售時，或預期續用該資產將不會產生日後經濟利益時終止確認。處置或廢棄物業、廠房及設備項目所產生之任何收益或虧損按出售所得款項與資產賬面值間之差額計算，並於損益內確認。

生物資產

生物資產乃有生命之植物，涉及將生物資產轉化為待售農產品或轉化為更多生物資產。生物資產於初步確認及各呈報期末按公允價值減銷售成本計量，而農產品按公允價值減收成時的銷售成本計量，這被視為農產品轉至存貨或更多生物資產之成本。

倘生物資產或農產品經參考可比較農作物之品種、生長狀況及預期收穫後存在活躍市場，則採納市場上所報價格釐定該資產之公允價值。倘並不存在活躍市場，本集團則採用最近之市場交易價計算，惟交易日與報告期末之間並無出現重大經濟情況變動或同類資產之市價已經調整至反映差額以釐定公允價值或由獨立專業估值師釐定。初步確認與其後公允價值變動產生之盈虧減生物資產之銷售成本乃於產生期間於收益表確認。

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3. Significant Accounting Policies (continued)

Research and development expenditure

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

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

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

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as internally-generated intangible asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

3. 主要會計政策 (續)

研究及開發費用

研究活動所產生之費用於其產生期間確認為費用。

由開發活動(或由一項在發展階段期間之內部項目)內部所產生之無形資產，只會在以下全部已被證明之情況下會予以確認：

- 具可行性技術以完成無形資產並使其將可供使用或出售；
- 有意向完成及使用或出售之無形資產；
- 具能力可使用或出售之無形資產；
- 無形資產如何產生可能之將來經濟利益；
- 有足夠之技術、財政及其他資源可完成發展項目並使用或出售之無形資產；及
- 有能力確實地計量無形資產在其發展階段時所應佔之費用。

研發成本包括與研發活動直接相關的成本，或可合理分配至該等活動的一切費用。鑒於本集團研發活動之性質，有關成本一般於項目開發後期即餘下的開發成本金額並不重大時方符合資產確認條件。因此，研究成本及開發成本一般於其產生期間確認為費用。

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3. Significant Accounting Policies (continued)

Impairment losses on tangible assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

3. 主要會計政策(續)

有形資產之減值損失

於呈報期末，本集團審閱其有形資產之賬面值以釐定是否有任何跡象顯示該等資產已蒙受減值損失。倘存在任何該等跡象，將對資產之可收回金額作出估計以確定減值損失(如有)之程度。倘無法估計個別資產之可收回金額，本集團將估計該資產所屬之現金產生單位之可收回金額。倘可辨識到合理及一致之分配基準，企業資產亦分配到個別現金產生單位或彼等獲分配到可辨識合理及一致之分配基準之現金產生單位最小之組別。

可收回金額乃公允值減銷售成本及使用價值兩者中之較高者。評估使用價值時，估計之未來現金流量在未作出調整時應按當時市場對貨幣時間值及該資產特定風險之估計之稅前折現率折現至其現值。

倘估計一項資產(或現金產生單位)之可收回金額低於其賬面值，該資產(或該現金產生單位)之賬面值將減少至其可收回金額。減值損失將即時於損益確認。

倘減值損失於其後撥回，其資產之賬面值將增加至其經修訂之估計可收回金額，惟所增加賬面值不得超過倘於過往年度該資產沒有減值損失情況下所釐定之賬面值。減值損失撥回即時被確認為損益。

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3. Significant Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined on the weighted average cost principle, and include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of the production overheads based on normal operating capacity. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. 主要會計政策 (續)

存貨

存貨以成本與可變現淨值的較低者計量。存貨成本按加權平均成本原則決定，並包括購入存貨及將其運送至現有地點及狀況所產生的開支。就製成品及在製品而言，成本包括按正常產能計算，按照適當比例分配的生產製造費用。可變現淨值指存貨的估計售價減估計全部完工成本及必要的銷售開支。

存貨撇減至可變現淨值之減幅及所有存貨損失均於撇減或損失產生期間確認為開支。任何已撇減存貨之撥回金額，在作為撥回期間內確認為減少已確認為開支的存貨金額。

計提準備

倘本集團因過往事件而須承擔現有法律責任或推定責任，且本集團極有可能須履行該責任，並能可靠地估計所須承擔之金額，則須確認計提準備。

確認為計提準備之金額乃呈報期間未履行現時責任所需代價之最佳估計，並計及有關責任之風險及不確定因素。當計提準備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(如貨幣時間價值之影響為顯著)。

當結算計提準備所需部分或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收款項可作可靠計量，則將應收款項確認為資產。

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3. Significant Accounting Policies (continued)

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

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

3. 主要會計政策(續)

現金及現金等價物

綜合財務狀況表之銀行結餘及現金包括銀行現金及手頭現金以及三個月或以內到期之短期存款。

就綜合現金流量表而言，現金及現金等價物由上文所定義之現金及短期存款組成。

財務工具

當集團實體成為財務資產與財務負債合同條文之訂約方時確認有關工具。

財務資產及財務負債初步按公允值計量。於初步確認時，收購或發行財務資產與財務負債直接應佔之交易成本將計入財務資產或財務負債之公允值或自該財務資產或財務負債之公允值扣除(如適用)。

財務資產

財務資產分類為貸款及應收款項。分類根據於初步確認時財務資產之性質及目的。所有常規買賣之財務資產乃按交易日基準確認及終止確認。以常規方式買賣指須根據市場規則或慣例訂定之限期內交付資產之財務資產買賣。

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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, deposit with bank and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

實際利息法

實際利息法乃計算相關期間內債務工具之攤銷成本及分利息收入之方法。實際利率指確切折現財務資產之預計可使用年期或較短期間(如適用)內估計未來現金收入(包括構成實際利率不可或缺部分之已付或已收之一切費用及利率差價、交易成本及其他溢價或折讓)至初步確認賬面淨值之利率。

債務工具之利息收入應按實際利率基準確認。

貸款及應收款項

貸款及應收款項為並無於活躍市場報價但具有固定或可釐定付款之非衍生財務資產。貸款及應收款項(包括貿易及其他應收款項、銀行存款及銀行結存及現金)以實際利率法按攤銷成本減任何已識別減值虧損計量(請參閱下文財務資產減值之會計政策)。

利息收入按實際利率確認，唯短期應收款除外，其確認之利息並不重大。

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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed for impairment on a collective basis even if they were not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值

財務資產於各呈報期末評估是否有減值跡象。倘有客觀證據初步確認財務資產後發生之一項或多項事件令財務資產的估計未來現金流量受到影響，則視該財務資產已減值。

就所有財務資產而言，減值之客觀證據可包括：

- 發行人或對方有重大財政困難；或
- 違約，如逾期或拖欠利息或本金還款；或
- 借款人有可能破產或財務重組；或
- 由於財政困難令財務資產之活躍市場消失。

就若干類別之財務資產(如貿易及其他應收款項)而言，被評估為個別並無減值之資產亦會彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團之過往收款紀錄、組合內逾期超過30至90日平均信貸期之還款數目上升，以及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

就以攤銷成本列賬之財務資產而言，所確認之減值虧損金額按資產賬面金額與按財務資產初始實際利率折現之估計未來現金流量現值之差額計量。

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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

所有財務資產之減值虧損會直接於財務資產之賬面金額中作出扣減，惟貿易及其他應收款項除外，其賬面金額會透過撥備賬扣減。當貿易及其他應收款項被視為不可收回時，其將於撥備賬內撇銷。先前已撇銷之款項如於其後收回，將計入撥備賬目。撥備賬內之賬面金額變動會於損益中確認。

就以攤銷成本計量之財務資產而言，倘於其後期間，減值虧損金額減少且能客觀地證明與確認減值後所發生之事件有關，則先前確認之減值虧損會透過損益撥回，惟減值撥回當日之資產賬面金額不得超過如無確認減值時之攤銷成本。

財務負債及股權工具

集團實體發行之債務及股權工具按所訂立之合約安排性質，以及財務負債及股權工具之定義分類為財務負債及股權。

股權工具

股權工具為任何證明本集團經扣除其所有負債後之資產剩餘權益之合約。本集團發行之股權工具以扣除直接發行成本後之已收所得款項確認。

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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Other financial liabilities

Other financial liabilities (including trade and other payables, amounts due to related parties and loans from controlling shareholders) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

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

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策(續)

財務工具(續)

財務負債及股權工具(續)

其他財務負債

其他財務負債(包括貿易及其他應付款項、應付關連方款項及控股股東借款)於其後使用實際利息法按攤銷成本計算。

實際利息法

實際利息法為計算有關期間財務負債之攤銷成本及分配利息開支之方法。實際利率乃準確將財務負債預計年期或較短期間(如適用)內產生之估計未來現金付款(包括所支付或所收取構成實際利率一部份之所有費用及息差、交易成本及其他溢價或折現)折現至初步確認時之賬面淨額之利率。

利息開支按實際利息基準確認。

終止確認

當從財務資產收取現金流之合約權利已屆滿，或當本集團向另一實體轉移財務資產及其擁有權之絕大部份風險及回報時，方會終止確認財務資產。

於全面終止確認財務資產時，資產賬面金額與已收及應收代價及已於其他全面收益確認並於權益累計之累積盈虧之總和之差額，會於損益中確認。

當本集團之債務獲解除、撇銷或屆滿時，本集團方會終止確認財務負債。終止確認之財務負債賬面金額與已付及應付代價之差額會於損益中確認。

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4. Critical Accounting Judgements and Key Sources Of Estimation Uncertainty

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

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern consideration

The assessment of the going concern assumptions involves making judgements by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in note 1.

4. 關鍵會計判斷及估計不確定因素之主要來源

本集團於應用附註3所述之會計政策時，管理層須就該等無法明確從其他來源得悉之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據董事過往經驗及其認為相關之其他因素而作出。實際結果與估計可能出現誤差。

該等估計及相關假設按持續基準進行審閱。會計估計之修訂乃於作出修訂估計之期間內確認(倘修訂僅影響該期間)，或於修訂期間及未來期間確認(倘修訂影響本期及未來期間)。

應用會計政策之關鍵判斷

除涉及估計者外(見下文)，以下關鍵判斷為本公司董事於應用本集團會計政策之過程中所作出，並對綜合財務報表內確認之金額構成最重大影響者。

持續經營考慮

評估持續經營假設時涉及由管理層於某一特定時間對本身不確定之事件或狀況之未來結果作出判斷。管理層認為，本集團有能力持續經營，而可能單獨或集體引致業務風險之主要事件或狀況載於附註1。

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4. Critical Accounting Judgements and Key Sources Of Estimation Uncertainty (continued)

Key sources of estimation uncertainty

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

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment on a straight-line basis between the rates of 5% to 50% per annum, commencing from the date the property, plant and equipment are available for use. The estimated useful lives that the Group places the property, plant and equipment into productive use reflects the Directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Depreciation of approximately RMB26,998,000 (2013: RMB27,653,000) has been recognised for the year.

Impairment of trade and other receivables

The policy for impairment on trade and other receivables of the Group is based on the evaluation of collectability and ageing analysis of the trade and other receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional impairment may be required. As at 31 December 2014, the carrying amount of trade and other receivables was approximately RMB68,168,000, net of accumulated impairment loss of approximately RMB4,712,000 (2013: carrying amount of approximately RMB94,922,000, net of accumulated impairment loss of approximately RMB4,640,000).

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源

於呈報期末就未來和其他估計的不明朗因素的主要來源所作出的主要假設，此等假設足以致使下一個財政年度的資產及負債賬面值發生重大調整的風險，列載如下。

物業、廠房及設備之折舊

本集團由物業、廠房及設備開始可供使用當日起使用直線法按5%至50%之年率就物業、廠房及設備計算折舊。本集團作生產用途之物業、廠房及設備之估計可用年期反映董事估計本集團擬藉使用其物業、廠房及設備取得未來經濟利益之期間。年內已確認折舊約人民幣26,998,000(二零一三年度：人民幣27,653,000)。

貿易及其他應收款項減值

本集團對貿易及其他應收款項減值之政策，乃根據該等貿易及其他應收款項之可收回性評估及賬齡分析，以及管理層之判斷而定。在該等應收款項最終變現之評估中須作出相當判斷，包括各客戶目前之信譽及過往之收款紀錄。倘本集團客戶之財務狀況倒退，導致彼等付款之能力減低，則可能需要作出額外減值。於二零一四年十二月三十一日，貿易及其他應收款項之賬面值約為人民幣68,168,000，已扣除累計減值虧損約人民幣4,712,000(二零一三年度：賬面值約人民幣94,922,000，已扣除累計減值虧損約人民幣4,640,000)。

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截至二零一四年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources Of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Allowance of inventories

Inventories are carried at the lower of cost and net realisable value. Any excess of the cost over the net realisable value of each class of inventories is recognised as a provision for diminution in the value of inventories.

Net realisable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale. For inventories with committed sales orders or active market, the Group estimates the net realisable value with reference to the selling prices set out in the committed sales orders or in the active market. For inventories without committed sales orders or active market, the Group carefully estimates the net realisable value based on available information and reasonable and supportive assumptions on expected selling prices, manufacturing costs, selling expenses, sales tax and etc. As at 31 December 2014, the carrying amount of inventories was approximately RMB52,039,000, net of accumulated allowance of approximately RMB2,036,000 (2013: carrying amount of approximately RMB55,341,000, net of accumulated allowance of approximately RMB3,363,000).

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

存貨撥備

存貨是按成本與可變現淨值兩者較低者入賬。任何超過可變現淨值的存貨成本將計入存貨撥備以抵減存貨價值。

可變現淨值為日常業務中以存貨的估計售價減去至完工估計將要發生的成本及銷售所需的估計費用及相關稅項。就有已確認銷售訂單或活躍市場的存貨而言，本集團參考其售價估計可變現淨值。就並無已確認銷售訂單或活躍市場的存貨而言，本集團根據現有資料及對預期售價、製造成本、銷售費用及銷售稅金等的合理及有理據的假設，慎重估計可變現淨值。於二零一四年十二月三十一日，存貨的賬面值約為人民幣52,039,000，已扣除累計撥備淨值約為人民幣2,036,000(二零一三年度：存貨的賬面值約為人民幣55,341,000，已扣除累計撥備淨值約為人民幣3,363,000)。

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4. Critical Accounting Judgements and Key Sources Of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Impairment on property, plant and equipment

In considering the impairment losses that may be required for certain property, plant and equipment, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs. As at 31 December 2014, the carrying amount of property, plant and equipment is approximately RMB225,340,000, net of accumulated impairment losses of approximately RMB60,235,000. (2013: carrying amount of approximately RMB294,256,000, net of accumulated impairment losses of RMB17,738,000).

Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

物業、廠房及設備減值

考慮物業、廠房及設備減值時應釐定該資產的可收回金額。可收回金額，乃淨銷售價值及使用價值之較高者。鑒於此類資產可能沒有及時的市場報價，難以準確估計其售值。釐定使用價值時，有關資產預期產生的現金流量會折現至其現值，此舉須對營業額及營運成本等項目作出重大判斷。本集團會運用一切可得資料，以釐定可收回金額的合理約數，包括根據對營業額及營運成本等項目的合理及有理據的假設及預測作出的估計。於二零一四年十二月三十一日，物業、廠房及設備之賬面值約為人民幣225,340,000，已扣除累計減值虧損約為人民幣60,235,000(二零一三年度：賬面值約為人民幣294,256,000，已扣除累計減值虧損約為人民幣17,738,000)。

所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷。本集團謹慎評估交易之稅務影響並據此製訂稅務撥備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內，並就未動用之稅務虧損及可抵扣暫時差額確認遞延稅項資產。由於遞延稅項資產只限極可能抵扣之未來應課稅溢利時才會確認，因此需要管理層判斷獲得未來應課稅溢利之可能性。本集團定期審閱管理層之評估，倘若極可能獲得能利用遞延稅項資產之未來應課稅溢利，便會確認額外之遞延稅項資產。

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4. Critical Accounting Judgements and Key Sources Of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes

The Group's biological assets are measured at fair value less cost to sell for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The financial controller reports the valuers' findings to the Directors of the Company to explain the cause of fluctuations in the fair value of the assets.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of the assets. Note 19 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of biological assets.

Provision in respect of litigation

Provision for the expected cost of legal obligations is recognised at the Directors' best estimate and with reference to legal advice of the expenditure required to settle the Group's obligation. As at 31 December 2014, the carrying amount of provision is approximately RMB2,044,000 (2013: RMB1,826,000). Details are set out in note 24.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

公允價值計量及估值流程

本集團生物資產價值乃按公允價值減銷售成本計量用於財務申報目的。管理層釐定有關公允價值計量之適用估值方法及輸入數據。

在估計資產的公允價值時，本集團可能使用可觀察市場數據。在並非第1級的輸入數據的情況下，本集團委聘合資格第三方估值師進行估值。管理層與合資格外聘估值師緊密合作設立適用之估值方法及模型輸入數據。財務總監定期將估值團隊之調查結果向本公司董事匯報，解釋資產之公允價值波動之原因。

於估計該資產的公允價值時，本集團採用包括並非根據可見市場數據之資料的估值技術。有關估值技術、輸入數據及用於釐定生物資產之公允價值使用之主要假設的詳細資料載於附註19。

相關法律訴訟撥備

預計法律訴訟責任之計提費用已在參考相關可能需要支付費用的法律意見後，根據董事對其最準確之預計確認。於二零一四年十二月三十一日，該撥備賬面值約為人民幣2,044,000(二零一三年度：人民幣1,826,000)。詳情於附註24列明。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2014
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5. Capital Risk Management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the loans from controlling shareholders disclosed in note 32(g), net of bank balances and cash and equity attributable to owners of the Company, comprising share capital and reserves.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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

6. Financial Instruments

(a) Categories of financial instruments

		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
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	102,514	129,595
Financial liabilities	財務負債		
Other financial liabilities at amortised cost	以攤銷成本列賬之其他財務負債	(200,318)	(190,255)
		(97,804)	(60,660)

5. 資本風險管理

本集團的政策旨在維持穩健資本基礎，以保持債權人及市場信心，以及支持日後的業務發展。本集團整體策略與去年維持不變。

本集團的資本結構包括債務淨額 (包括附註32(g)中披露的控股股東借款，扣除銀行結存及現金) 及本公司權益持有人應佔權益 (包括股本和儲備)。

本公司及其任何附屬公司概不受外界資本規定限制。

本公司董事每半年會審閱資本結構。就有關審閱，董事考慮資本成本及與各級別資本相關之風險。根據本公司董事建議，本集團將透過發行新股份、發行新債務或贖回現有債務，以平衡其整體資本架構。

6. 財務工具

(a) 財務工具類別

Notes to the Consolidated Financial Statements 綜合財務報表附註

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6. Financial Instruments (continued)

(b) Financial risk management objective and policies

The Group's major financial instruments include trade and other receivables, deposit with bank, bank balances and cash, trade and other payables, amounts due to related parties and loans from controlling shareholders. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, currency risk, interest rate risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

As at 31 December 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

6. 財務工具(續)

(b) 財務風險管理目標及政策

本集團之主要財務工具包括貿易及其他應收款項、銀行存款、銀行結存及現金、貿易及其他應付款項、應付關連方款項和控股股東借款。該等財務工具之詳情於各附註內披露。與該等財務工具有關之風險包括信貸風險、貨幣風險、利率風險及流動性風險。下文載列如何減輕該等風險之政策。管理層管理及監察該等風險，以確保適時及有效地採取合適措施。

信貸風險

於二零一四年十二月三十一日，本集團之最高信貸風險(因交易方未能履行責任及本集團提供之財務擔保而令本集團蒙受財務損失)來自各項財務資產於綜合財務狀況表所列之賬面值。

為儘可能減低信貸風險，本集團之管理層已委派一支隊伍負責釐定信貸限額、審批信貸及進行其他監察程序，確保採取跟進行動以收回逾期債務。此外，本集團亦於呈報期末檢討各個別貿易債務之可收回金額，以確保就不可收回款項作出足夠之減值虧損。就此而言，本公司董事認為已大幅減低本集團有關貿易債務之信貸風險。

由於交易方為具有高信貸評級之銀行及其他金融機構，故流動資金之信貸風險有限。

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6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Credit risk (continued)

As at 31 December 2014, the Group has concentration of credit risk of 15% (2013: 9%) and 35% (2013: 35%) of the total trade receivables, which was due from the Group's largest customer and the five largest customers respectively.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Approximately 5% (2013: 4%) of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		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
RMB	人民幣	3,821	389	—	(3)
Hong Kong Dollar ("HK\$")	港元(「港元」)	3,024	4,507	(6,811)	—
United States Dollar ("USD")	美元(「美元」)	1	18	—	—

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

於二零一四年十二月三十一日，本集團最大客戶及五大客戶信貸風險集中情況分別佔全部貿易應收款項之15% (二零一三年度：9%)及35% (二零一三年度：35%)。

本集團之財務資產概無抵押或其他信貸提升。

貨幣風險

本公司旗下多間附屬公司之銷售是外幣計價，本集團因而面對外匯風險。本集團約5% (二零一三年度：4%)之銷售以集團實體功能貨幣以外之貨幣計價。本集團目前並無任何外幣對沖政策。本集團會監察外匯風險，如有必要時，亦會考慮對沖重大外匯風險。

本集團以外幣計價之貨幣資產及貨幣負債於呈報期末之賬面值如下：

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6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the currency of RMB, HK\$ and USD.

The following table details the Group's sensitivity to a 5% (2013: 5%) increase and decrease in exchange rates of the relevant foreign currencies against the respective entity's functional currency. 5% (2013: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2013: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where the respective functional currencies of the reporting entity weaken 5% (2013: 5%) against the relevant foreign currencies. For a 5% (2013: 5%) strengthening of the respective functional currencies against the relevant foreign currencies, there would be an equal and opposite impact on the loss, and the balances below would be negative.

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析

本集團主要面對人民幣、港元及美元貨幣風險。

下表詳列本集團於相關外幣兌各匯報實體功能貨幣之匯率上升及下跌5%(二零一三年度:5%)之敏感度。5%(二零一三年度:5%)之敏感度,乃於內部向主要管理人員匯報外匯風險時採用,並為管理層對外幣匯率可能出現之合理變動之評估。敏感度分析僅包括未兌換以外幣計值之貨幣項目,並於呈報期末按5%(二零一三年度:5%)之匯率變動調整其換算。下表列示之正數顯示倘各匯報實體功能貨幣兌相關外幣貶值5%(二零一三年度:5%)時稅後虧損減少之數額。倘相關功能貨幣兌相關外幣升值5%(二零一三年度:5%),將會對虧損造成等額但相反之影響,而下表之結餘將為負數。

		RMB 人民幣		HK\$ 港元		USD 美元	
		2014 二零一四年 RMB'000 人民幣千元 (note (a)) (附註(a))	2013 二零一三年 RMB'000 人民幣千元 (note (a)) (附註(a))	2014 二零一四年 RMB'000 人民幣千元 (note (b)) (附註(b))	2013 二零一三年 RMB'000 人民幣千元 (note (b)) (附註(b))	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 or loss	溢利或虧損	160	16	(163)	184	—	1

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Currency risk (continued)

Sensitivity analysis (continued)

Notes:

- (a) This is mainly attributable to the exposure outstanding on bank balances and cash denominated in RMB at the end of the reporting period.
- (b) This is mainly attributable to the exposure outstanding on loans from controlling shareholders and bank balances and cash denominated in HK\$ at the end of the reporting period.

Interest rate risk

As at 31 December 2014 and 2013, the Group is exposed to cash flow interest rate risk in relation to bank balances and cash (note 22). No sensitivity analysis is presented because the risk is considered insignificant.

As at 31 December 2014, the Group is also exposed to fair value interest rate risk in relation to fixed rate deposit with bank (note 22). No sensitivity analysis is presented because the risk is considered insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it maintains sufficient reserves of cash on demand to meet its liquidity requirement in the short and longer term; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析(續)

附註：

- (a) 此乃主要由於在呈報期末以人民幣計值的銀行結存及現金所承受之風險所致。
- (b) 此乃主要由於在呈報期末以港元計值的銀行結存及現金和控股股東借款所承受的風險所致。

利率風險

於二零一四年及二零一三年十二月三十一日，本集團面對之現金流利率風險關於銀行結存及現金(附註22)。鑒於該風險較小，故概無呈列敏感度分析。

於二零一四年十二月三十一日，本集團面對公允價值利率風險關於銀行存款(附註22)。鑒於該風險較小，故概無呈列敏感度分析。

流動性風險

流動性風險指本集團無法履行到期的財務責任的風險。本集團管理流動資金風險的方法，為盡量確保在一般及緊急情況下備有足夠的流動資金應付到期的負債，使本集團毋須承擔不能接受的虧損或聲譽受損的風險。

本集團確保在需要時保持足夠現金儲備，以滿足其短期及長期流動資金需求，惟不包括無法合理預計的特殊情況，如自然災害的潛在影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Liquidity risk (continued)

As at 31 December 2014, the Group is exposed to liquidity risk as the Group had net current liabilities of approximately RMB26,364,000 (2013: RMB29,346,000). The Directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations and the details of which are set out in note 1.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

流動性風險(續)

因為本集團於二零一四年十二月三十一日存在流動負債淨值約人民幣26,364,000(二零一三年度：人民幣29,346,000)，本集團因而面對流動性風險。本公司董事認為本集團有足夠營運資本來償付其負債，詳見附註1。

下表詳列本集團之非衍生財務負債之剩餘合約期限。該表乃基於本集團須作出支付之最早日期並根據財務負債之未折現現金流量制定。其他非衍生財務負債之到期日以協定償還日期為基礎。表中包括利息及本金現金流量。倘利率流以浮息計量，未折現金額乃於呈報期末從利率圖表得出。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2014
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6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Liquidity risk (continued)

		Repayable on demand or within 1 year 按要求償還或一年內 RMB'000 人民幣千元	More than 1 year but less than 2 years 多於一年但少於兩年 RMB'000 人民幣千元	Total undiscounted cash flows 未折現現金流量總計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2014	於二零一四年十二月三十一日				
Non-derivative financial liabilities	非衍生財務負債				
Trade and other payables	貿易及其他應付款項	(150,041)	—	(150,041)	(150,041)
Amounts due to related parties	應付關連方款項	(6,208)	—	(6,208)	(6,208)
Loans from controlling shareholders	控股股東借款	—	(48,484)	(48,484)	(44,069)
		(156,249)	(48,484)	(204,733)	(200,318)
At 31 December 2013	於二零一三年十二月三十一日				
Non-derivative financial liabilities	非衍生財務負債				
Trade and other payables	貿易及其他應付款項	(188,741)	—	(188,741)	(188,741)
Amounts due to related parties	應付關連方款項	(1,514)	—	(1,514)	(1,514)
		(190,255)	—	(190,255)	(190,255)

(c) Fair value measurements of financial instruments

The Directors of the Company consider that the carrying amounts of current financial assets and current financial liabilities recognised at amortised cost in the consolidated financial statements as at 31 December 2014 and 2013 not materially different from their fair values due to the short maturities. The fair value of non-current loans from controlling shareholders equals its carrying amount.

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

流動性風險(續)

(c) 以公允價值計量之財務工具

本公司董事認為，由於綜合財務報表內流動財務資產及流動財務負債會於二零一四年及二零一三年十二月三十一日短期內到期，故其賬面值與公允值並無重大差異。控股股東的非流動借款之公允價值與其賬面值相等。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2014
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7. Revenue and Segment Information

Revenue represents the net amounts received and receivable of the goods sold to customers, net of discounts allowed, volume rebates and sales related taxes where applicable.

Information reported to the Executive Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on a mixture of product lines and geography. The segments are managed separately as each operating segment offers different products which require different production information to formulate different strategies. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under IFRS 8 are as follows:

- Hair-care products
- Skin-care products
- Other household and personal care products

An operating segment regarding herbal tea products was discontinued in the year ended 31 December 2013. The segment information reported below does not include any amounts for this discontinued operation, which is described in more detail in note 13.

Also, the Executive Directors of the Company are provided with segment information concerning segment revenue and result. Segment assets and liabilities are not reported to the Executive Directors of the Company regularly.

7. 營業額及分部資料

營業額指本集團出售予客戶的貨物並扣除折扣、銷售返利及相關銷售稅(如適用)後的已收款及應收款。

為注重產品線與區域性而優化分部間資源分配及評估分部表現的基礎上，有關分部訊息已向本公司執行董事(即主要營運決策者)報告。各分部是根據其獨特的產品特點和戰略作為單獨經營分部來管理的。主要營運決策者認為本集團沒有可以合併呈報的經營分部。

根據國際財務報告準則第8號，本集團之可報告的經營分部為：

- 護髮產品
- 護膚產品
- 其他家用及個人護理產品

本集團於截至二零一三年十二月三十一日止年度內終止經營涼茶分部的業務，以下呈報內容不包括此等已終止的產品業務，已終止涼茶產品業務的詳情載於附註13。

本公司的執行董事獲提供有關分部收入和分部業績的信息，而分部資產和業績的信息則不會定期向本公司執行董事報告。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

7. Revenue and Segment Information (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments.

		Continuing operations 持續經營業務							
		Hair-care products 護髮產品		Skin-care products 護膚產品		Other household and personal care products 其他家用及個人護理產品		Total 合計	
		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	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
Sales to external customers	銷售予外部客戶	256,474	400,447	14,084	34,427	24,091	42,783	294,649	477,657
Segment loss	分部虧損	(81,283)	(107,053)	(1,459)	(9,972)	(19,798)	(6,445)	(102,540)	(123,470)
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益							(1,782)	(223)
Bank interest income	銀行利息收入							540	834
Other income	其他收入							2,238	1,577
Corporate and other unallocated expenses	未分配之總部與其他開支							(12,167)	(14,907)
Finance costs	融資成本							(1,830)	(702)
Loss before tax (continuing operations)	持續經營之稅前虧損							(115,541)	(136,891)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the loss made by each segment without allocation of changes in fair value less costs to sell of biological assets, bank interest income, gain on sales of scrap materials, net exchange gains/losses, provision for litigation recognised/reversed, write-off of other receivables, central administration cost, directors' emoluments and finance costs. This is the measure reported to the Executive Directors of the Company for the purposes of resource allocation and performance assessment.

7. 營業額及分部資料(續)

分部收入及業績

以下是本集團按可報告的持續經營分部收入及業績分析：

經營分部的會計政策與附註3所述之本集團的會計政策一致。分部業績指各分部所錄得之虧損，當中並無分配生物資產的公允價值減銷售成本的變動損益、銀行利息收入、處置廢料收益、匯兌收益／虧損淨額、訴訟計提費用確認／撥回、其他應收款項撇銷、中央管理成本、董事薪酬以及融資成本。此乃為資源分配及表現評估而向本公司之執行董事報告之計量方式。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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7. Revenue and Segment Information (continued)

7. 營業額及分部資料(續)

Other segment information

其他分部資料

		Continuing operations 持續經營業務							
		Hair-care products 護髮產品		Skin-care products 護膚產品		Other household and personal care products 其他家用及個人護理產品		Total 合計	
		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	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
Amounts included in the measure of segment results	計算分部結果時已計入款項								
Depreciation of property, plant and equipment	物業、廠房及設備折舊	21,764	22,324	1,272	1,849	3,813	2,532	26,849	26,705
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之減值損失確認	37,650	14,330	1,358	1,232	3,536	1,531	42,544	17,093
Loss (gain) on disposal of property, plant and equipment	處置物業、廠房及設備損失(收益)	36	(235)	2	(20)	3	(25)	41	(280)
Impairment loss recognised (reversed) in respect of trade receivables	貿易應收款項之減值損失確認(撥回)	63	(2,278)	3	(196)	6	(243)	72	(2,717)
Reversal of write-down of inventories	存貨跌價撥回	(742)	(8,278)	(63)	(701)	(88)	(978)	(893)	(9,957)
Write-down of inventories	存貨跌價	1,000	2,734	62	232	194	323	1,256	3,289
Write-off of inventories	存貨報廢	7,120	10,930	1,700	661	1,088	1,001	9,908	12,592

Geographical information

The Group's continuing operations are mainly located in the PRC (country of domicile) and Hong Kong.

The geographical location of customers is based on the location at which the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and biological assets, and the location of the operation to which they are allocated, in the case of the non-current portion of prepaid advertising fee.

地區資料

本集團持續經營業務主要集中在中國大陸(所在國家)和香港。

客戶的所在地區乃根據提供服務或交付貨品的位置釐定。非流動資產的地理位置乃根據資產實際所在位置(如屬物業、廠房及設備,以及生物資產)及經營業務所在位置(如屬非流動部分的預付廣告費用)而釐定。

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7. Revenue and Segment Information (continued)

7. 營業額及分部資料(續)

Geographical information (continued)

地區資料(續)

	Revenue from external customers 來自外部客戶的收入		Non-current assets 非流動資產	
	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
PRC (country of domicile) 中國(所在國家)	278,995	458,891	224,622	293,412
Hong Kong 香港	9,951	12,786	893	1,137
Thailand 泰國	2,131	2,032	—	—
Malaysia 馬來西亞	2,007	1,598	—	—
Singapore 新加坡	1,241	2,184	—	—
Others 其他	324	166	—	—
Total 總計	294,649	477,657	225,515	294,549

Information about major customers

Included in revenue arising from continuing operations for the year ended 31 December 2014 of approximately RMB294,649,000 is revenue of approximately RMB62,877,000 which arose from sales of hair-care products and other household and personal care products to the Group's largest customer. No other single customer contributed more than 10% to the Group's revenue for 2014. During the year ended 31 December 2013, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

主要客戶信息

截至二零一四年十二月三十一日止年度，持續經營業務銷售額約人民幣294,649,000，其中銷售護髮產品及其他家用及個人護理產品給本集團最大客戶的約佔人民幣62,877,000。二零一四年沒有其他單一客戶貢獻超過本集團營業額的10%。截至二零一三年十二月三十一日止年度，本集團沒有單一客戶貢獻超過本集團營業額的10%。

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For the year ended 31 December 2014
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8. Other Income

8. 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
Continuing operations	持續經營業務		
Bank interest income	銀行利息收入	540	834
Gain on sales of scrap materials	處置廢料收益	1,205	1,060
Gain on disposal of property, plant and equipment	處置物業、廠房及設備收益	—	280
Impairment loss reversed in respect of trade receivables	貿易應收款項減值損失撥回	—	2,717
Recovery from litigation claim (note)	訴訟索賠彌償(附註)	680	—
Net foreign exchange gains	匯兌收益淨額	12	—
Reversal of provision for litigation	訴訟計提費用撥回	120	—
Others	其他	221	517
		2,778	5,408

Note: During the year ended 31 December 2014, a claim against other party in respect of purchase of petroleum was settled by mediation and an amount of RMB680,000 (2013: nil) was recovered by the Group.

附註：截至二零一四年十二月三十一日止年度內，對其他方就購買柴油之索賠已被調解，本集團獲償人民幣680,000(二零一三年度：無)

9. Finance Costs

9. 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
Continuing operations	持續經營業務		
Interest on secured bank loans wholly repayable within five years	五年內到期全數償還的已抵押銀行貸款的借貸利息	—	702
Imputed interest on non-interest bearing loans from controlling shareholders	控股股東無息借款之估算利息	1,830	—
		1,830	702

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2014
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10. Taxation

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

The PRC EIT Law allows enterprises to apply for the certificates of “High and New Technology Enterprise” (“**HNTE**”) which entitles the qualified companies to a preferential income tax rate of 15%. Bawang (Guangzhou) Co., Ltd. (“**Bawang Guangzhou**”), a PRC subsidiary of the Group, was qualified as a HNTE in 2009 and the qualification was renewed and valid until 2014. However, Bawang Guangzhou did not have any assessable profits subject to Enterprise Income Tax for the years ended 31 December 2014 and 2013.

- (b) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No tax is payable on profit for the year ended 31 December 2014 arising in Hong Kong since the assessable profit is wholly absorbed by tax losses brought forward. No provision for Hong Kong Profits Tax has been provided for the year ended 31 December 2013 as the Group does not have any assessable profits subject to Hong Kong Profits Tax for 2013.
- (c) Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the current and previous years.

10. 稅項

- (a) 根據中國企業所得稅法(「**企業所得稅法**」)及企業所得稅法實施條例，本集團附屬公司的稅率自二零零八年一月一日起為25%。

中國企業所得稅法允許企業申請高新技術企業(「**高新技術企業**」)證書，而獲得該資格的企業可以享有15%的優惠稅率。霸王(廣州)有限公司(「**霸王廣州**」)，集團的一間中國附屬公司，於二零零九年被認定為高新技術企業，並再次被認定及該資格有效至二零一四年。然而，截至二零一四年及二零一三年十二月三十一日止年度，霸王廣州並沒有任何須繳納企業所得稅之應課稅溢利。

- (b) 兩個年度之香港利得稅按應課稅溢利的16.5%來計算。由於應課稅溢利被稅前虧損完全抵銷，本年度在香港的利潤無須繳稅。截至二零一三年十二月三十一日止年度，本集團並沒有任何須繳納香港所得稅之應課稅溢利，所以並無計提香港利得稅。
- (c) 根據開曼群島及英屬處女群島的規則及條例，本集團無須為以前及本年度繳納開曼群島及英屬處女群島的任何稅項。

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For the year ended 31 December 2014
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10. Taxation (continued)

- (d) Pursuant to the Implementation Rules of the EIT Law, overseas investors of foreign investment companies shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which the beneficial owner is holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group does not make provision of withholding income tax for the years ended 31 December 2014 and 2013 since the PRC subsidiaries incur losses in both years.

10. 稅項(續)

- (d) 根據企業所得稅法實施條例，自二零零八年一月一日起，除非獲條約減低稅率，外商投資企業的海外投資者須就來自中國附屬公司溢利的股息繳付10%預扣所得稅。根據避免中港兩地雙重徵稅安排，於香港創立的投資者如果持有中國附屬公司不低於25%權益且為受益擁有人，則可享受來自其中國附屬公司的股息的寬減預扣稅稅率5%。由於中國附屬公司均產生虧損，因此本集團截至二零一四年及二零一三年十二月三十一日止年度並沒有計提預扣所得稅。

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For the year ended 31 December 2014
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10. Taxation (continued)

Taxation for the years can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

10. 稅項(續)

年內稅項與綜合損益表之稅前虧損對賬如下：

		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
Continuing operations	持續經營業務		
Loss before taxation	稅前虧損	(115,541)	(136,891)
Tax calculated at the domestic income tax rate of 25% (2013: 25%)	按本地所得稅稅率25%計算之稅項 (二零一三年度：25%)	(28,885)	(34,223)
Effect of different tax rates of entities operating in other jurisdictions	於其他司法權區經營之不同稅率之稅務影響	2,940	7,391
Tax effect of expenses not deductible for tax purpose	不可扣減費用之稅務影響	6,602	8,732
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(1,062)	(987)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	11,706	18,694
Tax effect of other deductible temporary differences not recognised	未確認可扣減暫時性差異之稅務影響	8,789	393
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(90)	—
Taxation	稅項	—	—

Details of deferred tax are set out in note 25.

遞延所得稅詳見附註25。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2014
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11. Loss for the Year from Continuing Operations

Loss for the year from continuing operations has been arrived at after charging (crediting):

11. 持續經營業務之年內虧損

持續經營業務之稅前虧損已扣除(計入)下列項目：

		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
Auditor's remuneration	核數師酬金	737	673
Cost of inventories recognised as an expense (note (a))	確認為開支之存貨成本(附註(a))	184,417	246,066
Depreciation of property, plant and equipment	物業、廠房及設備折舊	26,980	27,440
Impairment loss recognised in respect of property, plant and equipment (included in other expenses)	物業、廠房及設備之減值損失確認(計入其他費用)	42,544	17,093
Impairment loss recognised in respect of trade receivables	貿易應收款項之減值損失確認	72	—
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的損失	41	—
Net foreign exchange loss	匯兌虧損淨額	—	34
Provision for litigation (included in other expenses)	訴訟計提費用(計入其他費用)	—	1,826
Research and development costs recognised as an expense	確認為開支之研發成本	10,036	17,862
Reversal of write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價撥回(計入以上確認為開支之存貨成本)	(893)	(9,957)
Staff costs (note (b))	員工成本(附註(b))	74,854	132,566
Write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價(計入以上確認為開支之存貨成本)	1,256	3,289
Write-off of inventories (included in cost of inventories recognised as an expense above)	存貨報廢(計入以上確認為開支之存貨成本)	9,908	12,592
Write-off of other receivables (included in other expenses)	其他應收款項撇銷(計入其他費用)	—	439

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2014
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11. Loss for the Year from Continuing Operations (continued)

Notes:

- (a) Cost of inventories recognised as an expense from continuing operations included depreciation of property, plant and equipment and staff costs of approximately RMB24,610,000 (2013: RMB21,695,000) and RMB21,385,000 (2013: RMB39,172,000) respectively. The amounts were also included in the respective amounts disclosed above.
- (b) Staff costs from the continuing operations included redundancy costs of approximately RMB889,000 (2013: RMB9,679,000) for the year ended 31 December 2014.

11. 持續經營業務之年內虧損(續)

附註：

- (a) 持續經營業務中確認為開支之存貨成本包括物業、廠房及設備折舊及員工成本分別約為人民幣24,610,000(二零一三年度：人民幣21,695,000)及人民幣21,385,000(二零一三年度：人民幣39,172,000)。以上金額均已分別包含在以上披露金額中。
- (b) 截至二零一四年十二月三十一日止年度，持續經營業務中員工成本包括遣散費用約人民幣889,000(二零一三年度：人民幣9,679,000)。

12. Staff Costs

12. 員工成本

		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
Continuing operations	持續經營業務		
Staff costs (including directors' emoluments) comprise:	員工成本(包括董事酬金)：		
Salaries, allowances and benefits	薪金、津貼及福利	71,483	127,056
Contributions to retirement benefits schemes	退休福利計劃供款	3,174	4,595
Equity-settled share-based payment	以股權益結算並以股份為基礎的支付	197	915
		74,854	132,566

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

13. Discontinued Operation

During the year ended 31 December 2013, the Directors of the Company resolved to discontinue the production and sales of its herbal tea products due to the unsatisfactory financial performance of the business of the herbal tea products with effect from 1 July 2013.

As the herbal tea products segment represented a separate major line of business of the Group in prior years, the discontinuance of production and sales of herbal tea products has constituted a discontinued operation during the year ended 31 December 2013.

The results of the herbal tea products operation for the years ended 31 December 2014 and 2013 were 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
Revenue	營業額	—	723
Cost of sales	銷售成本	—	(2,046)
Other income	其他收入	—	2,477
Selling and distribution costs	銷售及分銷開支	—	(6,397)
Administrative expenses	行政費用	(40)	(328)
Other expenses	其他費用	(876)	(1,040)
Loss before taxation	稅前虧損	(916)	(6,611)
Taxation	稅項	—	—
Loss for the year	年內虧損	(916)	(6,611)

13. 已終止經營業務

於截至二零一三年十二月三十一日止年度內，由於涼茶產品經營狀況不理想，本公司董事決定由二零一三年七月一日起停止涼茶產品的生產及銷售。

鑒於去年涼茶產品分部代表了本集團一個單獨的主要產品線，停止涼茶產品的生產和銷售構成於截至二零一三年十二月三十一日止年度內已終止經營業務。

涼茶產品業務截至二零一四年及二零一三年十二月三十一日止年度的業績如下：

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

13. Discontinued Operation (continued)

Loss for the year from discontinued operation includes the following:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	—	(2)
Cost of inventories recognised as an expense	確認為開支之存貨成本	—	2,046
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18	213
Impairment loss recognised in respect of property, plant and equipment (included in other expenses above)	物業、廠房及設備之減值損失確認(計入以上其他費用)	—	645
Loss on disposal of property, plant and equipment (included in other expenses above)	處置物業、廠房及設備的損失(計入以上其他費用)	86	13
Provision for litigation (included in other expenses above)	訴訟計提費用(計入以上其他費用)	662	—
Staff costs (note)	員工成本(附註)	—	1,521
Write-off of trade and other receivables (included in other expenses above)	貿易及其他應收款項撇銷(計入以上其他費用)	128	150
Write-back of trade and other payables	貿易及其他應付款項撥回	—	(2,471)
Write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價(計入以上確認為開支之存貨成本)	—	854
Write-off of inventories (included in cost of inventories recognised as an expense above)	存貨報廢(計入以上確認為開支之存貨成本)	—	462

No tax charge or credit arose on loss on discontinuance of the operation.

Note: Staff costs from discontinued operation included redundancy costs of approximately RMB482,000 (2014: nil) for the year ended 31 December 2013.

13. 已終止經營業務(續)

已終止經營業務的年內虧損包括以下各項：

終止經營業務之虧損並無產生任何扣減或抵免稅項目。

附註：截至二零一三年十二月三十一日止年度，已終止經營業務中員工成本包括遣散費用約人民幣482,000(二零一四年度：無)。

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

13. Discontinued Operation (continued)

Net cash outflows on discontinued operation 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
Operating activities	經營活動	(67)	(19,368)
Investing activities	投資活動	50	(267)
		(17)	(19,635)

14. Dividends

No dividend was paid or proposed for the year ended 31 December 2014, nor has any dividend been proposed since the end of the reporting period (2013: nil).

15. Loss Per Share

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to owners of the Company is based on the loss for the year from continuing and discontinued operations of approximately RMB116,457,000 (2013: RMB143,502,000) and the weighted average number of approximately 2,910,971,000 (2013: 2,910,971,000) ordinary shares in issue during the period.

13. 已終止經營業務(續)

已終止經營業務之現金流淨值列載如下：

14. 股息

截至二零一四年十二月三十一日止年度並無派付或擬派任何股息，自呈報期間後亦無擬派任何股息(二零一三年度：無)。

15. 每股虧損

來自持續經營業務及已終止經營業務

本公司擁有人應佔來自持續經營業務及已終止經營業務之每股基本及攤薄虧損是根據持續經營業務及已終止經營業務之年內虧損約人民幣116,457,000(二零一三年度：人民幣143,502,000)及期內已發行普通股加權平均數約2,910,971,000股(二零一三年度：2,910,971,000股)計算。

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

15. Loss Per Share (continued)

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations of approximately RMB115,541,000 (2013: RMB136,891,000) and the weighted average number of approximately 2,910,971,000 (2013: 2,910,971,000) ordinary shares in issue during the period.

From discontinued operation

Basic and diluted loss per share for the discontinued operation attributable to owners of the Company is RMB0.03 cents per share (2013: RMB0.23 cents per share), based on the loss for the year from the discontinued operation of approximately RMB916,000 (2013: RMB6,611,000) and the denominators detailed above for both basic and diluted loss per share.

For the years ended 31 December 2014 and 2013, the diluted loss per share is same as the basic loss per share.

The computation of diluted loss per share for the years ended 31 December 2014 and 2013 does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

15. 每股虧損(續)

來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄虧損是根據持續經營業務之年內虧損約人民幣115,541,000(二零一三年度：人民幣136,891,000)及期內已發行普通股加權平均數約2,910,971,000股(二零一三年度：2,910,971,000股)計算。

來自已終止經營業務

本公司擁有人應佔已終止經營業務之每股基本及攤薄虧損為人民幣0.03仙(二零一三年度：每股人民幣0.23仙)，是根據已終止經營業務之年內虧損約人民幣916,000(二零一三年度：人民幣6,611,000)及上文詳述每股基本及攤薄虧損所用之分母計算。

截至二零一四年及二零一三年十二月三十一日止年度的每股攤薄虧損等同每股基本虧損。

由於行使購股權將減少每股虧損，所以在計算截至二零一四年及二零一三年十二月三十一日止年度每股攤薄虧損時，並無假設行使任何本公司的購股權。

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

16. Directors' and Chief Executive's Emoluments

The emoluments paid or payable to each of the eight (2013: eight) Directors and the chief executive were as follows:

For the year ended 31 December 2014

Name of Director	董事名稱	Fees	Salaries, allowances and benefits	Retirement	Share-based	Total
				benefits scheme contributions	payments (note (a))	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors		執行董事				
Mr. CHEN Qiyuan (Chairman)	陳啟源先生(主席)	—	—	—	—	—
Ms. WAN Yuhua (Chief Executive Officer)	萬玉華女士(首席執行官)	—	—	—	—	—
Mr. CHEN Zheng He (note (b))	陳正鶴先生(附註(b))	—	114	6	—	120
Mr. WONG Sin Yung	黃善榕先生	—	951	13	60	1,024
Independent Non-Executive Directors		獨立非執行董事				
Dr. NGAI Wai Fung	魏偉峰博士	238	—	—	—	238
Mr. CHEN Kaizhi (note (c))	陳開枝先生(附註(c))	79	—	—	—	79
Mr. CHEUNG Kin Wing (note (d))	張建榮先生(附註(d))	21	—	—	—	21
Mr. LI Bida	李必達先生	158	—	—	—	158
		496	1,065	19	60	1,640

16. 董事及主要行政人員酬金

已付或應付八名(二零一三年度: 八名)董事及主要行政人員之酬金如下:

截至二零一四年十二月三十一日止年度

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截至二零一四年十二月三十一日止年度

16. Directors' and Chief Executive's Emoluments (continued)

For the year ended 31 December 2013

Name of Director	董事名稱	Fees	Salaries, allowances and benefits	Retirement benefits scheme contributions	Share-based payments (note (a))	Total
		袍金 RMB'000 人民幣千元	薪金、津貼及福利 RMB'000 人民幣千元	退休福利計劃供款 RMB'000 人民幣千元	已股份為基礎的付款 (附註(a)) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive Directors	執行董事					
Mr. CHEN Qiyuan (Chairman)	陳啟源先生(主席)	—	—	—	—	—
Ms. WAN Yuhua (Chief Executive Officer)	萬玉華女士(首席執行官)	—	—	—	—	—
Mr. SHEN Xiaodi (note (e))	沈小笛先生(附註(e))	—	647	5	—	652
Mr. WONG Sin Yung	黃善榕先生	—	1,214	11	195	1,420
Non-Executive Director	非執行董事					
Ms. GUO Jing (note (e))	郭晶女士(附註(e))	97	—	—	—	97
Independent Non-Executive Directors	獨立非執行董事					
Dr. NGAI Wai Fung	魏偉峰博士	277	—	—	—	277
Mr. CHEN Kaizhi	陳開枝先生	198	—	—	—	198
Mr. LI Bida	李必達先生	198	—	—	—	198
		770	1,861	16	195	2,842

Notes:

- (a) These represent the estimated value of share options granted to the Directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 3. The details of these benefits-in-kind, including the principal terms and number of options granted, are disclosed in note 27.
- (b) The director was appointed on 20 October 2014.
- (c) The director resigned on 30 June 2014.
- (d) The director was appointed on 13 November 2014.
- (e) The directors resigned on 28 May 2013.

Neither the chief executive nor any of the Directors waived or agreed to waive any emoluments in the year ended 31 December 2014 (2013: nil).

16. 董事及主要行政人員酬金(續)

截至二零一三年十二月三十一日止年度

附註：

- (a) 該等為根據本公司購股權計劃授予董事購股權的估計價值。該等購股權的價值乃按照本集團股份支付的交易的會計政策計量，詳見附註3。該等福利的詳情，包括授出購股權的主要條款及數目，載於附註27。
- (b) 該董事於二零一四年十月二十日獲委任。
- (c) 該董事於二零一四年六月三十日辭任。
- (d) 該董事於二零一四年十一月十三日獲委任。
- (e) 該董事於二零一三年五月二十八日辭任。

截至二零一四十二月三十一日止年度，本集團無董事及執行董事放棄或同意放棄任何酬金(二零一三年度：無)。

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17. Employees' Emoluments

Of the five individuals with the highest emoluments in the Group, three (2013: two) were Directors of the Company whose emoluments are included in the disclosures in note 16 above. The emoluments of the remaining two (2013: three) individuals were 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, allowances and benefits	薪金、津貼及福利	201	639
Retirement benefits scheme contributions	退休員工福利計劃供款	21	45
Share-based payments	以股份為基礎的支付	90	260
		312	944

Their emoluments were all within nil to HK\$1,000,000.

During the years ended 31 December 2014 and 2013, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) or other directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

17. 員工薪酬

五位最高薪酬人士中，三位(二零一三年度：兩位)為董事，彼等薪酬於以上附註16披露。有關其他兩名(二零一三年度：三位)最高薪酬人士的薪酬詳情如下：

其薪酬全部介乎零至港元1,000,000。

於截至二零一四年及二零一三年十二月三十一日止年度期間，本集團並無支付酬金予本集團五名最高薪酬人士(包括董事及員工)或其他董事，作為邀請加入或於加盟本集團時之獎勵或作為離職補償。

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18. Property, Plant and Equipment

18. 物業、廠房及設備

		Buildings 房屋 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Leasehold improvements 經營租賃 改良支出 RMB'000 人民幣千元	Motor vehicles 運輸工具 RMB'000 人民幣千元	Office equipment and others 辦公室設備 及其他 RMB'000 人民幣千元	Display furniture 展示專櫃 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本								
At 1 January 2013	於二零一三年 一月一日	5,494	64,921	132,533	14,116	23,259	670	121,427	362,420
Exchange realignment	匯兌調整	—	—	—	(412)	(69)	—	—	(481)
Additions	添置	—	6,440	2,380	11	477	248	9,338	18,894
Disposals	出售	—	—	—	(1,898)	(1,346)	—	—	(3,244)
Transfer from construction in progress	轉撥自在建工程	—	46,981	2,286	—	5	—	(49,272)	—
At 31 December 2013 and 1 January 2014	於二零一三年 十二月三十一日 及二零一四年 一月一日	5,494	118,342	137,199	11,817	22,326	918	81,493	377,589
Exchange realignment	匯兌調整	—	—	—	(18)	(7)	—	—	(25)
Additions	添置	—	181	75	—	14	19	950	1,239
Disposals	出售	—	(2,072)	—	(775)	(726)	—	—	(3,573)
Transfer from construction in progress	轉撥自在建工程	—	31	4,746	—	—	—	(4,777)	—
At 31 December 2014	於二零一四年 十二月三十一日	5,494	116,482	142,020	11,024	21,607	937	77,666	375,230
ACCUMULATED DEPRECIATION	累計折舊								
At 1 January 2013	於二零一三年 一月一日	578	18,337	193	10,864	10,793	36	—	40,801
Depreciation provided for the year	年內折舊撥備	247	7,897	13,408	1,315	4,405	381	—	27,653
Impairment loss recognised in profit or loss	已確認損益之 減值	—	5,747	6,890	69	451	35	4,546	17,738
Eliminated on disposals	出售時對銷	—	—	—	(1,385)	(1,105)	—	—	(2,490)
Exchange realignment	匯兌調整	—	—	—	(363)	(6)	—	—	(369)
At 31 December 2013 and 1 January 2014	於二零一三年 十二月三十一日 及二零一四年 一月一日	825	31,981	20,491	10,500	14,538	452	4,546	83,333
Depreciation provided for the year	年內折舊撥備	247	9,648	13,196	229	3,326	352	—	26,998
Impairment loss recognised in profit or loss	已確認損益之 減值	—	13,269	12,346	116	501	15	16,297	42,544
Eliminated on disposals	出售時對銷	—	(1,618)	—	(710)	(638)	—	—	(2,966)
Exchange realignment	匯兌調整	—	—	—	(15)	(4)	—	—	(19)
At 31 December 2014	於二零一四年 十二月三十一日	1,072	53,280	46,033	10,120	17,723	819	20,843	149,890
CARRYING VALUES	賬面值								
At 31 December 2014	於二零一四年 十二月三十一日	4,422	63,202	95,987	904	3,884	118	56,823	225,340
At 31 December 2013	於二零一三年 十二月三十一日	4,669	86,361	116,708	1,317	7,788	466	76,947	294,256

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18. Property, Plant and Equipment (continued)

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

Buildings	房屋	20 years	20年
Machinery	機器	10 years	10年
Leasehold improvements	經營租賃改良支出	10 years	10年
Motor vehicles	運輸工具	5-8 years	5-8年
Office equipment and others	辦公室設備及其他	5 years	5年
Display furniture	展示專櫃	2 years	2年

Subsequent to the end of the reporting period, the Directors of the Company has reassessed the estimated useful lives of property, plant and equipment and resolved that the useful life of machinery should be adjusted from 10 years to 15 years in view of the low utilisation rate of machinery with the shrinking revenue. The change in accounting estimate will decrease the depreciation charge and loss before taxation (or increase profit before taxation) for the year ending 31 December 2015.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use. Upon completion and commissioning for operation, depreciation will be provided at the appropriate rates specified above.

All buildings owned by the Group are located in the PRC under long-term lease.

18. 物業、廠房及設備(續)

折舊是基於物業、廠房及設備的成本金額減去其預計剩餘價值後以下列預計可使用年期按直線法計算。

於呈報期後，本公司董事對物業、廠房及機器設備的預計使用年限進行重新估值，考慮到機器設備的因營業額縮減而使用率低，故決定將機器設備的使用壽命由十年調整至十五年。該會計估計變更將減少截至二零一五年十二月三十一日止年度之折舊費用及稅前虧損(或增加稅前利潤)。

在建工程不計提折舊，直至當資產實質上完工，並達到可使用狀態。當其完工及投入運作時，將按上文所載適當比率開始計提折舊。

本集團根據長期租約持有的所有建築物均位於中國大陸。

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18. Property, Plant and Equipment (continued)

During the year ended 31 December 2014, the management conducted a review of the property, plant and equipment which were used in the continuing operations and determined that those assets were impaired with reference to their value in use. Accordingly, impairment loss of approximately RMB28,413,000 (2013: RMB17,093,000) has been recognised under other expenses of continuing operations in the consolidated statement of profit or loss. The value in use calculation is determined based on the financial budgets covering a twelve-year period (2013: ten-year period) which is reference to the estimated useful life of the assets, and a pre-tax discount rate of 15.51% (2013: 17.73%) per annum, approved by the management of the Group.

During the year ended 31 December 2014, a lawsuit was filed by Bawang Guangzhou against a supplier in Guangzhou Baiyun District Law Court (the “**District Court**”) for the incomplete construction and unsatisfactory performance of plant and machineries provided by the supplier. Subsequent on 2 February 2015, the District Court issued a verdict for the lawsuit whereby (i) the purchase contracts for the plant and machineries were terminated; (ii) the supplier should pay Bawang Guangzhou a sum of approximately RMB22,518,000 representing purchase cost paid and liquidated damages in addition to interest; and (iii) the plant and machineries concerned should be dismantled and removed from the factory of Bawang Guangzhou by the supplier. Due to the non-performance of those plant and machineries as at 31 December 2014, the carrying value of the related property, plant and equipment amounting to approximately RMB14,131,000 was fully impaired during the year ended 31 December 2014 and the impairment loss has been recognised under other expenses of continuing operations in the consolidated statement of profit or loss.

18. 物業、廠房及設備(續)

截至二零一四年十二月三十一日止年度內，管理層對用於持續經營業務的物業、廠房及設備進行了檢閱並以該資產的使用價值作為資產減值的參考。減值損失約人民幣28,413,000(二零一三年度：人民幣17,093,000)已被確認於綜合損益表持續經營業務的其他費用內。其資產的使用價值是以集團管理層參考其資產的估計使用年限及稅前年折現率15.51%(二零一三年度：17.73%)而編製的十二年期(二零一三年度：十年期)財務預算來計算。

截至二零一四年十二月三十一日止年度內，霸王廣州因對供應商未完成之工程及所提供的廠房和機器設備性能不佳，在廣州白雲區法院(「**地區法院**」)對其提起訴訟。隨後在二零一五年二月二日，地區法院對此訴訟作出判決(i)廠房及機器設備採購合同被終止；(ii)供應商須支付霸王廣州總計約人民幣22,518,000，包含採購成本、違約金及利息；及(iii)供應商須把廠房及機械設備從霸王廣州的工廠中拆除。截至二零一四年十二月三十一日止年度，由於這些廠房及機器設備的性能不佳，相關之廠房和設備的賬面價值總計約人民幣14,131,000已全數減值，該減值損失已被確認於綜合損益表持續經營業務的其他費用內。

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18. Property, Plant and Equipment (continued)

During the year ended 31 December 2013, the management conducted a review of the manufacturing assets which were used for the production of herbal tea products and determined that a number of those assets were impaired due to idleness following discontinued operation. Accordingly, impairment loss of approximately RMB645,000 (2014: nil) has been recognised under other expenses of discontinued operation for the year ended 31 December 2013.

19. Biological Assets

Biological assets represent the growing herbs in the cultivation base located in the PRC.

		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
At 1 January	於一月一日	2,056	1,978
Changes in fair value less costs to sell	公允價值減銷售成本的 變動損益	(1,782)	(223)
Plantation expenditure	種植支出	366	410
Herbs harvested during the year	年內收獲的中草藥	(39)	(109)
At 31 December	於十二月三十一日	601	2,056
Non-current portion	非流動部份	175	170
Current portion	流動部份	426	1,886
At 31 December	於十二月三十一日	601	2,056

Plantation expenditure comprises those costs that are directly attributable to the cultivation of herbs including seeds, fertilisers, pesticides, direct labour, operating lease charges on farmland and other direct costs.

18. 物業、廠房及設備(續)

截至二零一三年十二月三十一日止年度內，管理層對用於生產製造涼茶產品的物業、廠房及設備進行檢閱，發現部分物業、廠房及設備因終止經營業務而閒置並須進行減值損失。因此，相應的減值損失約人民幣645,000(二零一四年度：無)已被確認於已終止經營業務的其他費用內。

19. 生物資產

生物資產是指位於中國大陸的種植基地裡種植的中草藥。

種植支出包括可直接歸屬於種植中草藥的成本包括種子、肥料、農藥、直接人工、農田的經營租賃費用以及其他直接成本。

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19. Biological Assets (continued)

Consumable biological assets which only have one harvest in each planting are classified as current asset. Bearer plants providing multiple harvests over years are classified as non-current asset.

As at 31 December 2014, the Group had 139 (2013: 375) hectares of growing herbs.

Biological assets are stated at fair value less costs to sell at the end of the reporting period as estimated by an independent appraiser using the net present value approach whereby projected future net cash flows were discounted to provide a current market value of the biological assets. The fair value measurements of biological assets are categorised within level 3 of the fair value hierarchy. There were no transfers among any levels of the fair value hierarchy for both years.

The following unobservable inputs were used in level 3 fair value measurements of the Group's biological assets as at 31 December 2014:

19. 生物資產(續)

每次種植只發生一次收成之消耗性生物資產歸類為流動資產。多年間提供多次收成之生產性植物歸類為非流動資產。

於二零一四年十二月三十一日，本集團擁有139公頃(二零一三年度：375公頃)種植的中草藥。

於呈報期末的生物資產以公允價值減銷售成本進行計量，其價值是由獨立的評估師以淨現值方法進行評估，對預測未來淨現金流量進行折現，以計算該生物資產的現行市場價值。生物資產之公允價值計量界定為第3級公允價值等級。於兩個年度，公允價值等級之間並無任何轉撥。

以下為於二零一四年十二月三十一日有關生物資產第3級公允價值計量之不可觀察資料：

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍(加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與公允價值之 關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–550 (408) per year 每年30–550 (408)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多， 公允價值越高
Growing herbs price 種植之中草藥價格	RMB3–RMB113 (RMB40) per kg 每千克人民幣3–人民幣113(人民幣40)	The higher the market price, the higher the fair value 種植之中草藥市值越高， 公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11% (11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高， 公允價值越低

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19. Biological Assets (continued)

The following unobservable inputs were used in level 3 fair value measurements of the Group's biological assets as at 31 December 2013:

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍(加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與公允價值之 關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–750 (665) per year 每年30–750 (665)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多， 公允價值越高
Growing herbs price 種植之中草藥價格	RMB4–RMB100 (RMB19) per kg 每千克人民幣4–人民幣100(人民幣19)	The higher the market price, the higher the fair value 種植之中草藥市值越高， 公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11%(11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高， 公允價值越低

The discount rates used in the valuation of the biological assets in the PRC at the end of the reporting period were based on the market-determined pre-tax rate.

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the biological assets, the highest and best use of the biological assets is their current use.

19. 生物資產(續)

以下為於二零一三年十二月三十一日有關生物資產第3級公允價值計量之不可觀察資料：

於呈報期末，為於中國種植的生物資產估值使用之折現率是基於市場釐定之稅前利率。

估值技術較上一年度所用者並無改變。就計量生物資產之公允價值而言，生物資產之最有效使用值為其現時之使用值。

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19. Biological Assets (continued)

Reconciliation of Level 3 fair value measurements of biological assets on recurring basis:

		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
At 1 January	於一月一日	2,056	1,978
Addition	添置	366	410
Changes in fair value due to transformation	因形態轉變而產生之 公允價值變動	(1,782)	(223)
Transfer to inventory	轉至存貨	(39)	(109)
At 31 December	於十二月三十一日	601	2,056

The above changes in fair value for the year ended 31 December 2014 recognised in profit or loss of approximately RMB1,782,000 (2013: RMB223,000) is presented as a separate line item on the consolidated statement of profit or loss. Included in the changes in fair value is an amount of approximately RMB149,000 (2013: RMB223,000) that is attributable to the change in unrealised gains or losses relating to biological assets held at the end of the reporting period.

The Group is exposed to demand risks arising from environmental and climatic changes. To mitigate these risks, the Group does not rely on the self-supply of herbs, but also sources herbs from a number of external suppliers.

19. 生物資產(續)

生物資產之循環性第3級公允價值計量對賬：

截至二零一四年十二月三十一日止年度，以上於損益中確認之公允價值變動約人民幣1,782,000(二零一三年度：人民幣223,000)。其中約人民幣149,000(二零一三年度：人民幣223,000)的公允價值變動乃歸於與報告期末持有生物資產相關之未實現利潤或虧損之變動。

本集團面對環境和氣候變化帶來的需求風險。為降低此風險，本集團不單單依賴自給的中草藥，同時亦會向一定數量之外部供應商外購。

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20. Inventories

		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	9,320	8,467
Work-in-progress	在製品	1,655	2,762
Finished goods	製成品	26,495	27,974
Packing materials and consumable goods	包裝材料及消耗品	14,569	16,138
		52,039	55,341

During the year ended 31 December 2014, there was an increase in the net realisable value following a decrease in selling expenses. As a result, a reversal of write-down of inventories of approximately RMB893,000 (2013: RMB9,957,000) has been recognised and included in cost of sales in the current year.

在截至二零一四年十二月三十一日止年度內，可變現淨值因銷售開支下跌而上升。因此，約人民幣893,000(二零一三年度：人民幣9,957,000)之存貨跌價準備撥回已被確認及於本年度包括於銷售成本中。

21. Trade and Other Receivables

		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	68,234	89,937
Less: Accumulated impairment	減：累計減值	(4,712)	(4,640)
		63,522	85,297
Prepayment for purchase of raw materials	購買原材料預付款項	819	1,285
Short-term prepaid advertising fee	短期待攤廣告費用	667	3,958
Other receivables	其他應收款項	3,160	4,382
Total trade and other receivables	貿易及其他應收款項合計	68,168	94,922

The Group allows an average credit period of 30 to 90 days to its trade customers.

本集團一般給予貿易客戶之平均信貸期為30至90日。

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21. Trade and Other Receivables (continued)

- (a) The following is an aged analysis of trade receivables, net of impairment, presented based on the due date at the end of the reporting period:

		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
Neither past due nor impaired	即期	41,612	56,742
Less than 3 months past due	逾期少於3個月	17,865	20,937
More than 3 months but less than 6 months past due	逾期3至6個月	2,779	6,790
More than 6 months but less than 12 months past due	逾期6至12個月	1,191	372
More than 12 months past due	逾期多於12個月	75	456
		21,910	28,555
		63,522	85,297

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB21,910,000 (2013: RMB28,555,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss. Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group does not hold any collateral over the trade and other receivables.

21. 貿易及其他應收款項(續)

- (a) 根據到期日呈列之貿易應收款項(扣除減值)於呈報期末的分析如下:

並無逾期及減值的應收款項屬於眾多之客戶，彼等近期並無逾期付款記錄。

於呈報期末，本集團的已逾期但無作出減值撥備之貿易應收款項結餘帳面總值約人民幣21,910,000(二零一三年度：人民幣28,555,000)。逾期但無減值的應收款項與若干獨立客戶有關，該等客戶與本集團的交易記錄良好。由於信用質素並無重大變化，且該等結餘仍被認為可以全數收回，根據以往經驗，管理層相信無需就該等結餘作出減值撥備。本集團並無就該等應收及其他應收款項持有任何抵押品。

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21. Trade and Other Receivables (continued)

(b) Movement in the allowance for impairment for trade receivables:

		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
At 1 January	於一月一日	4,640	7,357
Impairment loss recognised	已確認之減值損失	72	—
Reversal of impairment loss recognised	已確認之減值損失撥回	—	(2,717)
At 31 December	於十二月三十一日	4,712	4,640

At 31 December 2014, the Group's trade receivables of approximately RMB4,712,000 (2013: RMB4,640,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that full amount of these receivables is unlikely to be recovered. Consequently full provision for these doubtful debts were recognised. The Group does not hold any collateral over these balances.

21. 貿易及其他應收款項(續)

(b) 貿易應收款項的減值撥備變動：

於二零一四年十二月三十一日，本集團有約人民幣4,712,000(二零一三年度：人民幣4,640,000)的貿易應收款項經個別確認後進行減值損失。該等出現個別減值的應收款為客戶陷入財務困難，而且管理層評估認為不能全數收回的應收款項。因此本集團已對該等呆帳做出全數撥備。本集團並無就該等結餘持有任何抵押品。

22. Restricted Bank Balance/Deposit with Bank/Bank Balances and Cash

Restricted bank balance

As at 31 December 2013, one of the bank accounts of a subsidiary, Bawang (China) Beverage Co., Ltd. (“**Bawang Beverage**”) was frozen pursuant to a civil order. The bank balance carried interest at floating rates based on daily bank deposits rate of 0.35% (2014: nil) per annum. During the year ended 31 December 2014, the whole balance of the frozen bank account was transferred to the court in settlement of the claim (see note 33(d)).

22. 受限制銀行存款／銀行結存及現金

受限制銀行存款

於二零一三年十二月三十一日，附屬公司霸王(中國)飲料有限公司(「霸王飲料」)的一個銀行帳戶因民事頒令被凍結。銀行存款結餘按每日銀行存款浮動年利率0.35%計息(二零一四年度：無)。於截至二零一四年十二月三十一日止年度期間，全部凍結銀行賬戶餘額轉至法院支付賠款(詳見附註33(d))。

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22. Restricted Bank Balance/Deposit with Bank/Bank Balances and Cash (continued)

Deposit with bank

As at 31 December 2014, deposit with bank of RMB20,000,000 (2013: nil), with maturity in May 2015, carries interest at fixed rate of 3.25% (2013: nil) per annum.

Bank balances and cash

As at 31 December 2014, cash at bank carries interest at floating rates based on daily bank deposits rates of 0.001% to 0.35% (2013: 0.001% to 0.35%) per annum.

23. Trade and Other Payables

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Trade payables	貿易應付款項	43,288	48,871
Receipt in advance	預收款項	15,986	23,380
Promotion fee payable	應付推廣費用	28,445	39,716
Accrued payroll	應付工資	2,713	4,211
Payable for acquisition of fixed assets	應付固定資產購置費用	15,067	20,615
Other payables and accrual	其他應付款項及預提費用	60,535	75,328
Total trade and other payables	貿易及其他應付款項合計	166,034	212,121

The following is an aged analysis of trade payables presented based on the due date at the end of the reporting period:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Due within 1 month or on demand	1個月內到期或按通知償還	39,702	42,963
Due after 1 month but within 3 months	1個月後但於3個月內到期	3,586	5,908
		43,288	48,871

The average credit period on purchases is 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

22. 受限制銀行存款／銀行結存及現金 (續)

銀行存款

於二零一四年十二月三十一日，銀行存款人民幣20,000,000(二零一三年度：無)將於二零一五年五月到期，固定年利率為3.25%(二零一三年度：無)。

銀行結存及現金

於二零一四年十二月三十一日，銀行現金按每日銀行存款浮動年利率0.001%至0.35%(二零一三年度：0.001%至0.35%)計算利息。

23. 貿易及其他應付款項

根據到期日呈列之貿易應付款項於呈報期末之賬齡分析如下：

由供應商給予的信貸期介於30至90日。本集團有相應的財務風險管理策略保證所有應付款項及時償還。

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24. Provisions

		Provision for litigation 訴訟計提費用	
		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
At 1 January	於一月一日	1,826	—
Provision recognised	計提費用確認	662	1,826
Provision reversed	計提費用撥回	(120)	—
Payment made	已支付款項	(324)	—
At 31 December	於十二月三十一日	2,044	1,826

Provision for litigation is made based on management best estimates and judgement, as described in note 4. Details of the litigations are set out in note 33.

如附註4所述，訴訟計提費用是基於管理層最好的估計和判斷。訴訟詳見附註33。

25. Deferred Tax

The following is the deferred tax liability recognised and movements thereon during the current and prior years:

		Undistributed profits of PRC subsidiary 中國附屬公司 未分配利潤 RMB'000 人民幣千元
At 1 January 2013, 31 December 2013 and 2014	於二零一三年及二零一四年 一月一日，十二月三十一日	2,031

As at 31 December 2014, the Group has unused estimated tax losses of approximately RMB1,109,755,000 (2013: RMB1,062,804,000) and RMB29,927,000 (2013: RMB30,472,000) for certain subsidiaries in the PRC and Hong Kong respectively. The tax losses incurred by the subsidiaries incorporated in the PRC will expire in five years from the year in which the loss originated, while the ones incurred by the subsidiaries in Hong Kong will not expire under current tax legislation in Hong Kong.

25. 遞延稅項

主要遞延稅項負債年內及以前年度的變動如下：

於二零一四年十二月三十一日，本集團估計於中國及香港若干附屬公司並未就可扣減的稅務虧損分別約人民幣1,109,755,000（二零一三年度：人民幣1,062,804,000）和人民幣29,927,000（二零一三年度：人民幣30,472,000）。其中，由中國成立的附屬公司所產生之稅務虧損將於相關之業務虧損始源之五年內到期，而由香港的附屬公司產生的稅務虧損不會根據香港現行的稅務法例而屆滿。

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25. Deferred Tax (continued)

As at 31 December 2014, the Group has deductible temporary differences of approximately RMB367,601,000 (2013: RMB331,656,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, deferred tax liabilities of RMB2,031,000 (2013: RMB2,031,000) have been recognised in respect of the tax that would be payable on the portion of the dividend declared in respect of profits earned by the Group's PRC subsidiaries.

25. 遞延稅項 (續)

於二零一四年十二月三十一日，本集團可扣減的暫時性差異約為人民幣367,601,000(二零一三年度：人民幣331,656,000)。並無任何因可扣減暫時性差異而確認之遞延稅項資產，因為極低可能有應課稅溢利可抵銷令其可抵扣暫時性差異能夠使用。

於呈報期末，已就本集團中國附屬公司溢利之宣告股息應付的稅項確認遞延稅項負債約為人民幣2,031,000(二零一三年度：人民幣2,031,000)。

26. Share Capital and Reserves

(a) Share capital

		Number of shares 股份數目 '000 千	RMB'000 人民幣千元
Ordinary shares of HK\$0.1 each	每股港元0.1之普通股		
Authorised:	法定：		
At 1 January 2013, 31 December 2013 and 2014	於二零一三年一月一日， 二零一三年及二零一四年 十二月三十一日	10,000,000	880,500
Issued and fully paid ordinary shares:	已發行及繳足：		
At 1 January 2013, 31 December 2013 and 2014	於二零一三年一月一日， 二零一三年及二零一四年 十二月三十一日	2,910,971	256,639

26. 股本及儲備

(a) 股本

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26. Share Capital and Reserves (continued)

(b) Nature and purpose of reserves

(i) Share premium

The application of the share premium account of the Company is governed by the Companies Law (Revised) of the Cayman Islands. The funds in the share premium are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy set out in note 3.

(iii) PRC statutory reserves

PRC statutory reserves are established in accordance with the relevant PRC rules and regulations and the articles of association of the PRC subsidiary of the Group, Bawang Guangzhou. Transfers to the reserves are approved by the directors of Bawang Guangzhou.

Bawang Guangzhou and Bawang Beverage, which are wholly foreign owned enterprises established in the PRC, are required to transfer at least 10% of their net profit (after offsetting prior year losses), as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of the entity. The transfer to this reserve must be made before distribution of dividends to the equity shareholder. No appropriation to statutory reserves were made by the PRC subsidiaries during the years ended 31 December 2014 and 2013, as they recorded losses for both years.

26. 股本及儲備(續)

(b) 儲備性質及用途

(i) 股本溢價

本公司股本溢價賬的應用受開曼群島公司法(經修訂)所規管。除非緊隨建議派付股息的日期後,本公司有能力償還日常業務中到期的債務,否則本公司不得自股本溢價賬向股東分派股息。

(ii) 資本儲備

授予本公司僱員的購股權未行駛的部份,將其於授予日期的公允價值按照附註3股份支付的會計政策於資本儲備中確認。

(iii) 中國法定儲備

中國法定儲備乃根據有關中國規則及規例以及本集團的中國附屬公司霸王廣州的公司章程設立。轉撥的儲備已獲霸王廣州董事會批准。

霸王廣州及霸王飲料乃於中國成立的外商獨資企業,其須根據中國會計規則及規例,轉撥其溢利最少10%的淨溢利(彌補以往年度的虧損後)至一般法定儲備,直至儲備結餘達到中國公司法及該實體的公司章程規定的註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息前進行。由於中國附屬公司於截至二零一四年和二零一三年十二月三十一日止年度發生虧損,所以並沒有向法定儲備轉撥任何溢利。

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26. Share Capital and Reserves (continued)

(b) Nature and purpose of reserves (continued)

(iii) PRC statutory reserves (continued)

Statutory general reserve can be used to make good prior years' losses, if any, and may be converted into share capital by issuing new shares to equity shareholders proportionate to their existing percentage of equity interests provided that the balance after such issue is not less than 25% of the registered capital.

(iv) Merger reserve

On 20 December 2007, Bawang International Group Holding (HK) Limited, a wholly-owned subsidiary of the Company, acquired all the equity interest of Bawang Guangzhou amounting to USD12,500,000, which was previously held by a company owned by the Controlling Shareholders of the Group, at a consideration of the same amount. Accordingly, the share capital of Bawang Guangzhou was eliminated and a merger reserve arose due to foreign exchange differences.

(v) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the operations outside the PRC into the presentation of the Group (i.e. RMB).

(vi) Other reserve

The other reserve represents the deemed contribution by the Controlling Shareholders in the form of non-interest bearing loans to a subsidiary as detailed in note 32(g). The amounts are estimated by discounting the nominal value of the non-interest bearing loans to the subsidiary at an effective interest rate.

26. 股本及儲備(續)

(b) 儲備性質及用途

(iii) 中國法定儲備(續)

一般法定儲備可用作彌補以往年度的虧損(如有),亦可透過按照權益持有人的現有的股權百分比向彼等發行新股,以將有關儲備轉換為股本,惟進行有關發行後的結餘不得少於註冊資本的25%。

(iv) 合併儲備

於二零零七年十二月二十日,本公司全資附屬公司霸王國際集團控股(香港)有限公司以同等價格收購美元12,500,000的霸王廣州全部權益(之前由控股股東擁有的一家公司持有)。因此霸王廣州的股本被抵銷,抵銷時的匯兌差額產生合併儲備。

(v) 匯兌儲備

匯兌儲備包括換算中國境外業務之財務報表(即人民幣)所產生的全部匯兌差額。

(vi) 其他儲備

其他儲備是指控股股東借給於附註32(g)所述之附屬公司的免息貸款所產生之視同注資。該數額由以實際利率折現的借給子公司之免息貸款的賬面價值來估算。

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27. Equity-Settled Share-Based Transactions

(a) Pre-IPO Share Option Scheme

The Directors of the Company approved a Pre-IPO Share Option Scheme on 10 December 2008. On 8 June 2009, the Company conditionally granted certain Pre-IPO share options to the Directors, senior management and employees under this Pre-IPO Share Option Scheme. The exercise of these share options would entitle two of the Company's Directors to subscribe for an aggregate of 4,200,000 shares of the Company, and forty of senior management and employees for an aggregate of 10,332,000 shares. According to the grant letters signed by the Company and the beneficial individuals, the exercise price of each share under the Pre-IPO Share Option Scheme is either at par value of HK\$0.1 (four people under this tranche including two the then directors), or at HK\$1.19, representing a 50% discount to the offer price of HK\$2.38 under the global offering (thirty-eight people under this tranche). Each option granted under the Pre-IPO Share Option Scheme has a vesting period of one to five years, commencing from the listing date and the options are exercisable until 8 June 2019.

27. 以股權結算並以股份為基礎的交易

(a) 首次公開發售前購股權計劃

董事會於二零零八年十二月十日批准首次公開發售前購股權計劃。於二零零九年六月八日，本公司有條件地根據首次公開發售前購股權計劃向董事、高級管理層成員及僱員授予若干首次公開發售前購股權。行使此等購股權賦予本公司兩名董事認購本公司合共4,200,000股，以及40名高級管理層和僱員認購本公司股份合共10,332,000股的權利。根據本公司與每個受益人簽訂的授予函件，首次公開發售前購股權計劃項下的每股股份行權價為其面值港元0.1（4人在此列，其中包括兩名董事）或港元1.19，即按全球發售下發售價港元2.38折讓50%（38人在此列）。根據首次公開發售前購股權計劃授出的每份購股權的歸屬期為由上市日期起計一年至五年，所有購股權必須於二零一九年六月八日前行使。

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27. Equity-Settled Share-Based Transactions (continued)

(a) Pre-IPO Share Option Scheme (continued)

Details of specific categories of Pre-IPO Share Options Scheme are as follows:

	Date of grant 授予日期	Number of instruments 購股權數目	Vesting period 歸屬期	Contractual life of options 購股權合約期
Options granted to directors 授予董事的購股權	8 June 2009 二零零九年六月八日	1,260,000	1 year from 3 July 2009 二零零九年七月三日起計一年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	2 years from 3 July 2009 二零零九年七月三日起計兩年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	3 years from 3 July 2009 二零零九年七月三日起計三年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	4 years from 3 July 2009 二零零九年七月三日起計四年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	5 years from 3 July 2009 二零零九年七月三日起計五年	10 years 十年
Options granted to employees 授予僱員的購股權	8 June 2009 二零零九年六月八日	1,669,920	1 year from 3 July 2009 二零零九年七月三日起計一年	10 years 十年
	8 June 2009 二零零九年六月八日	1,868,160	2 years from 3 July 2009 二零零九年七月三日起計兩年	10 years 十年
	8 June 2009 二零零九年六月八日	2,066,400	3 years from 3 July 2009 二零零九年七月三日起計三年	10 years 十年
	8 June 2009 二零零九年六月八日	2,264,640	4 years from 3 July 2009 二零零九年七月三日起計四年	10 years 十年
	8 June 2009 二零零九年六月八日	2,462,880	5 years from 3 July 2009 二零零九年七月三日起計五年	10 years 十年
Total share options granted 授予購股權總數		14,532,000		

27. 以股權結算並以股份為基礎的交易 (續)

(a) 首次公開發售前購股權計劃 (續)

首次公開發售前購股權計劃詳情如下：

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27. Equity-Settled Share-Based Transactions (continued)

(b) Share Option Scheme

The then sole shareholder of the Company approved and adopted a share option scheme on 20 May 2009 for the purpose of providing incentive and/or reward to eligible persons, and will expire on 20 May 2019.

- (c) The following table disclosed the movements of the Company's share options held by Directors and employees for the years ended 31 December 2014 and 2013:

Option type		Number of share options 購股權數目				
		Outstanding at 1 January 2013 於 二零一三年 一月一日 尚未行使	Forfeited during the year 年內被沒收	Outstanding at 31 December 2013 於 二零一三年 十二月三十一日 尚未行使	Forfeited during the year 年內被沒收	Outstanding at 31 December 2014 於 二零一四年 十二月三十一日 尚未行使
Pre-IPO Share Option Scheme	首次公開發售前 購股權	5,846,000	(2,021,000)	3,825,000	(991,000)	2,834,000
Exercisable at the end of the reporting period	於呈報期末可行使 的購股權	1,231,000		2,251,000		2,834,000
Weighted average exercise price	加權平均行使價	HK\$0.60 港元0.60	HK\$0.74 港元0.74	HK\$0.51 港元0.51	HK\$0.27 港元0.27	HK\$0.62 港元0.62

The options outstanding at 31 December 2014 had a weighted average remaining contractual life of 4.43 years (2013: 5.43 years).

The Group recognised the total expense of approximately RMB197,000 (2013: RMB915,000) for the year ended 31 December 2014 in relation to share options granted by the Company.

27. 以股權結算並以股份為 基礎的交易(續)

(b) 購股權計劃

於二零零九年五月二十日，本公司當時唯一股東批准並採納購股權計劃，用於激勵和/或獎勵合資格人士，並將於二零一九年五月二十日到期。

- (c) 下表披露截至二零一四年及二零一三年十二月三十一日止年度董事及僱員持有股權之變動：

於二零一四年十二月三十一日，尚未行使購股權的加權平均剩餘合約期為4.43年(二零一三年度：5.43年)。

截至二零一四年十二月三十一日止年度，本集團確認已授出的購股權公允價值總開支約人民幣197,000(二零一三年度：約人民幣915,000)。

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28. Statement of Financial Position of the Company

28. 本公司財務狀況表

	Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Non-current assets			
Unlisted investments in subsidiaries		—	—
Amounts due from subsidiaries	(a)	153,546	263,676
		153,546	263,676
Current asset			
Bank balances and cash		1,042	718
Current liability			
Other payables		3,928	3,607
Net current liabilities		(2,886)	(2,889)
Total assets less current liability		150,660	260,787
Net assets		150,660	260,787
Capital and reserves			
Share capital		256,639	256,639
Reserves	(b)	(105,979)	4,148
Total equity		150,660	260,787

Notes:

(a) The amounts are unsecured, non-interest bearing and not expected to be recoverable within the next twelve months.

附註：

(a) 該款項免息無抵押，預期未來十二個月內不會收回。

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28. Statement of Financial Position of the Company (continued)

Notes: (continued)

(b) Movements in the reserves during the years are as follows:

28. 本公司財務狀況表(續)

附註：(續)

(b) 儲備年內變動情況如下：

		Share premium 股本溢價 RMB'000 人民幣千元	Capital reserve 準備儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2013	於二零一三年 一月一日	1,354,742	8,521	(79,834)	(47,293)	1,236,136
Recognition of equity-settled share-based payments	確認以股權結算並 以股份為基礎的 付款	—	915	—	—	915
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權 結算並以股份為 基礎的付款	—	(2,893)	—	2,893	—
Total comprehensive expense	全面開支總額	—	—	(27,119)	(1,205,784)	(1,232,903)
At 31 December 2013 and 1 January 2014	於二零一三年 十二月三十一日 及二零一四年 一月一日	1,354,742	6,543	(106,953)	(1,250,184)	4,148
Recognition of equity-settled share-based payments	確認以股權結算並 以股份為基礎的 付款	—	197	—	—	197
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權 結算並以股份為 基礎的付款	—	(1,774)	—	1,774	—
Total comprehensive expense	全面開支總額	—	—	(3,578)	(106,746)	(110,324)
At 31 December 2014	於二零一四年 十二月三十一日	1,354,742	4,966	(110,531)	(1,355,156)	(105,979)

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29. Lease Commitments

The Group as lessee

		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
Minimum lease payments paid under operating leases in respect of land and buildings during the year:	根據經營租約就土地及樓宇已付之最低租賃款項：	8,722	5,906

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due 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 one year	一年以內	8,655	8,684
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年在內)	5,757	14,371
Over five years	五年以上	555	585
		14,967	23,640

Operating lease payments represent rentals payable by the Group for certain of its production premises and office. Leases are negotiated for original terms ranging from 1 to 30 years (2013: 1 to 30 years). Rentals are fixed over the terms of respective leases.

29. 租約承擔

本集團作為承租人

於呈報期末，本集團不可撤銷的經營租約之未來最低租金承擔到期情況如下：

經營租金是指本集團支付租用其生產廠房及辦公場所的租賃費用。租期經協商之原租期介乎一年至三十年(二零一三年度：一年至三十年)。租金在各租約期內固定不變。

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30. Capital Commitments

Capital commitments for acquisition of property, plant and equipment at the end of the reporting period not provided for in the consolidated financial statements were 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
Contracted for 已簽約	8,221	14,764

31. Retirement Benefit Scheme Contributions

(a) The PRC

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in a defined contribution retirement benefit scheme (the “**Scheme**”) organised by the local authority whereby the PRC subsidiaries are required to make contributions to the Scheme based on certain percentages of the eligible employee’s salaries. The local government authority is responsible for the entire pension obligations payable to the retired employees.

(b) Hong Kong

The Group also maintains a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for all qualifying employees in Hong Kong in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, of which the contribution was matched by employees and subject to a cap of HK\$1,250 from June 2012 to May 2014 and HK\$1,500 thereafter per employee. For contribution periods Contributions to the scheme vest immediately.

30. 資本承擔

於呈報期末，並無在財務報表中反映的有關購買物業、廠房及設備的資本承擔如下：

31. 退休福利計劃供款

(a) 中國大陸地區

根據中國有關勞動法規，中國附屬公司參與由中國有關當地政府機構組織之定額供款退休福利計劃（「**該計劃**」）。有關附屬公司須按照工資之一定百分比向該計劃供款。當地政府機構會負責支付退休僱員的全部退休金。

(b) 香港地區

根據強制性公積金計劃（「**強積金計劃**」）的相關條例及規定，本集團亦為所有符合條件的香港僱員設立強積金計劃。強積金計劃之資產與本集團其他資產分開，由受託人控制之基金持有。本集團按相關工資之5%向計劃供款。二零一二年六月至二零一四年五月，為員工的計劃供款上限為港元1,250，之後的每名員工的供款上限為港元1,500。計劃供款即時歸屬。

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31. Retirement Benefit Scheme Contributions (continued)

The Group has no other obligations for payment of retirement and other post-retirement benefits of employees rather than the contribution described above.

The total expense recognised in profit or loss of approximately RMB3,174,000 (2013: RMB4,693,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

32. Related Party Transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties:

- (a) The following balances were outstanding at the end of the reporting period:

		Amounts due to related parties 應付關連方款項	
		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-trade related	非貿易相關		
Guangzhou Bawang (note (i))	廣州霸王(附註(i))	4,582	68
Trade related	貿易相關		
Guangzhou Chenming Paper Products Company Limited (“Guangzhou Chenming”) (note (ii))	廣州市晨明紙品有限公司(「廣州晨明」)(附註(ii))	1,626	1,374
Guangzhou Qiancai Packaging Materials Co., Ltd. (“Guangzhou Qiancai”) (note (ii))	廣州市倩采包裝材料有限公司(「廣州倩采」)(附註(ii))	—	72
		6,208	1,514

31. 退休福利計劃供款(續)

本集團除了上述供款計劃，並無其他義務為員工支付退休及其他退休後福利。

損益表中之總開支約人民幣3,174,000(二零一三年度：人民幣4,693,000)，即本集團就該等計劃制定的一定百分比應付之供款。

32. 關連方交易

除綜合財務報表各部分所披露者外，本集團已進行下列重大關連方交易：

- (a) 於呈報期末尚未償付之結餘如下：

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32. Related Party Transactions (continued)

(a) (Continued)

Notes:

- (i) Guangzhou Bawang was effectively 100% owned by the Controlling Shareholders of the Company. As at 31 December 2014 and 2013, the balance due from Guangzhou Bawang mainly represented rental payable. The balance was unsecured, interest-free and repayment on demand.
 - (ii) Guangzhou Chenming and Guangzhou Qiancai were under the control of the close family members of the Controlling Shareholders of the Company. The credit term granted by Guangzhou Chenming and Guangzhou Qiancai is 30 days. The balances were unsecured and interest-free. As at 31 December 2014, the amounts due to Guangzhou Chenming and Guangzhou Qiancai were due within 1 month or on demand (2013: due within 1 month or on demand).
- (b) During the year ended 31 December 2014, meeting and catering services were provided to the Group by Guangzhou Bawang International Hotel Co., Ltd. amounting to approximately RMB1,076,000 (2013: RMB1,494,000). Guangzhou Bawang International Hotel Co., Ltd. was effectively 100% owned by the Controlling Shareholders of the Company. The Directors of the Company are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary course of business.
- (c) During the year ended 31 December 2014, raw materials were purchased from Guangzhou Chenming amounting to approximately RMB6,035,000 (2013: RMB9,243,000). The Directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.
- (d) During the year ended 31 December 2014, raw materials were purchased from Guangzhou Qiancai amounting to approximately RMB55,000 (2013: RMB698,000). The Directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.

32. 關連方交易 (續)

(a) (續)

附註：

- (i) 廣州霸王由本公司控股股東100%有效擁有。於二零一四年和二零一三年十二月三十一日，廣州霸王的期末結餘主要為應付租金。有關結餘無抵押、免息並按要求償還。
 - (ii) 廣州晨明和廣州倩采是由與本公司控股股東關係密切的家庭成員控制的。由廣州晨明和廣州倩采給予的信貸期為30日。有關結餘無抵押及免息並按要求償還。於二零一四年十二月三十一日，應付廣州晨明和廣州倩采款項於1個月內到期或按通知償還(二零一三年度：1個月內到期或按通知償還)。
- (b) 於截至二零一四年十二月三十一日止年度內，廣州霸王國際大酒店有限公司向本集團提供的會議及餐飲服務費用總計約人民幣1,076,000(二零一三年度：人民幣1,494,000)。霸王國際大酒店由本公司控股股東100%有效持有。本公司董事認為上述交易乃在日常業務過程中按正常商業條款進行的。
- (c) 於截至二零一四年十二月三十一日止年度內，向廣州晨明購買的原材料之金額約人民幣6,035,000(二零一三年度：人民幣9,243,000)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。
- (d) 於截至二零一四年十二月三十一日止年度內，向廣州倩採購的原材料之金額約人民幣55,000(二零一三年度：698,000)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。

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32. Related Party Transactions (continued)

- (e) During the year ended 31 December 2014, utilities expenses were paid on behalf of the Group by Guangzhou Bawang amounting to approximately RMB1,247,000 (2013: RMB2,369,000).
- (f) The Group and Guangzhou Bawang had entered into the following lease agreements in relation to rental of production premises and office building:
- (i) On 21 January 2011, Bawang Guangzhou and Guangzhou Bawang entered into a renewed production premise and office lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production premise and office building with a total floor area of 16,735 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB184,083, commencing from 4 December 2010. During the year ended 31 December 2013, approximately RMB552,000 (2014: nil) was recognised in the consolidated statement of profit or loss and the lease agreement was terminated on 9 August 2013.
- (ii) On 28 December 2011, Bawang Guangzhou and Guangzhou Bawang entered into an office premise lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the office premise with a total floor area of 4,916 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB182,000 commencing from 1 January 2012. During the year ended 31 December 2013, approximately RMB1,321,000 (2014: nil) was recognised in the consolidated statement of profit or loss and the lease agreement was terminated on 9 August 2013.

32. 關連方交易 (續)

- (e) 於截至二零一四年十二月三十一日止年度內，廣州霸王代本集團支付的水電費合共約人民幣1,247,000(二零一三年度：人民幣2,369,000)。
- (f) 本集團與廣州霸王已訂立下列有關租賃生產廠房及辦公室樓宇的租賃協議：
- (i) 霸王廣州與廣州霸王於二零一一年一月二十一日續簽生產廠房及辦公室租賃協議。據此，霸王廣州向廣州霸王租用總樓面面積16,735平方米的生產廠房及辦公室樓宇。此協議項下租期自二零一零年十二月四日起生效，為期三年，每月應付固定租金為人民幣184,083。截至二零一三年十二月三十一日止年度，約人民幣552,000(二零一四年度：無)已於綜合損益表內確認，而該協議已於二零一三年八月九日終止。
- (ii) 霸王廣州與廣州霸王於二零一一年十二月二十八日訂立辦公室租賃協議。據此，霸王廣州向廣州霸王租用總樓面面積4,916平方米的辦公室。此協議自二零一二年一月一日起生效，為期三年。每月應付固定租金人民幣182,000。截至二零一三年十二月三十一日止年度，約人民幣1,321,000(二零一四年度：無)已於綜合損益表內確認，而上述協議已於二零一三年八月九日終止。

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32. Related Party Transactions (continued)

- (f) (Continued)
- (iii) On 1 August 2012, Bawang Guangzhou and Guangzhou Bawang entered into a production premise lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production premise with a total floor area of 123,000.1 square metres at nil consideration. The term of the lease under the agreement is from 1 August 2012 until it is replaced by a revised lease agreement. On 9 August 2013, the lease agreement was terminated.
- (iv) On 9 August 2013, Bawang Guangzhou and Guangzhou Bawang entered into lease agreements, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production plant and office premises at fixed monthly rental and management fee of RMB1,120,000 and RMB92,800, respectively. The terms of the lease under the agreements are 3 years from 9 August 2013. Details of which were set out in the Company's announcement dated 9 August 2013. During the year ended 31 December 2014, approximately RMB14,554,000 (2013: RMB5,745,000) was recognised in the consolidated statement of profit or loss.
- (g) The Controlling Shareholders and Guangzhou Bawang undertook to provide a loan facility to the Group in an amount up to RMB140,000,000 for a period from 15 March 2013 to 31 December 2015. During the year ended 31 December 2014, the Group had drawn down an aggregate amount of approximately RMB48,484,000 (2013: nil) under the facility. The long-term loans are unsecured, interest-free and repayable by 29 November 2016 or earlier as determined by the Group. As at 31 December 2014, the carrying amount of the loans from Controlling Shareholders was RMB44,069,000 (2013: nil). The effective interest rate of the loans from Controlling Shareholders was 5% (2013: nil) per annum.

32. 關連方交易 (續)

- (f) (續)
- (iii) 霸王廣州與廣州霸王於二零一二年八月一日訂立生產廠房租賃協議。據此，霸王廣州向廣州霸王租用總樓面面積123,000.1平方米的生產廠房。此協議自二零一二年八月一日起生效，直到重新簽訂新租賃協議。上述協議已於二零一三年八月九日終止。
- (iv) 霸王廣州與廣州霸王於二零一三年八月九日訂立租賃協議。據此，霸王廣州向廣州霸王租用生產廠房和辦公場所，每月應付固定租金及管理費用分別為人民幣1,120,000和人民幣92,800。此協議自二零一三年八月九日起生效，為期三年。本公司已於二零一三年八月九日之公告披露該協議。截至二零一四年十二月三十一日止年度，約人民幣14,554,000(二零一三年度：5,745,000)已於綜合損益表內確認。
- (g) 控股股東及廣州霸王承諾向本集團提供一筆長期貸款融資，金額高達人民幣140,000,000，有效期自二零一三年三月十五日至二零一五年十二月三十一日。截至二零一四年十二月三十一日止年度期間，本集團已經使用了總計約人民幣48,484,000(二零一三年度：無)。此長期借款為無擔保、免息及由本集團決定於二零一六年十一月二十九日或之前償還。於二零一四年十二月三十一日，控股股東借款賬面值為人民幣44,069,000(二零一三年度：無)。控股股東借款的有效年利率為5%(二零一三年度：無)。

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32. Related Party Transactions (continued)

(g) (Continued)
Subsequent on 31 March 2015, additional amount of HK\$40,000,000 (equivalent to approximately RMB31,684,000) has been drawn down by the Group. The loan is unsecured, interest-free and repayable by 30 March 2016 or earlier as determined by the Group.

(h) The Controlling Shareholders and Guangzhou Bawang, jointly provided a financial guarantee to secure for the banking facility of RMB80,000,000 granted to Bawang Guangzhou for a period from 21 August 2012 to 7 August 2013. The banking facility was lapsed following the settlement of the bank loan during the year ended 31 December 2013.

(i) Compensation of key management personnel

The remuneration of key management personnel of the Group during the year was 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
Short-term benefits	短期福利	2,011	3,313
Post-employment benefits	離職後福利	194	197
Share-based payments	以股份為基礎的交易	164	530
		2,369	4,040

The remuneration of key management personnel of the Group was determined by the Directors, in consultation with the remuneration committee, having regard to the performance of individuals and market trends.

32. 關連方交易 (續)

(g) (續)
隨後於二零一五年三月三十一日，控股股東提供港元40,000,000(相當於人民幣31,684,000)的借款給本集團。此借款為無擔保、免息及由本集團決定於二零一六年三月三十日或之前償還。

(h) 控股股東及廣州霸王共同擔保，由銀行提供融資人民幣80,000,000予霸王廣州，有效期自二零一二年八月二十一日至二零一三年八月七日。截至二零一三年十二月三十一日止年度內償還銀行貸款後，此銀行融資已經過期失效。

(i) 主要管理人員報酬

本集團於年內主要管理人員的酬金載列如下：

本集團主要管理人員之報酬由董事諮詢薪酬委員會就彼等個人表現及市場趨勢釐定的。

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32. Related Party Transactions (continued)

Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes (c), (f)(i), (f)(ii) and (f)(iv) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the “Report of the Directors” section to the annual report. The related party transactions in respect of notes (b), (d), (e), (f)(iii), (g) and (h) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, however, they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

33. Litigations

- (a) The Directors consider that the contents of the relevant article published by a media company on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, the Group commenced legal proceedings in the High Court of Hong Kong in October 2010 against the media company seeking, inter alia, damages and an injunction to restrain the media company from publishing such contents or similar contents. As of the date of this report, the legal proceedings are in progress.
- (b) A lawsuit had been filed by a distributor against Bawang Guangzhou in the District Court whereby the distributor alleged that Bawang Guangzhou was liable to pay an outstanding reimbursement for the promotion fees of approximately RMB6,413,000 pursuant to an agreement entered into between it and Bawang Guangzhou on 12 April 2010.

32. 關連方交易 (續)

有關關連交易適用的上市規則

附註(c)、(f)(i)、(f)(ii)及(f)(iv)提及的關連交易，符合上市規則第14A章所界定的關連交易或持續關連交易。上市規則第14A章要求之披露會在年度報告「董事會報告」一章中呈列。附註(b)、(d)、(e)、(f)(iii)、(g)及(h)提及的關連交易，符合上市規則第14A章所界定的關連交易或持續關連交易但豁免上市規則第14A章所需之披露。

33. 法律訴訟

- (a) 董事認為一間傳媒公司於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗及/或惡意中傷。因此，本集團已於二零一零年十月在香港高等法院向該傳媒公司提起法律訴訟。其中，要求該傳媒公司賠償損失並且禁止出版該內容或類似內容。截至本報告公佈日，司法程序仍在進行中。
- (b) 地區法院備案了某經銷商要求霸王廣州支付未償付的促銷費用共約人民幣6,413,000的訴訟案件。原告聲稱根據其與霸王廣州於二零一零年四月十二日簽訂的協議，霸王廣州有責任補償未償付的促銷費用。

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33. Litigations (continued)

(b) (Continued)

On 20 November 2013, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the distributor of an aggregate amount of approximately RMB1,606,000 and a legal cost of approximately RMB20,000. The distributor subsequently appealed to a higher court and the court dismissed the appeal and maintained the original adjudication. As at 31 December 2013 and 2014, an aggregate provision of approximately RMB1,626,000 has been recognised in the consolidated financial statements. The amount has been subsequently settled in February 2015.

(c) During the year ended 31 December 2013, Bawang Guangzhou was a defendant in a legal action involving the alleged software infringement and provision of RMB200,000 was recognised as at 31 December 2013 according to the legal opinion.

During the year ended 31 December 2014, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the software supplier of an aggregate amount of RMB80,000. Accordingly, reversal of provision in amount of RMB120,000 has been recognised as other income for the year ended 31 December 2014.

(d) In prior years, a lawsuit was filed by a former subcontractor against Bawang Beverage in People's Court of Songjiang District of Shanghai (the "**Shanghai Court**") in respect of a dispute in the material processing contract between the former subcontractor and Bawang Beverage.

33. 法律訴訟(續)

(b) (續)

於二零一三年十一月二十日，地區法院裁定了霸王廣州賠償該經銷商總計約人民幣1,606,000以及訴訟費用約人民幣20,000。該經銷商已向高級法院提出上訴，而該法院已駁回上訴並維持原判。於二零一三年及二零一四年十二月三十一日，本集團已在綜合財務報表中確認合計人民幣1,626,000的計提準備。該金額已隨後於二零一五年二月償還。

(c) 於截至二零一三年十二月三十一日止年度內，霸王廣州於一軟件侵權案件中成為被告。根據法律意見，於二零一三年十二月三十一日確認了人民幣200,000的計提準備。

於截至二零一四年十二月三十一日止年度內，地區法院裁定了霸王廣州須賠償軟件供應商總金額合計人民幣80,000。截至二零一四年十二月三十一日止年度，總計約人民幣120,000的計提撥回已被確認於其他收入中。

(d) 在以往年度，一名前分銷商在上海松江區人民法院(「上海法院」)就該前分銷商及霸王飲料之間的原料加工合同糾紛向霸王飲料提起訴訟。

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33. Litigations (continued)

(d) (Continued)

During the year ended 31 December 2013, Bawang Beverage received a civil order issued by the Shanghai Court, which accepted the application by the former subcontractor for property attachment prior to lawsuit to freeze Bawang Beverage's bank accounts in the amount of approximately RMB873,000 or other assets under the name of Bawang Beverage. In connection with the lawsuit, one of Bawang Beverage's bank accounts with an amount of approximately RMB309,000 was frozen. No accrual has been recorded by the Group as at 31 December 2013 based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Beverage.

On 20 June 2014, Shanghai No. 1 Intermediate People's Court gave its final ruling that Bawang Beverage was liable to the former subcontractor for an amount of approximately RMB643,000 and a legal cost of approximately RMB19,000. Accordingly, provision for litigation in amount of approximately RMB662,000 was recognised as other expense in the consolidated statement of profit or loss and amount of approximately RMB324,000 was settled during the year.

- (e) During the year ended 31 December 2014, a lawsuit was filed by Bawang Guangzhou against a supplier in District Court for the incomplete construction and unsatisfactory performance of plant and machineries provided by the supplier. Subsequent on 2 February 2015, the District Court issued a verdict for the lawsuit whereby (i) the purchase contracts for the plant and machineries were terminated; (ii) the supplier should pay Bawang Guangzhou a sum of approximately RMB22,518,000 representing purchase cost paid and liquidated damages in addition to interest; and (iii) the plant and machineries concerned should be dismantled and removed from the factory of Bawang Guangzhou. As at the date of this report, no settlement has been received from the supplier.

33. 法律訴訟(續)

(d) (續)

於截至二零一三年十二月三十一日止年度內，霸王飲料收到了上海法院的民事判決書，上海法院受理了前分銷商的訴前財產保全申請，凍結了霸王飲料銀行賬戶約人民幣873,000或霸王飲料名下的其他資產。在此訴訟中，霸王飲料其中一個銀行賬戶被凍結了約人民幣309,000。基於代表霸王飲料的中國法律顧問提供的意見，於二零一三年十二月三十一日，本集團尚未對此計提任何準備。

上海第一中級人民法院於二零一四年六月二十日作出最終裁決，霸王飲料須向前分銷商支付約人民幣643,000的賠償金和約人民幣19,000的訴訟費。此外，訴訟計提合計約人民幣662,000已被確認於綜合損益表中為其他費用，約人民幣324,000已在年內償還。

- (e) 於截至二零一四年十二月三十一日止年度內，霸王廣州就未完成之工程及所提供的廠房和機器設備性能不佳向地方法院起訴某供應商。隨後於二零一五年二月二日，地區法院作出判決(i)終止機器設備的採購合同；(ii)供應商應支付霸王廣州購買成本、違約金及利息損失合計約人民幣22,518,000；並(iii)從霸王廣州的廠房拆除該廠房和機器設備。於本報告公佈日，結算金尚未從供應商獲得。

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34. Principal Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2014 and 2013 are as follows:

34. 主要附屬公司

於二零一四年及二零一三年十二月三十一日本公司主要附屬公司詳情如下：

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and paid-up/ registered ordinary share 已發行及 繳足資本	Proportion ownership interest and voting power held by the Company 本公司持有的權益及 擁有的投票權比例				Principal activities 主要業務
			2014 二零一四年		2013 二零一三年		
			Direct 直接 %	Indirect 間接 %	Direct 直接 %	Indirect 間接 %	
Forever Giants Limited	BVI	USD1	100	—	100	—	Marketing and promotion of household and personal care products
Forever Giants Limited	英屬處女群島	美元1					營銷及推廣家用及個人護理產品
Bawang International Group Holding (HK) Limited	Hong Kong	HK\$1	—	100	—	100	Investment holding, advertising agency and trading of household and personal care products
霸王國際集團控股(香港)有限公司	香港	港元1					投資控股、廣告代理及營銷及推廣家用及個人護理產品
Hong Kong Bawang International Trading Limited	Hong Kong	HK\$1	—	100	—	100	Advertising agency and trading of household and personal care products
香港霸王國際貿易公司	香港	港元1					廣告代理及營銷及推廣家用及個人護理產品
Bawang Guangzhou (note (a))	The PRC	USD67,500,000	—	100	—	100	Manufacturing and trading of household and personal care products
霸王廣州(附註(a))	中國	美元67,500,000					製造及營銷及推廣家用及個人護理產品
Bawang Beverage (note (a))	The PRC	HK\$180,000,000	—	100	—	100	Trading of herbal tea products
霸王飲料(附註(a))	中國	港元180,000,000					銷售涼茶產品

Note:

(a) These entities are wholly foreign owned and limited liability companies established in the PRC.

附註：

(a) 此等實體為於中國成立的外商全資的有限責任公司。

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34. Principal Subsidiaries (continued)

The above table lists the subsidiaries of the Group which, in the opinion of the Directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of both years or at any time during the years.

At the end of the reporting period, the Company has other wholly-owned subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

34. 主要附屬公司 (續)

上表僅列出本公司董事認為主要影響本集團業績或資產和負債之附屬公司。本公司董事認為提供其他附屬公司之詳情將令資料過於冗長而不在此列示。

與當年及上一年度期內，概無任何附屬公司發行任何債權債務。

於呈報期末，公司擁有其他就集團而言非重大的全資附屬公司。該等附屬公司之主要業務概述如下：

Principal activities 主要業務	Principal place of business 主要業務地點	Number of subsidiaries 附屬公司數目	
		2014 二零一四年	2013 二零一三年
Investment holding 投資控股	BVI 英屬處女群島	2	2
Investment holding 投資控股	Hong Kong 香港	1	1

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35. Events After the Reporting Period

- (a) As mentioned in notes 18 and 33(e), subsequent on 2 February 2015, the District Court issued a verdict for the lawsuit in relation to the incomplete construction and unsatisfactory performance of plant and machineries whereby the supplier was ordered to pay Bawang Guangzhou of an aggregate amount of approximately RMB22,518,000 representing purchase cost paid and liquidated damages in addition to interest charges. As at the date of this report, no settlement has been received from the supplier.
- (b) As mentioned in notes 1 and 32(g), on 31 March 2015, loan amount of HK\$40,000,000 (equivalent to approximately RMB31,684,000) has been granted by the Controlling Shareholders to the Group. The loan is unsecured, interest-free and repayable by 30 March 2016 or earlier as determined by the Group.
- (c) Subsequent to the end of the reporting period, the Directors of the Company have reassessed the estimated useful lives of property, plant and equipment and resolved that the useful life of machinery should be adjusted from 10 years to 15 years in view of the low utilisation rate of machinery with the shrinking revenue. The change in accounting estimate will decrease the depreciation charge and loss before taxation (or increase profit before taxation) for the year ending 31 December 2015.

35. 呈報期後事項

- (a) 正如附註18及33(e)所提及的，隨後在二零一五年二月二日，地區法院就關於未完成之工程及廠房和機器設備的性能不佳這一訴訟作出判決，要求供應商賠付約人民幣22,518,000給廣州霸王，包含採購成本、違約金及利息。於本報告公佈日，結算金尚未從供應商獲得。
- (b) 正如在附註1及32(g)中所提及，在二零一五年三月三十一日，控股股東提供港元40,000,000(相當於人民幣31,684,000)的借款給本集團。此借款為無擔保、免息及由本集團決定於二零一六年三月三十日或之前償還。
- (c) 於呈報期後，本公司董事對物業、廠房及機器設備的預計使用年限進行重新估值，考慮到機器設備的因營業額縮減而使用率低，故決定將機器設備的使用壽命由十年調整至十五年。該會計估計變更將減少截至二零一五年十二月三十一日止年度之折舊費用及稅前虧損(或增加稅前利潤)。

Five Years Summary

五年財務概要

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		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Results	業績					
Turnover	營業額	294,649	478,380	555,955	888,909	1,475,355
(Loss) profit before taxation	稅前(虧損)溢利	(116,457)	(143,502)	(534,964)	(618,537)	(134,131)
Taxation	稅項	—	—	(82,605)	59,967	16,160
(Loss) profit for the year attributable to the owners of the Company	本公司擁有人應佔之年內(虧損)溢利	(116,457)	(143,502)	(617,569)	(558,570)	(117,971)
Assets and liabilities	資產及負債					
Property, plant and equipment	物業、廠房及設備	225,340	294,256	321,619	184,555	60,136
Prepaid advertising fee	預付廣告費用	—	123	1,454	3,875	2,437
Biological assets	生物資產	175	170	142	1,297	—
Deferred tax assets	遞延稅項資產	—	—	—	82,605	27,089
Net current (liabilities) assets	流動(負債)資產淨值	(26,364)	(29,346)	91,485	758,541	1,501,769
Total assets less current liabilities	資產總值減流動負債	199,151	265,203	414,700	1,030,873	1,591,431
Loan from controlling shareholders	控股股東借款	44,069	—	—	—	—
Deferred tax liabilities	遞延稅項負債	2,031	2,031	2,031	2,031	2,031
Net assets	資產淨值	153,051	263,172	412,669	1,028,842	1,589,400
Capital and reserves	資本及儲備					
Share capital	股本	256,639	256,639	256,639	256,511	256,380
Reserves	儲備	(103,588)	6,533	156,030	772,331	1,333,020
Total equity	權益總額	153,051	263,172	412,669	1,028,842	1,589,400
(Loss) earnings per share Basic and diluted (RMB)	每股(虧損)盈利基本及攤薄(人民幣)	(0.04)	(0.05)	(0.21)	(0.19)	(0.04)

BaWang International (Group) Holding Limited

霸王國際(集團)控股有限公司*

** for identification purposes only*
僅供識別