



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability) Stock Code: 2314

(於開曼群島註冊成立之有限公司) 股份代號: 2314

ANNUAL REPORT 年報

2014



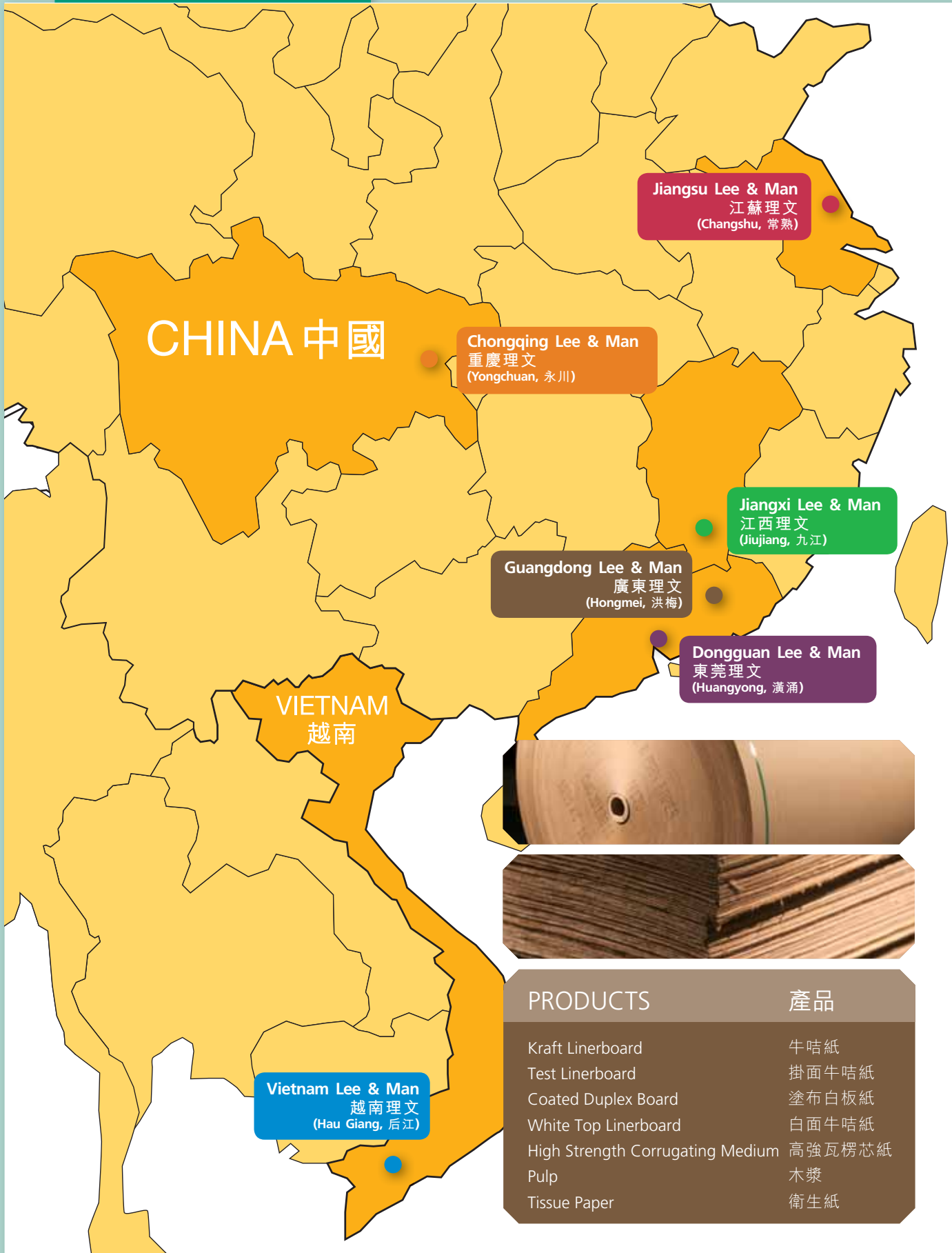
* 僅供識別

* For identification purposes only

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ABOUT LEE & MAN PAPER
關於理文造紙



Guangdong Lee & Man 廣東理文

Annual production capacity: 2.30 million tons of paper
年產能：230萬噸紙



Guangdong Lee & Man Paper

Dongguan Lee & Man 東莞理文

Annual production capacity: 590,000 tons of paper
年產能：59萬噸紙



Dongguan Lee & Man Paper

Jiangsu Lee & Man 江蘇理文

Annual production capacity: 1.12 million tons of paper
年產能：112萬噸紙



Jiangsu Lee & Man Paper

Chongqing Lee & Man 重慶理文

Annual production capacity: 900,000 tons of paper, 150,000 tons of pulp and 25,000 tons of tissue paper
年產能：90萬噸紙、15萬噸漿及2.5萬噸衛生紙



Chongqing Lee & Man Paper

Jiangxi Lee & Man 江西理文

Annual production capacity: 320,000 tons of paper
年產能：32萬噸紙



Jiangxi Lee & Man Paper

BOARD OF DIRECTORS

Executive director

Mr Lee Man Chun Raymond *BBS JP (Chairman)*
Mr Lee Man Bun *MH (Chief Executive Officer)*
Mr Kunihiko Kashima
Mr Li King Wai Ross

Non-executive director

Professor Poon Chung Kwong *GBS JP*
Mr Yoshio Haga *(Vice Chairman)*

Independent non-executive director

Mr Wong Kai Tung Tony
Mr Peter A Davies
Mr Chau Shing Yim David

AUDIT COMMITTEE

Mr Chau Shing Yim David *(Chairman)*
Mr Wong Kai Tung Tony
Mr Peter A Davies
Mr Yoshio Haga

REMUNERATION COMMITTEE

Mr Chau Shing Yim David *(Chairman)*
Mr Wong Kai Tung Tony
Mr Peter A Davies
Mr Kunihiko Kashima

NOMINATION COMMITTEE

Mr Lee Man Chun Raymond *BBS JP (Chairman)*
Mr Kunihiko Kashima
Mr Chau Shing Yim David
Mr Wong Kai Tung Tony
Mr Peter A Davies

AUTHORISED REPRESENTATIVES

Mr Lee Man Chun Raymond *BBS JP*
Mr Cheung Kwok Keung

COMPANY SECRETARY

Mr Cheung Kwok Keung

董事會

執行董事

李文俊先生 *銅紫荊星章 太平紳士(主席)*
李文斌先生 *榮譽勳章(首席執行官)*
鹿島久仁彥先生
李經緯先生

非執行董事

潘宗光教授 *金紫荊星章 太平紳士*
芳賀義雄先生 *(副主席)*

獨立非執行董事

王啟東先生
Peter A Davies先生
周承炎先生

審核委員會

周承炎先生 *(主席)*
王啟東先生
Peter A Davies先生
芳賀義雄先生

薪酬委員會

周承炎先生 *(主席)*
王啟東先生
Peter A Davies先生
鹿島久仁彥先生

提名委員會

李文俊先生 *銅紫荊星章 太平紳士(主席)*
鹿島久仁彥先生
周承炎先生
王啟東先生
Peter A Davies先生

授權代表

李文俊先生 *銅紫荊星章 太平紳士*
張國強先生

公司秘書

張國強先生



REGISTERED OFFICE

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

PRINCIPAL OFFICE

5th Floor, Liven House
61-63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKERS

In Hong Kong and Macau:

Hang Seng Bank
Standard Chartered Bank
Citibank, N.A.
HSBC
DBS

In the PRC:

China Construction Bank
Bank of China
Agricultural Bank of China

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22 Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

<http://www.leemanpaper.com>

註冊辦事處

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

總辦事處

香港
九龍觀塘
敬業街61-63號
利維大廈5樓

主要往來銀行

香港及澳門：

恒生銀行
渣打銀行
花旗銀行
滙豐銀行
星展銀行

中國：

中國建設銀行
中國銀行
中國農業銀行

核數師

德勤•關黃陳方會計師行
執業會計師

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

網址

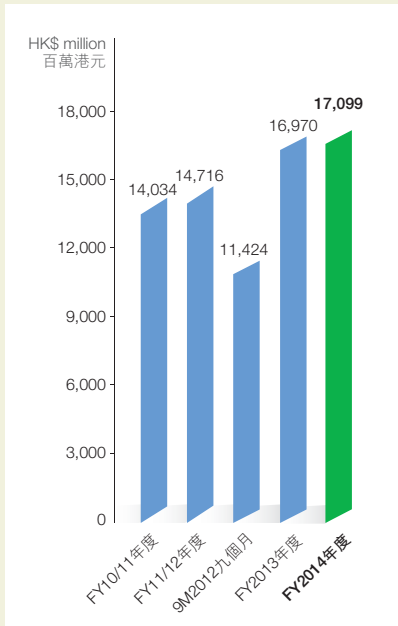
<http://www.leemanpaper.com>



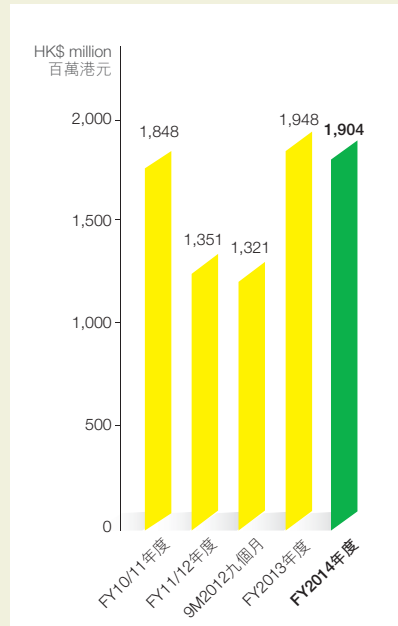
FINANCIAL HIGHLIGHTS

財務摘要

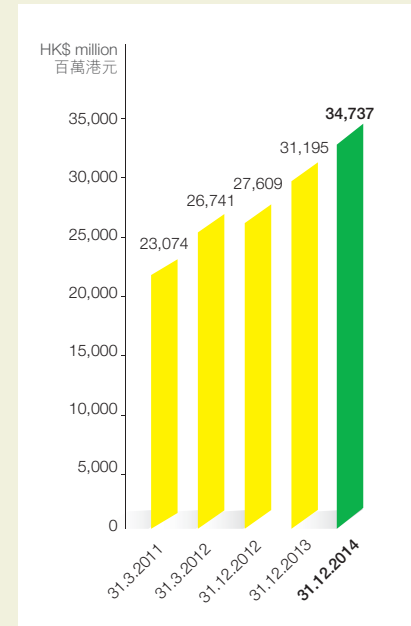
Revenue 收入



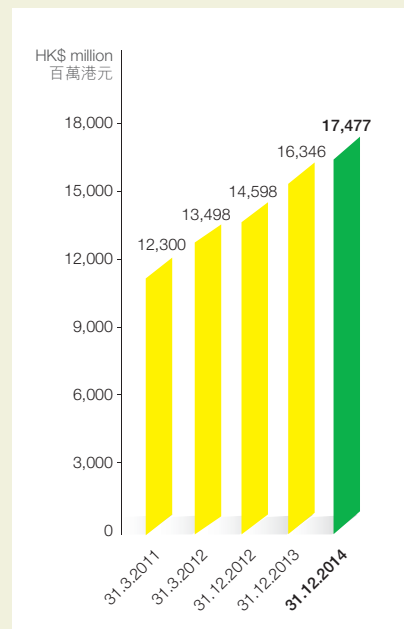
Profit Attributable to Owners of the Company 本公司擁有人應佔盈利



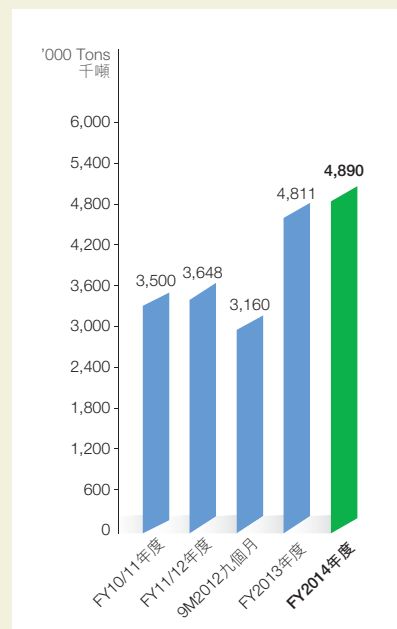
Total Assets 資產總值



Total Equity 權益總值



Sales Volume (containerboard) 銷售量 (箱板原紙)



FINANCIAL SUMMARY

財務概要

| | | Year ended 31 March | | Nine months ended 31 December | | Year ended 31 December | |
|-------------------------------|--------------|------------------------|--------------|-------------------------------------|--------------|---------------------------|--|
| | | 截至 3月31日止年度 | | 截至12月31日 止9個月 | | 截至 12月31日止年度 | |
| | | 2011 | 2012 | 2012 | 2013 | 2014 | |
| | | 2011年 | 2012年 | 2012年 | 2013年 | 2014年 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| RESULTS | 業績 | | | | | | |
| Revenue | 收入 | 14,034,285 | 14,715,553 | 11,423,998 | 16,970,365 | 17,099,134 | |
| Profit before tax | 除稅前盈利 | 1,984,126 | 1,536,751 | 1,498,116 | 2,192,471 | 2,208,930 | |
| Income tax expense | 利得稅支出 | (136,147) | (185,302) | (177,098) | (244,268) | (304,536) | |
| Profit for the year/period | 年度/期間盈利 | 1,847,979 | 1,351,449 | 1,321,018 | 1,948,203 | 1,904,394 | |
| | | | | | | | |
| | | At 31 March | | At 31 December | | | |
| | | 於3月31日 | | 於12月31日 | | | |
| | | 2011 | 2012 | 2012 | 2013 | 2014 | |
| | | 2011年 | 2012年 | 2012年 | 2013年 | 2014年 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| ASSETS AND LIABILITIES | 資產及負債 | | | | | | |
| Total assets | 總資產 | 23,074,465 | 26,741,033 | 27,608,776 | 31,194,706 | 34,736,820 | |
| Total liabilities | 總負債 | (10,774,652) | (13,242,820) | (13,010,586) | (14,848,220) | (17,259,836) | |
| Net assets | 資產淨值 | 12,299,813 | 13,498,213 | 14,598,190 | 16,346,486 | 17,476,984 | |



BUSINESS REVIEW AND OUTLOOK

For the year ended 31 December 2014, the Group recorded a total sales volume of 5.06 million tons, a total revenue of HK\$17.1 billion, a full-year net profit of HK\$1.9 billion, and a net profit per ton of HK\$376, maintaining an overall steady profit.

The production line of PM20 at Chongqing industrial park with an annual capacity of 320,000 tons began operation in July 2014. The acquisition of the tissue business was also completed in November 2014. Such acquisition will provide the Group with an opportunity to expand its paper products range and enter the tissue paper market. It is in the interest of the Group to diversify its line of paper based products and that this will in turn increase the revenue base of the Group. As a paper manufacturer, the Group is in a position to take advantage of its existing economies of scale to lower the costs of manufacturing tissue paper products which will provide a more competitive edge for marketing its tissue paper products. It is expected that the tissue business in the future will contribute further to the Group.

Given the buoyant development of the light industries in countries such as Vietnam, Myanmar and Laos, the Group is also actively investing overseas in the construction of paper factories to stay in line with the expansion of the Southeast Asian markets. It is expected that the paper machine project in Hau Giang, Vietnam will begin operation in late 2015.

The paper industry was suffered from over capacity and paper price pressure in recent years, but in the long run, the demand for packaging papers in China will keep on increasing. At the same time, more and more inferior production capacities will close due to the tightened environmental protection regulations. It is believed that the supply over demand situation for the paper industry will be further improved.

業務回顧及展望

本集團截止2014年12月31日止年度之總銷售量為506萬噸，總收入為171億港元，全年淨利潤為19億港元，每噸淨利潤達376港元，整體盈利保持平穩。

重慶工業園年產量32萬噸的PM20造紙機生產線於2014年7月投產。收購衛生紙業務亦於2014年11月完成，該收購將可為集團締造擴充紙品種類及進軍衛生紙市場之機遇。分散紙類產品業務乃符合集團之利益，擴大集團之收入基礎。集團身為造紙商，正好利用現有之經濟規模效益降低製造衛生紙產品之成本，在衛生紙產品營銷方面享有更大競爭優勢。預期未來衛生紙業務將為集團作進一步貢獻。

隨著越南、緬甸、老撾等國家的輕工業興起，本集團也積極於國外投資興建造紙廠以配合拓展東南亞市場，預期越南后江省之造紙機項目，可於2015年底投產。

近年造紙業受困於產能過剩，紙價受壓，但長遠而言，中國對包裝用紙需求仍會維持增長，同時因環保條例收緊而加劇淘汰落後產能，相信紙業供過於求情況將得到進一步改善。



Based on its consistent adoption of prudent strategies, and with a reasonable debt level, the Group will continue to increase its capacity in existing industrial parks and develop new industrial parks in tandem with the pace of economic development. The management of the Group will continue to make efforts to strictly control costs and strengthen capital operation in order to maintain the Group's competitiveness in the paper industry. As the Chairman of the Company, I will ensure that the Group's business will continue under the leadership of an experienced and capable management team, with a view to further enhancing the Group's profitability.

On behalf of the Board

Lee Man Chun Raymond

Chairman

Hong Kong

9 March 2015

按照集團貫徹之穩健策略，在合理負債水平情況下，集團會隨著經濟發展步伐在現有工業園增加產能以及開拓新工業園。管理層會繼續努力，嚴控成本及加強資本良好運作，保持集團在現今造紙行業之市場競爭力。作為集團之主席，會確保集團業務持續由有經驗及能幹的管理團隊帶領，務求將集團之盈利能力更進一步提升。

代表董事會

李文俊

主席

香港

2015年3月9日



RESULTS OF OPERATION

Revenue and net profit attributable to owners of the Company for the year ended 31 December 2014 was HK\$17.1 billion and HK\$1.9 billion respectively.

The Group maintained an overall steady profit and the total sales volume increased to 5.06 million tons for the year and the average net profits per ton of the products achieved at about HK\$376 for the year.

The basic earnings per share for the year was HK40.69 cents when compared with HK41.51 cents for the year ended 31 December 2013.

DISTRIBUTION AND SELLING EXPENSES

The Group's distribution and selling expenses was HK\$330 million for the year ended 31 December 2014 as compared to HK\$312 million for the year ended 31 December 2013. It represented about 1.9% of the revenue for the year ended 31 December 2014 and was comparable to the year ended 31 December 2013.

GENERAL AND ADMINISTRATIVE EXPENSES

The Group's general and administrative expenses was HK\$709 million for the year ended 31 December 2014 as compared to HK\$622 million for the year ended 31 December 2013. It represented about 4.1% of the revenue for the year ended 31 December 2014 and was increased as compared to that of 3.7% for the year ended 31 December 2013. The increase was mainly due to the result of the expansion of the Group during the year.

經營業績

截至2014年12月31日止年度的收入及本公司擁有人應佔純利分別為171億港元及19.0億港元。

本集團保持整體盈利平穩，年內總銷售量增加至506萬噸，本年度每噸產品平均淨利潤達376港元。

本年度的每股基本盈利為40.69港仙，截至2013年12月31日止年度則為41.51港仙。

分銷及銷售費用

本集團截至2014年12月31日止年度的分銷及銷售費用為3.30億港元，而截至2013年12月31日止年度為3.12億港元。截至2014年12月31日止年度的分銷及銷售費用佔收入約1.9%，與截至2013年12月31日止年度相若。

日常及行政費用

本集團截至2014年12月31日止年度的日常及行政費用為7.09億港元，而截至2013年12月31日止年度為6.22億港元。截至2014年12月31日止年度的日常及行政費用佔收入約4.1%，較截至2013年12月31日止年度的3.7%上升，其上升主要由於本集團於年內擴充業務所致。



FINANCE COSTS

The Group's finance costs was HK\$215 million for the year ended 31 December 2014 as compared to HK\$149 million for the year ended 31 December 2013. The average interest rate on bank borrowings of the Group for the year was comparable to the year ended 31 December 2013. The increase was due to the increase in average amount of outstanding bank borrowings and the lower amounts of interest qualifying for capitalisation.

INVENTORIES, DEBTORS' AND CREDITORS' TURNOVER

The inventory turnover of the Group's raw materials and finished products were 75 days and 18 days, respectively, for the year ended 31 December 2014 as compared to 76 days and 11 days, respectively, for the year ended 31 December 2013.

The Group's debtors' turnover days were 57 days for the year ended 31 December 2014 as compared to 56 days for the year ended 31 December 2013. This is in line with the credit terms of 45 days to 90 days granted by the Group to its customers.

The Group's creditors' turnover days were 74 days for the year ended 31 December 2014 as compared to 64 days for the year ended 31 December 2013. The creditors' turnover days were expected to improve going forward given the Group's higher bargaining power in light of the industry consolidation.

財務成本

截至2014年12月31日止年度，本集團的財務成本為2.15億港元，而於截至2013年12月31日止年度則為1.49億港元。年內集團的平均銀行借貸利率與截至2013年12月31日止年度相若，成本增加乃由於平均未償還銀行貸款增加及符合撥入資本化之利息金額較低所致。

存貨、應收賬款及應付賬款周轉期

本集團於截至2014年12月31日止年度的原料及製成品存貨周轉期分別為75日及18日，而於截至2013年12月31日止年度則分別為76日及11日。

本集團於截至2014年12月31日止年度的應收賬款周轉期為57日，而截至2013年12月31日止年度則為56日。此符合本集團給予客戶45日至90日的信貸期。

本集團於截至2014年12月31日止年度的應付賬款周轉期為74日，而截至2013年12月31日止年度則為64日。由於行業整合關係，本集團將有更佳議價能力，因此預期應付賬款周轉期亦會有所改善。



LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' fund of the Group as at 31 December 2014 was HK\$17,477 million (2013: HK\$16,346 million). As at 31 December 2014, the Group had current assets of HK\$11,217 million (2013: HK\$9,460 million) and current liabilities of HK\$10,317 million (2013: HK\$8,909 million). The current ratio was 1.09 as at 31 December 2014 as compared to 1.06 at 31 December 2013.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong, Macau and the PRC. As at 31 December 2014, the Group had outstanding bank borrowings of HK\$12,861 million (2013: HK\$10,959 million). These bank loans were secured by corporate guarantees provided by certain subsidiaries of the Company. As at 31 December 2014, the Group maintained bank balances and cash of HK\$2,033 million (2013: HK\$711 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) slightly decreased from 0.63 as at 31 December 2013 to 0.62 as at 31 December 2014.

The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's transactions and the monetary assets are principally denominated in Hong Kong dollars, Renminbi, United States dollars or Euro. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year ended 31 December 2014. The Group has used currency structured instruments, foreign currency borrowings or other means to hedge its foreign currency exposure.

流動資金、財務資源及資本結構

於2014年12月31日，本集團的股東資金總額為174.77億港元(2013年：163.46億港元)。於2014年12月31日，本集團的流動資產達112.17億港元(2013年：94.60億港元)，而流動負債則為103.17億港元(2013年：89.09億港元)。於2014年12月31日的流動比率為1.09，而於2013年12月31日則為1.06。

本集團一般以內部產生的現金流量，以及中港澳主要往來銀行提供的信貸備用額作為業務的營運資金。於2014年12月31日，本集團的未償還銀行貸款為128.61億港元(2013年：109.59億港元)。該等銀行貸款由本公司若干附屬公司提供的公司擔保作為抵押。於2014年12月31日，本集團持有銀行結餘及現金20.33億港元(2013年：7.11億港元)。本集團的淨資本負債比率(借貸總額減現金及現金等價物除以股東權益)由2013年12月31日的0.63輕微下降至2014年12月31日的0.62。

本集團具備充裕現金及可供動用的銀行備用額以應付本集團的承擔及營運資金需要。

本集團的交易及貨幣資產主要以港元、人民幣、美元或歐元計值。截至2014年12月31日止年度內，本集團的營運或流動資金未曾因匯率波動而遇到任何重大困難或影響。本集團採用貨幣結構工具、外幣借貸或其他途徑，作外幣風險對沖之用。



EMPLOYEES

As at 31 December 2014, the Group had a workforce of about 6,300 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

僱員

於2014年12月31日，本集團有約6,300名員工。僱員薪酬維持於具競爭力水平，並會每年評估，且密切留意有關勞工市場及經濟市況趨勢。本集團亦為僱員提供內部培訓，並按員工表現及本集團盈利發放花紅。

本集團並無遭遇任何重大僱員問題，亦未曾因勞資糾紛令營運中斷，在招聘及挽留經驗豐富的員工方面亦不曾出現困難。本集團與僱員的關係良好。



CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Board of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests. During the year under review, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The objectives of the management structures within the Group, headed by the Board and led by the Chairman, are to deliver sustainable value to Shareholders.

The Chairman provides leadership to and oversees the effective functioning of the Board. With support of the Chief Executive Officer and the Company Secretary, the Chairman approves Board meeting agenda, and ensures Directors have proper briefing, and timely receive adequate and reliable information, on all Board matters.

The role of the Chairman is separate from that of the Chief Executive Officer, and different persons hold the separate offices. Chief Executive Officer heads the management and focuses on the day-to-day operations of the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed with management, the Group's consolidated financial statements for the year ended 31 December 2014, the accounting principles and practices adopted and discussed auditing, internal controls and financial reporting matters.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions in 2004. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2014. The Model Code also applies to other specified senior management of the Group.

企業管治常規

本公司致力保持高水準之企業管治。本公司董事會相信，對本集團增長及對保障及提高股東權益而言，完善及合理的企業管治常規實在不可或缺。本公司於回顧年內一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）。

本集團內管理架構以主席領導的董事會為首，其目標是持續不斷為股東創造價值。

主席負責領導並監督董事會，使其得以有效發揮功能。在首席執行官及公司秘書的支援下，主席批准董事會會議議程，並確保董事獲給予恰當簡報，且及時就一切有關董事會的事宜發放充足可靠的資料。

主席與首席執行官的職務明確劃分，職務由不同人士擔任。首席執行官負責領導管理層，專門負責本集團的日常營運。

審核委員會

審核委員會與管理層已審閱本集團截至2014年12月31日止年度之綜合財務報表、所採納之會計原則及慣例，並已討論核數、內部監控及財務報告事宜。

董事之證券交易

本公司已於2004年採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之行為守則。經本公司向所有董事作出具體查詢後，全體董事皆確認於截至2014年12月31日止年度已遵守標準守則所載之規定標準。標準守則亦適用於本集團之其他特定高級管理層。



BOARD OF DIRECTORS

Composition and Role

The Board comprises:

Executive directors:

Mr Lee Man Chun Raymond *BBS JP (Chairman)*

Mr Lee Man Bun *MH*

Mr Kunihiko Kashima

Mr Li King Wai Ross

Non-executive directors:

Professor Poon Chung Kwong *GBS JP*

Mr Yoshio Haga *(Vice Chairman)*

Independent Non-executive directors:

Mr Wong Kai Tung Tony

Mr Peter A Davies

Mr Chau Shing Yim David

During the year, the Board comprises of four executive directors (one of whom is the Chairman), two non-executive directors and three independent non-executive directors. In addition, three of the independent non-executive directors possess appropriate legal, professional accounting qualifications and financial management expertise.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

The independent non-executive directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation or confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The independent non-executive directors are explicitly identified in all of the Company's corporate communications.

董事會

架構及角色

董事會包括：

執行董事：

李文俊先生 *銅紫荊星章 太平紳士(主席)*

李文斌先生 *榮譽勳章*

鹿島久仁彥先生

李經緯先生

非執行董事：

潘宗光教授 *金紫荊星章 太平紳士*

芳賀義雄先生 *(副主席)*

獨立非執行董事：

王啟東先生

Peter A Davies先生

周承炎先生

年內，董事會包括四位執行董事(其中一位為主席)、兩位非執行董事及三位獨立非執行董事。此外，三位獨立非執行董事分別具適當之法律、專業會計師資格及財務管理經驗。

董事會主要著眼於本集團之整體策略及發展。董事會亦監察本集團經營業務之財務表現及內部監控。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均合乎上市規則規定之特定獨立準則。本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函。而獨立非執行董事均可在本公司所有企業通訊內明確識別。



The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the year, full board meetings were held and the individual attendance of each director is set out below:

主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。開會通知最少於常務會議十四天前發送予各董事，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。草擬的會議紀錄亦會於合理時間內送交各董事省閱，方予確認。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

年內，已召開全體董事會，各董事出席情況詳列如下：

| Name of director | 董事姓名 | Number of meetings attended/Total 出席會議／會議總次數 |
|--|------------------|---|
| Mr Lee Man Chun Raymond <i>BBS JP</i> | 李文俊先生 銅紫荊星章 太平紳士 | 7/7 |
| Mr Lee Man Bun <i>MH</i> | 李文斌先生 榮譽勳章 | 7/7 |
| Mr Kunihiko Kashima | 鹿島久仁彥先生 | 5/7 |
| Mr Li King Wai Ross | 李經緯先生 | 6/7 |
| Professor Poon Chung Kwong <i>GBS JP</i> | 潘宗光教授 金紫荊星章 太平紳士 | 7/7 |
| Mr Yoshio Haga | 芳賀義雄先生 | 5/7 |
| Mr Wong Kai Tung Tony | 王啟東先生 | 7/7 |
| Mr Peter A Davies | Peter A Davies先生 | 6/7 |
| Mr Chau Shing Yim David | 周承炎先生 | 7/7 |



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

每位新委任董事均於首次接受委任時獲得正式、全面及專門為其設計之入職培訓，以確保該董事對本公司之業務及運作均有適當之理解，並充分知悉彼於上市規則及相關監管規定下之責任及義務。

The directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2014 is recorded in the table below.

董事確認要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列各董事於2014年就適切着重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

| Name of director | 董事姓名 | Attending external seminars/ programmes | |
|--|-------------------------|--|------------------------|
| | | Reading regulatory updates 閱讀監管規定更新資料 | 參與 外界機構舉辦 研討會/活動 |
| Executive directors | | | |
| Mr Lee Man Chun Raymond <i>BBS JP</i> | 李文俊先生 <i>銅紫荊星章 太平紳士</i> | ✓ | ✓ |
| Mr Lee Man Bun <i>MH</i> | 李文斌先生 <i>榮譽勳章</i> | ✓ | ✓ |
| Mr Kunihiko Kashima | 鹿島久仁彥先生 | ✓ | ✓ |
| Mr Li King Wai Ross | 李經緯先生 | ✓ | ✓ |
| Non-executive directors | | | |
| Professor Poon Chung Kwong <i>GBS JP</i> | 潘宗光教授 <i>金紫荊星章 太平紳士</i> | ✓ | ✓ |
| Mr Yoshio Haga | 芳賀義雄先生 | ✓ | ✓ |
| Independent non-executive directors | | | |
| Mr Wong Kai Tung Tony | 王啟東先生 | ✓ | ✓ |
| Mr Peter A Davies | Peter A Davies先生 | ✓ | ✓ |
| Mr Chau Shing Yim David | 周承炎先生 | ✓ | ✓ |



AUDIT COMMITTEE

The Audit Committee was established in 2003 and its current members include:

Mr Chau Shing Yim David (*Chairman*)
Mr Wong Kai Tung Tony
Mr Peter A Davies
Mr Yoshio Haga

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in legal, business and accounting on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the Audit Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code and the Listing Rules, a copy of which is posted on the Company's website.

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2014.

審核委員會

審核委員會於2003年成立，現時成員包括：

周承炎先生(主席)
王啟東先生
Peter A Davies先生
芳賀義雄先生

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之法律、商業及會計專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合守則條文及上市規則，描述審核委員會權限及職責之職權範圍已於2012年3月28日獲批准及採納，職權範圍全文已刊載於本公司網頁內。

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及效能。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及效能。

審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並已就內部監控及財務匯報等事項進行討論，其中包括審閱截止2014年12月31日止年度的會計賬目。



During the year, four Audit Committee meetings were held and the individual attendance of each member is set out below:

年內，共召開四次審核委員會會議，個別成員的出席情況詳列如下：

| Name of member | 成員姓名 | Number of attendance | 出席次數 |
|-------------------------|------------------|----------------------|------|
| Mr Chau Shing Yim David | 周承炎先生 | 4/4 | 4/4 |
| Mr Wong Kai Tung Tony | 王啟東先生 | 4/4 | 4/4 |
| Mr Peter A Davies | Peter A Davies先生 | 3/4 | 3/4 |
| Mr Yoshio Haga | 芳賀義雄先生 | 1/4 | 1/4 |

REMUNERATION COMMITTEE

The Remuneration Committee was established in 2005 and the current members include:

Mr Chau Shing Yim David (*Chairman*)
Mr Wong Kai Tung Tony
Mr Peter A Davies
Mr Kunihiko Kashima

薪酬委員會

薪酬委員會於2005年成立，現時成員包括：

周承炎先生(主席)
王啟東先生
Peter A Davies先生
鹿島久仁彥先生

The Remuneration Committee has adopted the approach under paragraph B.1.2(c)(ii) of the Code and advises and makes recommendations to the Board on the Group's overall policy and structure for the remuneration of directors and senior management. The Remuneration Committee ensures that no director or any of his associate is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee were approved and adopted on 28 March 2012 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

薪酬委員會已採納守則規條之B.1.2(c)(ii)，向董事會就本集團董事及高級管理層之薪酬之整體政策及架構作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合守則條文，薪酬委員會的職權範圍已於2012年3月28日獲批准及採納，並已刊載於本公司網頁內。

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鉤之酬金。



The Remuneration Committee meets regularly to determine the policy for the remuneration of directors and assess performance of executive directors and certain senior management. One Remuneration Committee meeting was held during the year and all members have attended in the meeting.

NOMINATION COMMITTEE

The Nomination Committee was established on 28 March 2012 and the current members include:

Mr Lee Man Chun Raymond *BBS JP (Chairman)*

Mr Kunihiko Kashima

Mr Chau Shing Yim David

Mr Wong Kai Tung Tony

Mr Peter A Davies

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive directors.

The Nomination Committee reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. One Nomination Committee meeting was held during the year and Mr Chau Shing Yim David, Mr Wong Kai Tung Tony and Mr Peter A Davies have attended in the meeting.

薪酬委員會定期開會以釐定董事之酬金政策及評估執行董事及若干高級管理層之表現。年內召開會議一次，所有成員均有出席會議。

提名委員會

提名委員會於2012年3月28日成立，現時成員包括：

李文俊先生 *銅紫荊星章 太平紳士(主席)*

鹿島久仁彥先生

周承炎先生

王啟東先生

Peter A Davies先生

提名委員會主要負責考慮及提名合適人選成為董事會成員，並負責定期檢討董事會構成，及制訂提名及委任董事之有關程序，就董事之委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事之獨立性。

提名委員會已檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。年內召開會議一次，周承炎先生，王啟東先生及Peter A Davies先生有出席會議。



Board diversity

During the year, the Company continued to monitor the board composition with regard to its diversity policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity. In order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board, the Nomination Committee developed measurable objectives to implement this policy and monitored progress towards achieving these objectives during the year ended 31 December 2014.

The current board composition was also evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

The Company believes diversity is important to enhance the Board's effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company and the market from time to time.

In accordance with the Articles of Association, Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David, shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Nomination Committee recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

董事會多元化

年內，本公司繼續監察董事會組成的多元化政策，該政策要求董事會委任以用人唯才為原則，並以多元化等客觀條件考慮董事人選。截至2014年12月31日止年度，提名委員會為維持適當的才能、技能、經驗及背景組合及平衡，已訂立可計量目標以實施上述政策，並監察達成有關目標的進度。

本公司亦參照每名董事的年齡、性別、文化及教育背景以及專業經驗等方面，因應本公司的業務模式及具體需求評核現任董事會的組成。

本公司深信，多元化政策能夠鼓勵不同觀點百花齊放，對提升董事會效能及維持高水平企業管治至關重要。本公司將繼續因應本公司和市場不時的具體需求，在其認為有需要時監察及訂立新目標，藉以提升董事會的多元性。

根據組織章程細則，王啟東先生、Peter A Davies先生及周承炎先生將於應屆股東週年大會上輪值告退，惟符合資格並願意膺選連任。

提名委員會建議重新委任願意於本公司應屆股東週年大會上膺選連任之董事。



EXTERNAL AUDITOR

For the year ended 31 December 2014, the fee payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

| | | HK\$'000 千港元 |
|--|-------------------------|-----------------|
| Audit Service | 審核服務 | 6,111 |
| Non-audit services (included tax matters, review and other reporting services) | 非審核服務(包括稅務事項、審閱及其他申報服務) | 572 |
| | | 6,683 |

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Group and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to executive management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management function within an established framework.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2014, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

INVESTOR RELATIONS AND COMMUNICATION

The Board is committed to providing clear and full information about the Group's performance to shareholders through the publication of interim results and annual results in a timely manner. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the website of the Company.

外聘核數師

於截止2014年12月31日止年度，就本公司及其附屬公司獲提供的審核及非審核服務向本公司外聘核數師應付的費用載列如下：

內部監控

董事會全面負責本集團之內部監控系統及檢討其有效性。董事會致力實行有效及完善之內部監控系統以保障股東利益及本集團資產。董事會已指派執行管理層在設定之範疇內實行內部監控系統及檢討所有相關財政、營運、遵守法則監控及風險管理功能。

董事的職責

董事須負責編製各財政期間能真實與公正地反映本集團之財政狀況及該期間之業績及現金流量之賬目。在編製截止2014年12月31日止年度之賬目時，董事已貫徹採用合適之會計政策，採納合適的香港財務報告準則及香港會計準則，作出審慎及合理的調整及評估，及在持續經營基礎上編製。董事並須負責保存適當之會計紀錄，以能合理準確地披露本集團任何時候之財務狀況。

與投資者交流及溝通

董事會致力透過刊發中期業績及年度業績，適時地將本集團之表現清晰及全面地提供予股東。除發送通函、通告及財務報告予股東，股東亦可透過本公司網頁獲取額外資訊。



The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

SHAREHOLDERS' RIGHTS

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

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

Shareholder(s) holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an extraordinary general meeting pursuant to article 58 of the Company's Articles of Association. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the principal office of the Company, which is presently situated at 5/F., Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.

There are no provisions under the Company's Articles of Association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

股東週年大會提供一個良好的平台讓股東向董事會發表及交流意見。本公司發出不少於21天之通告以鼓勵股東出席股東週年大會。主席、董事及外聘核數師均會列席會議以便回答本公司業務上之提問。

各重大獨立事項(包括個別董事之選任)均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函與年報會一併寄發予股東。

股東權利

為保障股東權益及權利，包括選舉各董事在內之各項重大事宜均會於股東大會上提呈獨立決議案。

股東大會上提呈之所有決議案將根據上市規則投票表決，投票結果將於股東大會結束後於本公司及聯交所網頁公布。

根據本公司組織章程細則第58條，持有不少於本公司已繳足股本十分之一的股東可提出書面請求予董事會或公司秘書要求召開股東特別大會。該書面請求須列明會議的目的，並由有關股東簽署及遞交至本公司的總辦事處，現時地址為香港九龍觀塘敬業街61-63號利維大廈5字樓。

根據本公司組織章程細則或開曼群島第22章公司法(1961年第3號法案，綜合及經修訂)，概無條文涉及股東在股東大會提出建議的程序(除提名候選董事的建議)。股東可根據上述程序召開股東特別大會以處理其於書面請求提出的事宜。

股東亦可在本公司之股東大會上向董事會作出查詢。



ENVIRONMENTAL PROTECTION

Over the years, the Group has been fully committed to environmental protection. The management implemented various measures and controls to ensure that our duties to the environment have been fulfilled. Our production plants are built in compliance with all the international environment management standards and we have employed the most effective form of technology to ensure the Group to be one of the most environmentally friendly companies in the world. To ensure all the measures are carried out properly, the management has set up an Environmental Protection Division personally led by the Chief Executive Officer and a team of qualified professionals. Periodic internal control meetings are held to review the environmental issues in the production plants, to update any environmental laws and regulations and to make valuable suggestions and recommendations for improvement. In the next five years, the Environmental Protection Division will put more effort to ensure high environmental standards are persistently met in the key areas of production process, waste water treatment, water and energy consumption and emission control.

Environmentally-Friendly Production Process

The Group's advanced production machines are designed to enable high usage of recovered paper during the production process. One of the Group's long term objectives is to increase the usage of waste paper and to decrease the usage of virgin pulp. Currently, our paper is produced at 98% recycling rate (i.e. 98% of paper fibers are recyclable materials) and we have one of the highest recycling rates among all containerboard manufacturers globally. To ensure a stable supply of recovered paper, we have several sourcing teams globally and we have also sponsored a number of partners in China to collect waste paper, which not only create jobs locally but also make the surrounding area more environmentally friendly.

環境保護

過去數年，集團一直致力環境保護，並採取多項適用的措施及監控方法確保已履行對保護環境的責任。集團廠房乃根據國際環境管理標準建造，且運用最有效的科技以確保集團成為全球最符合環保原則的公司之一。為保證措施確實執行，管理層成立了環保小組，由首席執行官親自帶領，小組成員乃合資格專材。小組定期召開內部監控會議，旨在審閱有關廠房內的環保事項，通知各成員任何環保法律及規定的更新條文及對需要作出改善的地方提供適當意見及建議。未來5年，環保小組將投放更多時間在環保生產過程、廢水處理、耗水量、能源耗用量及排放監控等主要範疇，確保可持續達到高環保標準。

環保生產過程

集團生產機器設計先進，可在造紙生產過程中使用大量廢紙作為原料。本集團長遠目標之一是增加廢紙用量以減少原木漿使用量。現時，集團生產紙張的廢紙使用率達98%（即98%原材料為可循環再用的紙張纖維），乃全球箱板原紙生產商中最高循環再用率的企業之一。為確保廢紙供應穩定，集團於全球設有多個採購隊伍，並資助一些國內商業夥伴回收當地的廢紙，一方面可以創造就業機會，另一方面可以更加環保。



Water Consumption and Wastewater Treatment Plant

Water consumption is highly dependent on the effectiveness of the wastewater treatment processes and the amount of global change water reclaimed in the production process. To minimise water pollution in the production process, the Group currently employs the world's most effective wastewater treatment technology for paper industries, namely a two stage anaerobic/aerobic bio-treatment and a flotation process, which results in wastewater discharged at its highest standards set by the national environment bureau. More importantly, by recycling wastewater in our production process, we reduce significantly the water consumption.

Energy Consumption

Another long term objective of the Group in environmental protection is to reduce the energy consumption. The Group has arranged to replace high energy consumption motors batch by batch to frequency controlled type. Investment will usually be paid back in about 3 years, and after that even more remarkable savings in energy and cost will be achieved. In addition, we make use of the methane generated in the anaerobic treatment of wastewater and some solid waste to help combustion in the coal-fired power plants and save fuel consumption. Better management is another important element in generating power more efficiently and consume less energy in the paper making process. Currently, we operate at 0.38 ton of standard coal per ton of paper produced and our target is to reduce to less than 0.36 ton of standard coal per ton of paper produced in the next five years. This level is substantially less than the national average of approximately 0.60 ton of standard coal per ton of paper produced.

耗水量及廢水處理廠

耗水量的多少取決於廢水處理工藝的效率及在生產過程對循環水的回收使用。為減低生產過程中對水源的污染，集團引進全球造紙工業最有效的廢水處理技術－厭氧／好氧兩級生化處理及氣浮處理工序，令廢水排放優於國家環保局最高排放標準。更重要的是，於造紙過程中產生的廢水可循環再用，大大減低耗水量。

能源耗用量

集團在環保方面另一長遠目標為節約能源。為此，集團已在分階段進行把一些大能耗的電動機改造為變頻控制，改造費用一般在3年內能收回，並在其後帶來可觀的節能效應及減省成本。另外，回收在厭氧性細菌處理廢水過程中產生的甲烷及部分固體廢物可以幫助燃煤鍋爐節省耗煤量。此外，良好的管理為另一重要元素，令發電更加有效率及在造紙生產過程中減低能耗。現時，集團每生產一噸紙耗用0.38噸標煤，集團的目標是在未來5年內做到每生產一噸紙只耗用少於0.36噸標煤，相比國家每生產一噸紙耗用約0.60噸標煤平均數大幅度為低。



Emission Control

We focus on continuous reducing energy consumption that leads to less coal consumption and less emission. All our coal-fired power plants are installed with dust filtration and desulphurization equipment and the discharge emission is always monitored on-line, ensuring that the quality of emission meets the national regulatory requirements. Moreover, we have set up the more effective Wet Scrubbing desulphurization system in our plants which can further reduce sulphur dioxide emission to a level well below the national standard of 400mg/m³.

HUMAN RESOURCES STRATEGY

At Lee & Man Paper, we believe that our staff are the most important resources and their well-being, growth and performance are tied tightly to the group's success. To create a pleasant working and living environment, the Group has carried out various actions to review and improve policies and facilities continuously. Moreover, the Group also pays high concern on its staff's career development. Through a carefully designed internal training system and continuous effort in identifying potential talents, the Group aims to help its staff develop multi-skills capability, enrich knowledge, and craft a career path that can unleash their potentials and elevate their values to satisfy their growth needs and to better align with the Group's strategy and growth.

廢氣排放監控

集團透過不斷節約能源，減少耗煤量也同時減少廢氣排放，從源頭上達到減排。此外，集團的每個燃煤發電廠均設有高效的煙塵過濾及脫硫設施，並透過在線監察設備實時監測排放廢氣的質量，確保完全符合國家規定要求。集團廠房還建設有更高效率的濕法脫硫設施，進一步把二氧化硫排放量降至遠低於國家標準的每立方米400毫克。

人力資源策略

理文造紙相信，員工乃公司最重要的資產，員工的健康、成長及表現與集團的成功密切相關。為建立一個舒適的工作及生活環境，集團會一直致力改善政策及設施。此外，集團亦非常注意員工的工作發展前景。透過精心設計的內部培訓計劃及不斷發掘有潛質的人材，集團期望可以提升員工的工作知識及培養員工發展多方面技能，令他們可以盡情發揮所長，自我增值，配合集團的整體策略一起成長。



Caring Our Staff

With staff well-being as one of our core values in managing human resources, Lee & Man Paper is committed to providing employees with pleasant work environment and rich personal lives. We believe that only through building a satisfied and committed workforce we can, as a team, achieve sustainable development and success. Our management is open to listen to our staff's voice and suggestions.

The Group always reviews and improves catering, residence and recreational facilities and services to provide a pleasant living environment to the staff. The Group also devotes lots of effort in organising cultural events and recreational activities to enrich the lives of its staff and their families. Being in the Lee & Man Paper big family, we have set up a financial aid scheme helping staff and their families directly during the rough time such as sicknesses and accidents.

Career Development

As Lee & Man Paper understands that the growth of its staff equals the growth of the Group, we pay great attention in helping staff to acquire new skills and knowledge to better fit with the Group's strategy. To meet with the global trend for multi-skills talent and to encourage lifelong learning, every year the Group has organised a series of internal training programs as well as subsidising staff to study further. With the Lee & Man Paper's performance management system, together with the Group's continuous effort in identifying talents, capable staff are selected to enter our management trainee programme global changes that aims to set new heights to their career path. The Group has also sent students to Guangzhou's South China University of Technology for a two-year diploma course on paper making technology that are fully funded by the Group and students are placed into various positions after graduation.

關懷員工

關懷員工乃人力資源管理的重要一環，理文造紙一直致力為員工提供優質的工作環境及豐富的生活。我們相信只有建立一個肯承擔的團隊才能不斷發展，邁向成功之路。集團管理層對於員工的意見及建議持開放態度。

集團不時檢討及改善膳食、住宿環境、娛樂設施及服務，為員工提供舒適的生活環境。集團亦定期舉辦文娛康樂活動，讓員工及其家屬有一個豐富的閒餘生活。生活在理文造紙大家庭裏，當員工及其家屬遇到危疾或意外等，集團設立的福利基金會直接給予援助，幫助他們渡過困境。

在職發展機會

理文造紙深知員工及公司的成長同樣重要，所以集團非常注重培養員工學習新技能以配合集團發展策略。擁有多方面技能的人材乃大勢所趨，為鼓勵終身學習，集團每年都舉辦一系列內部培訓課程及資助員工繼續進修。集團不時根據員工表現，挑選有潛質及有能力的員工，接受管理培訓課程，給予員工晉升機會。集團亦會選派學生到廣州華南理工大學修讀為期兩年的造紙技術文憑課程，所有費用由集團資助，學生畢業後將安排到集團擔任不同職位的工作。



AWARDS AND CERTIFICATIONS

Lee & Man Paper has always been committed to being a model enterprise with a keen sense of social responsibility, consecutively received government environmental protection awards and accolades, gaining the recognition and endorsement from the community. To demonstrate our past efforts in protecting the environment, all of our existing operating plants have been awarded the ISO14001 certification for environmental management. Our plants in Hongmei and Huangyong were awarded the GB/T23331-2012 certification for energy management system in February 2013. In addition, our plants have also been granted the ISO9001 certification for quality management and Chain of Custody Certificate by Forest Stewardship Council (FSC-COC), it proved that we have been committed to the exploration of mutual development between paper making and protecting the forests. In November 2009, we were awarded the Hong Kong-Guangdong Cleaner Production Partner (Manufacturing). Since 2009, the Group is certified as the "Top 10 Enterprises of Paper Industry in China Light Industries" by China Paper Association for 5 years. The Group was rated "Environmentally Friendly Enterprise" in 2011 and "National Light Industry Information and Industrialization In-depth Integration Demonstration Enterprise" in 2012. Nowadays, our Hongmei, Huangyong and Jiangsu plants have been accredited as Cleaner Production Enterprise and Harmonious Labour Relations Enterprise in paper industry by the respective province. Hongmei and Huangyong plants have been recognised as High and New Technology Enterprises, and Hongmei plant has been recognised by Guangdong Province as Provincial-level Enterprise Technology Centre, it fully embodies our investment in research and development and technology. Hongmei plant has been awarded the honour of "Guangdong Province Employer Responsibility Demonstration Enterprise" and "Advanced Energy Conservation Unit" etc. Our Chongqing plant has been accredited as Ecological Improvement and Environmental Protection, "Top 10 Strong Business Enterprises" and "Top 10 Enterprise of Excellent Economic & Export Performance" by Chongqing City.

獎項及認證

理文造紙一向致力做個有高度社會責任的模範企業，屢次獲得政府環保獎項及獎勵，得到社會各界的認可和肯定。集團現時所有運作中的廠房已取得ISO14001環境管理國際認證，證明集團過去對環保作出的努力。2013年2月，洪梅及潢涌工廠均取得GB/T23331-2012「能源管理體系」認證。此外，集團廠房亦取得ISO9001質量管理認證和森林認證系統產銷監管鏈認證(FSC-COC)，證明集團對於維護森林的可持續經營的重視。2009年11月，集團獲頒粵港清潔生產伙伴(製造業)；集團自2009年，連續5年獲中國造紙協會評為「中國輕工業造紙行業十強企業」；2011年，集團獲評「環境友好企業」；2012年，集團獲評「全國輕工業資訊化和工業化深度融合示範企業」。現時，洪梅、潢涌及江蘇廠房分別獲得其所屬省政府頒發清潔生產企業及造紙行業勞動關係和諧企業等一系列榮譽稱號；洪梅及潢涌廠房獲得高新技術企業及洪梅廠房還取得了廣東省級企業技術中心稱號，充分體現了集團強大的研發與技術能力；洪梅廠房獲得「廣東省僱主責任示範企業」以及「節能先進單位」等榮譽；重慶廠房亦獲得重慶市頒發為環境保護先進單位，「工業十強企業」及「外經貿十強企業」等榮譽。



To provide a safety working place is very crucial to us. Our Hongmei, Jiangsu, Huangyong and Jiangxi plants were granted with OHSAS 18001 certification for Occupational Health & Safety, demonstrating our commitment in caring about employee safety and quality of working environment. The certifications ensure that we have taken various measures to improve efficiency of internal operations and consequently reduce accidents, danger and downtime as well as ensuring our compliance with current legal requirements.

Furthermore, our plants in Hongmei, Jiangsu, Huangyong and Jiangxi have also been awarded IECQ QC080000 certification for Hazardous Substance Process Management. This certification provides confidence to our customers that our products are compliant, and that do not contain prohibited substances.

Over the years Lee & Man Paper have made numerous donations and we have received many awards from governmental authorities to confirm our past contribution towards the industry and the society as a whole.

安全的工作環境於集團至為重要。集團非常關注員工的安全及工作環境質素，洪梅、江蘇、潢涌及江西廠房已分別取得 OHSAS18001 職業健康及安全認證，證明廠房已採取有效措施改善內部運作效率，旨在減少意外發生、危險物及停工期，同時確保符合現行相關法律規定。

此外，洪梅、江蘇、潢涌及江西廠房亦取得 IECQ QC080000 有害物質過程管理認證。此認證可以大大提高客戶對集團的信心，證明集團的產品是合規生產，並無含有被禁的有害物質。

理文造紙歷年來多次參與多項慈善捐獻，屢獲政府機構表揚集團對造紙行業及整體社會所作出的貢獻。



EXECUTIVE DIRECTORS

Mr Lee Man Chun Raymond, aged 44, CPPCC National Committee, BBS JP, Chairman of the Company and founder of the Group, is in charge of corporate planning and investment projects. Mr Lee has over 21 years of operational experience in paper manufacturing and is experienced in professional formula of paper making and product development. Mr Lee was conferred the Honorary Degree of Doctor of Laws in 2014 and holds a Bachelor's Degree in Applied Science from the University of British Columbia in Canada. He is currently involved in a number of public engagements and has been awarded honorary citizenship of Dongguan and reputational citizenship of Changshu. Mr Lee was awarded the "Young Industrialist Award of Hong Kong 2002" and received an award for "2003 Hong Kong Ten Outstanding Young Persons Selection Awardees". In 2011, Mr Lee was appointed as Vice President of China Paper Association. He is appointed as Sixth President (January to December 2015) of Centum Charitas Foundation. He is an independent non-executive director of the listed company, Bossini International Holdings Limited. Mr Lee is the brother of Mr Lee Man Bun, an Executive Director and Chief Executive Officer of the Company and is the brother-in-law of Mr Li King Wai Ross, an Executive Director of the Company.

Mr Lee Man Bun, aged 34, the member of the Political Consultative Committee of Guangdong Province, MH, the Member of Commission on Poverty (Youth Education, Employment and Training Task Force), the Committee Member of Social Welfare Advisory Committee and also the Advisory Committee of The Enhancing Self-Reliance Through District Partnership Programme, Chief Executive Officer of the Group, is responsible for production management, sales, daily operation, research & development, repair and maintenance of production machines and factory staff management etc. Mr Lee holds a Bachelor's Degree of Applied Science in Chemical Engineering from the University of British Columbia in Canada. He is the younger brother of Mr Lee Man Chun Raymond, the Chairman and an Executive Director of the Company and is the brother-in-law of Mr Li King Wai Ross, an Executive Director of the Company.

執行董事

李文俊先生，44歲，全國政協委員，銅紫荊星章太平紳士，本公司主席及本集團創辦人，負責本集團整體策劃及投資項目。李先生在造紙業擁有逾21年營運經驗，對造紙業的專業程式及產品開發擁有豐富經驗。彼於2014年獲加拿大英屬哥倫比亞大學頒授榮譽法學博士及持有其應用科學學士學位。李先生現擔任多項公職，並獲頒授東莞市及常熟市榮譽市民。李先生獲頒「二零零二年香港青年工業家」及「二零零三年香港十大傑出青年」。於2011年，李先生獲邀出任中國造紙協會副理事長一職。彼亦獲邀出任百仁基金第六屆主席（2015年1月至12月）。彼為上市公司堡獅龍國際集團有限公司獨立非執行董事。李先生為本公司執行董事兼首席執行官李文斌先生之哥哥，亦為本公司執行董事李經緯先生之內兄。

李文斌先生，34歲，廣東省政協委員，榮譽勳章，扶貧委員會（青年教育、就業和培訓專責小組）委員、社會福利諮詢委員及伙伴倡自強社區協作計劃諮詢委員，本公司首席執行官，負責生產管理、銷售、日常運作、品質改進、機械維修和工廠員工管理等，彼持有加拿大英屬哥倫比亞大學應用科學化學工程學士學位。彼為本公司主席及執行董事李文俊先生之弟弟，亦為本公司執行董事李經緯先生之內弟。



EXECUTIVE DIRECTORS (CONTINUED)

Mr Li King Wai Ross, aged 39, an Executive Director of the Company, is responsible for the global procurement of recovered paper, logistics planning and optimization, as well as external affairs for the Group. He holds a Master's Degree in Science in Electrical Engineering from Stanford University in USA and a Bachelor's Degree in Applied Science in Computer Engineering from University of British Columbia in Canada. He has over 13 years of experience in production management, operations and technological research and development. He is the brother-in-law of Mr Lee Man Chun Raymond and Mr Lee Man Bun, both of whom are Executive Directors of the Company.

Mr Kashima Kunihiko, aged 55, an Executive Director of the Company. He was the General Manager of corporate planning at Nippon Paper Group Inc, ("Nippon Paper", the shares of which are listed on the Tokyo Stock Exchange Stock Exchange) and has over 33 years of experience in corporate planning, human resources, and accounting and finance in the paper industry. He has experience in various roles within Nippon Paper, including corporate planning, human resources, and accounting and finance. He is currently the CEO of Australian Paper. He has been involved in most major merger and acquisition transactions and post merger restructuring projects within the Nippon Paper, including the merger between Jujo Paper Co Ltd and Sanyo Kokusaku Pulp Co Ltd, the merger between Jujo Paper Co Ltd and Daishowa Paper Manufacturing Co Ltd, the acquisition of Australian Paper by Nippon Paper and the business collaboration with the Company.

執行董事(續)

李經緯先生，39歲，本公司執行董事，負責本集團的全球廢紙採購業務，物流戰略及優化和負責集團對外事務。彼持有美國史丹福大學科學電子工程碩士學位及加拿大英屬哥倫比亞大學應用科學電腦工程學士學位，擁有逾13年生產管理，營運操作及技術研究開發經驗。彼為本公司執行董事李文俊先生之妹夫及李文斌先生之姐夫。

鹿島久仁彥先生，55歲，本公司執行董事。彼曾擔任日本製紙集團(「日本製紙」，其股份於東京證券交易所上市)企劃本部海外事業部長，在造紙業界擁有逾33年企劃部、人力資源部及會計及財務等工作經驗。彼有日本製紙多個職務經驗，包括企劃部、人力資源部及會計及財務。目前彼亦為Australian Paper行政總裁。彼亦曾參與多項日本製紙重大合併及收購交易及合併後重組項目，包括十條製紙株式會社與山陽國策漿紙株式會社的合併、十條製紙株式會社與大昭和製紙株式會社的合併、日本製紙收購Australian Paper及與本公司之商業合作。



NON-EXECUTIVE DIRECTORS

Professor Poon Chung Kwong, aged 75, GBS JP, a Non-executive Director of the Company, is the Chairman of Virya Foundation Limited (a registered non-profit charitable organisation), the Emeritus Professor and the President Emeritus of the Hong Kong Polytechnic University. He devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at the Hong Kong Polytechnic University. Professor Poon obtained a Bachelor of Science (Honours) Degree from the University of Hong Kong, A Doctor of Philosophy Degree and a Higher Doctor of Science Degree from the University of London. He was a Postdoctoral Fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from the Hong Kong Polytechnic University in 2009. He was appointed a Non-official Justice of the Peace (JP) in 1989, received the OBE in 1991, the Gold Bauhinia Star (GBS) in 2002, "Leader of the Year Awards 2008 (Education)". In addition, Professor Poon was appointed as a member of the Legislative Council (1985-1991) and a member of the National Committee of the Chinese People's Political Consultative Conference (1998-2013). He is also an independent non-executive director of Henderson Land Development Company Limited, The Hong Kong and China Gas Limited, Hopewell Highway Infrastructure Limited, K. Wah International Holdings Limited and Chevalier International Holdings Limited; all of which are listed companies.

Mr Haga Yoshio, aged 65, Vice Chairman and a Non-executive Director of the Company, has over 40 years of experience in the paper industry and was the Chairman of the Japan Paper Association between May 2008 and May 2010, and served again from May 2012. He is the Chairman of Nippon Paper. He has spent the majority of his time in production management, with experience in research and development, as well as corporate planning. As the head of the corporate planning division of Nippon Paper, he led the "Group Vision 2015" initiative in cost reduction activities and large scale capital expenditure projects and has focused on the business expansion of Nippon Paper both domestically and overseas. The overseas expansion projects he has led for Nippon Paper include the alliance with SCG Paper Public Company Limited, the alliance with Yuen Foong Yu Paper Mfg, Co Ltd, the acquisition of Australian Paper and the business collaboration with the Company.

非執行董事

潘宗光教授，75歲，金紫荊星章太平紳士，本公司非執行董事，精進慈善基金有限公司(註冊非牟利慈善組織)會長、香港理工大學榮休教授及榮休校長。於2009年1月退休前，彼擔任香港理工大學校長之職達18年，在香港一直致力推動大學教育40年。潘教授早年考獲香港大學理學學士，英國倫敦大學哲學博士及高級理學博士，並在美國加州理工學院及南加州大學從事博士後研究。彼亦於2009年獲香港理工大學頒授榮譽人文博士學位。彼於1989年獲委任為非官守太平紳士(JP)、1991年獲頒英國官佐勳章(OBE)勳銜、2002年獲頒授金紫荊星章(GBS)、2008年獲頒「傑出領袖獎(教育)」。

此外，潘教授曾被委任為立法局議員(1985-1991)及中國人民政治協商會議全國委員會委員(1998-2013)。彼為恒基兆業地產有限公司、香港中華煤氣有限公司、合和公路基建有限公司、嘉華國際集團有限公司及其士國際集團有限公司之獨立非執行董事，該等公司均為上市公司。

芳賀義雄先生，65歲，本公司副主席及非執行董事，擁有逾40年造紙業工作經驗，曾於2008年5月至2010年5月期間出任日本造紙協會主席，及自2012年5月再次出任日本造紙協會主席。彼亦為日本製紙的董事局主席，大部份時間用於生產管理，擁有研發及企業策劃經驗。在主管日本製紙企劃部期間，彼主導策劃了「Group Vision 2015」實行節省成本及大型資本性開支項目，集中拓展日本製紙的本地及海外業務。彼在日本製紙曾領導的海外拓展項目包括與SCG Paper Public Company Limited聯盟、與永豐餘造紙股份有限公司聯盟、收購Australian Paper及與本公司之商業合作。



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Wong Kai Tung Tony, aged 72, an Independent Non-executive Director of the Company, has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries. He is also an independent non-executive director of the listed company, Lee & Man Chemical Company Limited.

Mr Peter A Davies, aged 72, an Independent Non-executive Director of the Company, is a retired lawyer. He has over 44 years of experience in the legal field, practising both as a solicitor and a barrister in England and Hong Kong. Over the years, he has been a partner of Messrs. Deacons, Solicitors, and a Directorate Officer and the head of the Insider Dealing Unit with the Department of Justice of Hong Kong. He was appointed to be a notary public in Hong Kong in 1974.

Mr Chau Shing Yim David, aged 51, an Independent Non-executive Director of the Company. He has over 22 years experience in corporate finance, working on projects ranging from initial public offering transactions and restructuring of PRC enterprises to cross-border and domestic takeover transactions. Mr Chau was formerly a partner of one the big four accounting firms in Hong Kong, holding the position as their Head of Merger and Acquisition and Corporate Advisory. He is a member of the Hong Kong Securities Institute, the Institute of Chartered Accountants of England and Wales ("ICAEW"), and was granted the Corporate Finance Qualification of ICAEW, and the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and was an ex-committee member of the Disciplinary Panel of HKICPA. Mr Chau is currently an independent non-executive director of Up Energy Development Group Limited, Evergrande Real Estate Group Limited, Man Wah Holdings Limited, Varitronix International Limited and Richly Field China Development Limited. All the aforesaid companies are listed on the Hong Kong Stock Exchange.

獨立非執行董事

王啟東先生，72歲，本公司獨立非執行董事，自1968年以來為香港之執業律師，亦為英格蘭及威爾斯執業事務律師。彼現任希士廷律師行之顧問。彼亦為上市公司理文化工有限公司之獨立非執行董事。

Peter A Davies先生，72歲，本公司獨立非執行董事，為退休律師。彼在法律界擁有逾44年經驗，曾於英國及香港任執業律師及大律師。過往曾擔任的近律師行合夥人以及香港律政司首長級職位，並曾出任內幕交易小組主管。彼於1974年獲委任為香港公證人。

周承炎先生，51歲，本公司之獨立非執行董事。周先生擁有逾22年企業融資經驗包括首次公開發售新股、中國企業重組及境外境內收購交易。周先生曾為香港四大會計師事務所的合夥人，合併和收購及企業諮詢組的主管。彼為香港證券專業學會和英國及威爾斯特許公認會計師公會的會員、獲英國及威爾斯特許公認會計師公會及香港會計師公會賦予企業融資資格、及曾為香港會計師公會紀律委員會委員。周先生現為優派能源發展集團有限公司、恒大地產集團有限公司、敏華控股有限公司、精電國際有限公司及裕田中國發展有限公司之獨立非執行董事。所有前述公司均於香港聯交所上市。



SENIOR MANAGEMENT

Mr Cheung Kwok Keung, aged 48, is the Chief Financial Officer of the Group and the Company Secretary of the Company, is responsible for the internal supervision, management of the Group's financial matters and investor relationship. Mr Cheung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants and has over 26 years of experience in the field of auditing, accounting and financial management. He is an independent non-executive director of the listed company, China Aoyuan Property Group Limited. He joined the Group in August 2002.

Mr Yan Jean Goo, aged 49, is the Deputy General Manager of Chongqing Lee & Man Tissue, is responsible for the overall operation & management of tissue business of the Group. He holds a Bachelor's Degree in Economics from the University of Xiamen and has over 27 years of experience in production and operation management. He joined the Group in November 2006.

Mr Yip Heong Kan, aged 44, is the Deputy General Manager of the Group, is responsible for cost controlling, corporate management and Vietnam project. He holds a Master's Degree in Business Administration from Open University of Hong Kong, is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. He has over 21 years of experience in auditing & accounting and corporate financial management. He joined the Group in June 2008.

Mr Lee Ho Chung Jude, aged 40, is the Administration Manager of Guangdong Lee & Man Paper, is responsible for the daily operation of Guangdong Lee & Man Paper. He holds a Bachelor's Degree in Applied Science in Mechanical Engineering from University of Toronto in Canada and has over 15 years of experience in IT supervision and 7 years of senior management experience from different multinational companies. He joined the Group in October 2011.

高級管理層

張國強先生，48歲，本集團財務總監兼本公司之公司秘書，負責本集團之內部財政監督、管理及投資者關係。張先生為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾26年核數、會計及財務管理經驗。張先生為上市公司中國奧園地產集團股份有限公司之獨立非執行董事。彼於2002年8月加入本集團。

顏建國先生，49歲，重慶理文衛生紙副總經理，負責集團衛生紙業務的整體營運及管理。彼持有中國廈門大學經濟學學士學位，擁有逾27年的生產及營運管理經驗。彼於2006年11月加入本集團。

葉向勤先生，44歲，本集團副總經理，負責本集團成本控制、企業管理及越南項目。彼持有香港公開大學工商管理碩士學位，彼為英國公認會計師公會資深會員及香港會計師公會會員，擁有逾21年核數及會計、企業財務管理經驗。彼於2008年6月加入本集團。

李浩中先生，40歲，廣東理文造紙行政經理，負責廣東理文造紙日常運作。彼持有加拿大多倫多大學應用科學機械工程學士學位，擁有逾15年跨國企業資訊科技經驗及7年的高級管理經驗。彼於2011年10月加入本集團。



SENIOR MANAGEMENT (CONTINUED)

Mr Ng Hok She Harry, aged 39, is the Head of Quality Assurance, responsible for the production quality of the Group. Mr Ng holds a Bachelor's Degree and a Master's Degree in Mechanical Engineering from McMaster University in Canada. He has over 13 years of experience in engineering safety aspects management. He joined the Group in October 2011.

Mr Chan Chi Ho, aged 46, is the Senior Production Manager of the Group, responsible for industrial paper production management of the Group. Mr Chan has over 27 years of experience in overseeing production matters in the paper manufacturing business. Mr Chan was former production manager of Jiangsu plant and rejoined the Group in February 2009.

Ms Li Yuen Ling, aged 53, is the Senior Finance Manager of the Group, is responsible for the Group's finance activities, as well as maintaining banking relationship for the Group. She joined the Lee & Man group in 1984 and has over 30 years of experience in accounting and finance for manufacturing operations.

Mr Tse Pak Kong, aged 51, is the Senior Manager of the Group, is responsible for the global procurement of recovered paper businesses. He holds a Bachelor's Degree of Science in Electrical Engineering from the University of Hong Kong and has over 28 years of experience in the management of both multinational and local companies in China. He joined the Group in December 2005.

Mr Chan Kong Sang, aged 55, is the Manager of power stations of the Group, is responsible for the set up and operation of various power plants. He holds a Bachelor's Degree of Science in Engineering from the University of Hong Kong and has over 32 years of experience in operation and managing production and engineering aspects of manufacturing businesses. He joined the Group in January 2001.

高級管理層(續)

伍鶴時先生，39歲，品質保證部長，負責集團產品質量。彼持有加拿大麥克馬斯特大學機械工程的學士學位和碩士學位。彼擁有超過13年工程安全方面的管理經驗。彼於2011年10月加入本集團。

陳智豪先生，46歲，本集團高級生產經理，負責工業紙生產管理。陳先生擁有逾27年造紙生產及機械工程經驗。彼曾任本集團江蘇廠房生產經理，於2009年2月再次加入本集團。

李婉玲女士，53歲，本集團高級財務經理，負責本集團之財務事務及維繫與本集團往來銀行的關係。彼於1984年加入理文集團並擁有逾30年製造業務之會計及財務經驗。

謝柏剛先生，51歲，本集團高級經理，負責本集團的全球廢紙採購業務。彼持有香港大學電機工程理學士學位，擁有逾28年管理跨國和中國內地公司經驗。彼於2005年12月加入本集團。

陳江生先生，55歲，本集團熱電站部長，負責各熱電站的建設及運行。彼持有香港大學工程理學士學位，擁有逾32年管理製造業業務的生產和工程營運經驗。彼於2001年1月加入本集團。



SENIOR MANAGEMENT (CONTINUED)

Mr Chung Wai Fu, aged 50, is the Administration Manager of Vietnam Lee & Man Paper, responsible for Hau Giang plant operation and management. Mr Chung holds a Bachelor Degree of Production and Logistics Management and a Master Degree of Business Administration in Human Resources Management from the University of Southern Queensland. He has over 21 years of management experience working in both multinational and local listed companies in China. Mr Chung joined the Group since November 2008.

高級管理層(續)

鍾偉富先生，50歲，越南理文造紙行政經理，負責后江造紙廠整體運作及管理。鍾先生持有南昆士蘭大學生產和物流管理學士學位及人力資源行政管理碩士學位，擁有逾21年管理跨國和中國本地上市公司經驗。鍾先生於2008年11月加入本集團。



The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and joint ventures are set out in note 36 and 17 respectively to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss and other comprehensive income on page 47.

An interim dividend of HK6.8 cents per share amounting to HK\$317,907,000 in aggregate was paid to the shareholders during the year. The directors of the Company now recommend the payment of a final dividend of HK7.5 cents per share for the year ended 31 December 2014 to the shareholders on the register of members on 27 May 2015, amounting to approximately HK\$350 million in aggregate, subject to the approval of the shareholders at the forthcoming annual general meeting.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years/period is set out on page 7 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$2,093 million for the purpose of expanding its business. Details of the movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

董事謹此提呈本公司及其附屬公司(「本集團」)於截至2014年12月31日止年度之年報及經審核財務報表。

主要業務

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於綜合財務報表附註36及17。

業績及分配

本集團截至2014年12月31日止年度的業績載於第47頁的綜合損益及其他全面收益表。

年內已向股東派發中期股息每股6.8港仙，合共317,907,000港元。本公司董事現建議派發截至2014年12月31日止年度之末期股息每股7.5港仙，合共約3.5億港元，予於2015年5月27日名列股東名冊之股東。末期股息須待股東於應屆股東週年大會上批准方可作實。

五年財務概要

本集團最近五個財政年度／期間之業績及資產及負債概要載於年報第7頁。

物業、廠房及設備

年內，本集團購置物業、廠房及設備之成本約20.93億港元，以擴展業務。物業、廠房及設備於年內的變動詳情載於綜合財務報表附註14。



SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 27 to the consolidated financial statements.

During the year, the Company repurchased certain of its own ordinary shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), details of which are set out in note 27 to the consolidated financial statements. The directors considered that as the Company's ordinary shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's shares during the year.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors

Mr Lee Man Chun Raymond, *BBS JP (Chairman)*

Mr Lee Man Bun, *MH (Chief Executive Officer)*

Mr Kunihiko Kashima

Mr Li King Wai Ross

Non-executive directors

Professor Poon Chung Kwong, *GBS JP*

Mr Yoshio Haga (*Vice Chairman*)

Independent non-executive directors

Mr Wong Kai Tung Tony

Mr Peter A Davies

Mr Chau Shing Yim David

股本

年內本公司股本的變動詳情載於綜合財務報表附註27。

年內，本公司於香港聯合交易所有限公司（「聯交所」）購回若干本公司普通股份，詳情載於綜合財務報表附註27。董事認為，由於本公司普通股份以每股資產淨值的折讓價成交，購回股份可提高本公司每股資產淨值。年內概無本公司附屬公司購買、出售或贖回本公司任何股份。

董事及董事的服務合約

年內及截至本報告日期，本公司的董事如下：

執行董事

李文俊先生 *銅紫荊星章 太平紳士 (主席)*

李文斌先生 *榮譽勳章 (首席執行官)*

鹿島久仁彥先生

李經緯先生

非執行董事

潘宗光教授 *金紫荊星章 太平紳士*

芳賀義雄先生 (*副主席*)

獨立非執行董事

王啟東先生

Peter A Davies先生

周承炎先生



DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (CONTINUED)

In accordance with the Company's Articles of Association, Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David retire and, being eligible, offer themselves for re-election.

Mr Lee Man Chun Raymond, Mr Lee Man Bun, Mr Li King Wai Ross have entered into a service agreement with the Company for an initial period of three years commencing 1 April 2014, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

Mr Kunihiro Kashima and Mr Yoshio Haga have entered into a service agreement with the Company for an initial period of three years commencing on 1 June 2013, which will continue thereafter unless and until terminated by either party by three months' prior written notice.

The term of office of the non-executive directors and each of the independent non-executive directors is the period up to his retirement as required by the Company's Articles of Association.

董事及董事的服務合約 (續)

根據本公司組織章程細則，王啟東先生、Peter A Davies 先生及周承炎先生將退任，惟彼等符合資格並將膺選連任。

李文俊先生、李文俊先生及李經緯先生與本公司訂立服務合約，年期由2014年4月1日起計，初步為期三年，此後一直存續，直至任何一方向另一方發出三個月事前書面通知予以終止為止。

鹿島久仁彥先生及芳賀義雄先生已與本公司訂立服務合約，年期由2013年6月1日起計，初步為期三年，此後一直存續，直至任何一方向另一方發出三個月事前書面通知予以終止為止。

各非執行董事及獨立非執行董事的任期，直至其須根據本公司組織章程細則的規定退任為止。



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES

As at 31 December 2014, the interests of the directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, the Stock Exchange were as follows:

Long positions

Ordinary shares of HK\$0.025 each of the Company

| Name of director 董事姓名 | Capacity 身份 | Number of ordinary shares 普通股數目 | Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比 |
|-----------------------------|---------------------------|---------------------------------------|--|
| Lee Man Chun Raymond 李文俊 | Beneficial owner 實益擁有人 | 40,000,000 | 0.86% |
| Lee Man Bun 李文斌 | Beneficial owner 實益擁有人 | 29,650,000 | 0.63% |
| Poon Chung Kwong 潘宗光 | Beneficial owner 實益擁有人 | 286,000 | 0.01% |
| Wong Kai Tung Tony 王啟東 | Beneficial owner 實益擁有人 | 500,000 | 0.01% |

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

董事及主要行政人員於股本或債務證券中擁有的權益及淡倉

於2014年12月31日，董事及主要行政人員及彼等之聯系人士在本公司及其相聯法團的股份、相關股份及債券中，擁有本公司根據證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所記錄之權益，或已知會本公司及根據聯交所所有關上市發行人董事進行證券交易的標準守則已知會聯交所的權益如下：

好倉

本公司每股0.025港元之普通股

除上文所披露者外，於2014年12月31日，各董事、主要行政人員及彼等的聯繫人士概無在本公司或其任何相聯法團的股份、相關股份或債券中，擁有任何權益或淡倉。



ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debts securities (including debentures) of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, at 31 December 2014, other than directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.025 each of the Company

| Name of shareholder 股東姓名 | Capacity 身份 | Number of issued ordinary shares held 持有已發行 普通股數目 | Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比 |
|----------------------------------|---|--|---|
| Gold Best Holdings Ltd | Beneficial owner 實益擁有人 | 2,536,710,000 | 54.32% |
| Lee Wan Keung Patrick 李運強 | Held by controlled corporation (note i) 由受控制法團持有(附註i) | 2,536,710,000 | 54.32% |
| Lee Wong Wai Kuen 李黃惠娟 | Held by spouse (note ii) 由配偶持有(附註ii) | 2,536,710,000 | 54.32% |
| Nippon Paper Group Inc 日本製紙集團 | Held by controlled corporation (note iii) 由受控制法團持有(附註iii) | 718,515,679 | 15.39% |
| Dyna Wave Holding Asia | Beneficial owner (note iii) 實益擁有人(附註iii) | 718,515,679 | 15.39% |

購買股份或債券之安排

本公司、其控股公司、或其任何附屬公司或同系附屬公司於年內任何時間概無參與訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或債券(包括債權證)而獲益。

主要股東

根據本公司按證券及期貨條例第336條須存置之主要股東登記冊所記錄，於2014年12月31日，下列股東(董事及主要行政人員除外)已知會本公司彼等於本公司已發行股本中擁有之相關權益。

好倉

本公司每股0.025港元之普通股



SUBSTANTIAL SHAREHOLDERS (CONTINUED)

notes:

- (i) Gold Best Holdings Ltd. ("Gold Best") is wholly owned by Lee Wan Keung Patrick.
- (ii) Under the SFO, Lee Wong Wai Kuen is deemed to be interested on the 2,536,710,000 ordinary shares as she is the spouse of Lee Wan Keung Patrick, a beneficial owner of Gold Best.
- (iii) Dyna Wave Holding Asia is wholly owned by Nippon Paper Group Inc.

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as at 31 December 2014.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange ("Listing Rules"). The Company considers all of the independent non-executive directors are independent.

CONNECTED TRANSACTIONS

Pursuant to Rule 14A.38 of the Listing Rules, the board of directors engaged the auditor of the Company 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 an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Listing Rules. The independent non-executive directors have reviewed the continuing connected transactions and the unqualified letter from the auditor and have confirmed that the continuing connected transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms, or on terms no less favourable than terms available to or from independent third parties, in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and within the relevant cap amounts as agreed by the Stock Exchange.

主要股東 (續)

附註：

- (i) Gold Best Holdings Ltd (「Gold Best」) 由李運強全資擁有。
- (ii) 根據證券及期貨條例，由於李黃惠娟是李運強 (Gold Best 實益擁有人) 的配偶，故被視為擁有該 2,536,710,000 股普通股的權益。
- (iii) Dyna Wave Holding Asia 為日本製紙集團全資擁有。

除上述披露者外，本公司概無獲知會於 2014 年 12 月 31 日本公司股份或相關股份之任何其他相關權益或短倉。

委任獨立非執行董事

根據聯交所證券上市規則(「上市規則」)第 3.13 條之指引，每位獨立非執行董事已向本公司確認其年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

關連交易

根據上市規則第 14A.38 條，董事會委聘本公司核數師，按照香港會計師公會頒布的香港鑒證業務準則第 3000 號下之「非審核或審閱過往財務資料之鑒證工作」規定，並參照實務說明第 740 號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。根據上市規則，核數師已對本集團的持續關連交易所作的審查結果及結論，發出載有其無保留意見的函件。獨立非執行董事已審閱持續關連交易及核數師無保留意見的函件，並已確認本集團所進行持續關連交易乃其日常及一般業務中按正常商業條款進行，或按照不遜於向或自獨立第三方給予之條款進行，且遵照管轄該等交易之協議條款，乃屬公平合理及符合本公司股東整體利益，及不超逾與聯交所協定的相關上限金額。



CONNECTED TRANSACTIONS (CONTINUED)

Details of the discloseable connected transactions for the year are set out in note 35 to the consolidated financial statements.

Save as disclosed above, there were no other transactions which are required to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected Transactions", no contracts of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate purchases attributable to the Group's five largest suppliers were approximately 70% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 26% of the Group's total purchases.

The aggregate sales during the year attributable to the Group's five largest customers were less than 5% of the Group's total sales.

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

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2014.

關連交易 (續)

本年度的須予披露之關連交易詳情載於綜合財務報表附註35。

除上文所披露者外，並無任何其他交易須按上市規則的規定須予披露為關連交易。

董事於重大合約中之權益

除「關連交易」一節所披露者外，本公司、其控股公司、附屬公司或同系附屬公司概無訂立於年結日或年內任何時間仍然生效，且本公司董事直接或間接在其中擁有重大利益的重大合約。

主要客戶及供應商

年內，本集團五大供應商佔本集團總採購額約70%，而本集團最大供應商則佔本集團總採購額約26%。

年內，本集團五大客戶的總銷售額佔本集團總銷售額少於5%。

概無任何董事、彼等的聯繫人士或任何（就董事所知）擁有本公司已發行股本5%以上之股東於上述本集團五大供應商的股本中擁有任何權益。

足夠之公眾持股量

按本公司可以得悉之公開資料所示及就董事所知悉，本公司於截至2014年12月31日止整個年度內皆保持足夠公眾持股量。



PRE-EMPTIVE RIGHTS

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

EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits including insurance, medical cover and share options are also provided.

The determination of emoluments of the Company's directors has taken into consideration their expertise and job specifications.

DONATIONS

During the year, the Group made charitable and other donations of HK\$5,500,000.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Lee Man Chun Raymond

Chairman

Hong Kong

9 March 2015

優先購股權

本公司之組織章程細則或開曼群島法例均無有關優先購股權之條文，規定本公司須按持股比例向現有股東發售新股份。

薪酬政策

本集團根據員工表現、經驗及市場價格釐定其薪酬。另提供其他員工福利包括保險、醫療保障及購股權。

本公司董事之薪酬釐定已考慮其專業及工作範圍。

捐款

年內，本公司作出的慈善及其他捐款合共 5,500,000 港元。

核數師

本公司將於股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行為核數師。

代表董事會

李文俊

主席

香港

2015年3月9日



Deloitte.

德勤

TO THE MEMBERS OF LEE & MAN PAPER MANUFACTURING LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Lee & Man Paper Manufacturing Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 150, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致理文造紙有限公司股東

(於開曼群島註冊成立的有限公司)

本核數師行已審核列載於第47至第150頁內之理文造紙有限公司(「貴公司」)及其附屬公司(以下合稱為「貴集團」)之綜合財務報表包括於2014年12月31日之綜合財務狀況表，與載至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例披露規定編製真實而公平的綜合財務報表，以及董事釐為必須的內部控制，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。



AUDITOR'S RESPONSIBILITY

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

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

9 March 2015

核數師的責任

本行之責任是根據本行的審核對該等綜合財務報表作出意見，並根據協定的聘用條款向整體股東作出報告而非用作其他用途。本行概不會就本報告書的內容，向任何其他人士承擔任何責任及債務。本行已根據香港會計師公會頒布的香港審計準則進行審核。這些準則要求吾等遵守道德規範，並規劃及執行審核，藉以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製及真實而公平地列報綜合財務報表相關的內部監控，以設計在該等情況下適當的審核程序，但並非為對實體的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

本行相信，吾等所獲得的審核憑證是充足和適當地為本行的審核意見提供基礎。

意見

本行認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴集團於2014年12月31日的財政狀況及 貴集團於截至該日止年度的盈利及現金流量，並已按照香港公司條例的披露規定妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港

2015年3月9日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

For the year ended 31 December 2014 截至2014年12月31日止年度

| | | NOTES 附註 | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|----------------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 5 | 17,099,134 | 16,970,365 |
| Cost of sales | 銷售成本 | | (14,027,532) | (14,084,063) |
| Gross profit | 毛利 | | 3,071,602 | 2,886,302 |
| Other income | 其他收入 | 6 | 426,397 | 380,427 |
| Net (loss) gain from fair value changes of derivative financial instruments | 衍生金融工具公允價值 變動淨(虧損)收益 | | (35,463) | 8,210 |
| Share of (loss) profit of a joint venture | 應佔合營企業(虧損)盈利 | | (51) | 460 |
| Distribution and selling expenses | 分銷及銷售費用 | | (330,030) | (312,474) |
| General and administrative expenses | 日常及行政費用 | | (708,885) | (621,573) |
| Finance costs | 財務成本 | 7 | (214,640) | (148,881) |
| Profit before tax | 除稅前盈利 | | 2,208,930 | 2,192,471 |
| Income tax expense | 利得稅支出 | 8 | (304,536) | (244,268) |
| Profit for the year | 年度盈利 | 9 | 1,904,394 | 1,948,203 |
| Other comprehensive income | 其他全面收益 | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | <i>其後可能重新分類至 損益之項目</i> | | | |
| Exchange differences arising on translation of foreign operations | 換算境外業務產生之 匯兌差額 | | (3,201) | 562,758 |
| Total comprehensive income for the year | 年度總全面收益 | | 1,901,193 | 2,510,961 |
| Profit for the year attributable to: Owners of the Company | 應佔年度盈利： 本公司擁有人 | | 1,904,394 | 1,948,203 |
| Total comprehensive income attributable to: Owners of the Company | 應佔總全面收益： 本公司擁有人 | | 1,901,193 | 2,510,961 |
| | | | HK cents 港仙 | HK cents 港仙 |
| Earnings per share | 每股盈利 | 13 | | |
| – Basic | – 基本 | | 40.69 | 41.51 |
| – Diluted | – 攤薄 | | N/A不適用 | 41.42 |



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2014 於2014年12月31日

| | | NOTES 附註 | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|------------------------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS 非流動資產 | | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 22,464,660 | 20,829,960 |
| Prepaid lease payments | 預付租賃款項 | 15 | 763,789 | 598,929 |
| Deposits paid for acquisition of property, plant and equipment and land use rights | 購置物業、廠房及 設備及土地使用權 所付訂金 | 16 | 134,958 | 160,542 |
| Interest in a joint venture | 合營企業權益 | 17 | 1,799 | 1,860 |
| Loan to a joint venture | 合營企業貸款 | 17 | 91,690 | 83,890 |
| Tax recoverable | 可收回稅項 | 8 | 62,988 | 59,300 |
| | | | 23,519,884 | 21,734,481 |
| CURRENT ASSETS 流動資產 | | | | |
| Inventories | 存貨 | 18 | 3,257,891 | 3,122,711 |
| Prepaid lease payments | 預付租賃款項 | 15 | 17,602 | 13,127 |
| Trade and other receivables | 應收貿易及其他賬款 | 19 | 5,891,427 | 5,582,178 |
| Amounts due from related companies | 應收關連公司款項 | 20 | 17,404 | 18,965 |
| Derivative financial instruments | 衍生金融工具 | 24 | 45 | 12,733 |
| Bank balances and cash | 銀行結餘及現金 | 21 | 2,032,567 | 710,511 |
| | | | 11,216,936 | 9,460,225 |
| CURRENT LIABILITIES 流動負債 | | | | |
| Trade and other payables | 應付貿易及其他賬款 | 22 | 3,262,465 | 3,165,262 |
| Amount due to a related company | 應付關連公司款項 | 20 | 3,736 | 12,306 |
| Amounts due to substantial shareholders | 應付主要股東款項 | 20 | 240,568 | 5,642 |
| Derivative financial instruments | 衍生金融工具 | 24 | 22,775 | — |
| Tax payable | 應付稅項 | | 89,689 | 64,555 |
| Bank borrowings | 銀行借貸 | 23 | 6,698,110 | 5,661,276 |
| | | | 10,317,343 | 8,909,041 |
| NET CURRENT ASSETS | 流動資產淨值 | | 899,593 | 551,184 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | | 24,419,477 | 22,285,665 |



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
綜合財務狀況表(續)

At 31 December 2014 於2014年12月31日

| | | NOTES 附註 | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--------------------------------|--------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Bank borrowings | 銀行借貸 | 23 | 6,162,679 | 5,297,833 |
| Deferred tax liabilities | 遞延稅項負債 | 25 | 779,814 | 641,346 |
| | | | 6,942,493 | 5,939,179 |
| | | | 17,476,984 | 16,346,486 |
| CAPITAL AND RESERVES | 股本及儲備 | | | |
| Share capital | 股本 | 27 | 116,750 | 117,402 |
| Reserves | 儲備 | | 17,360,234 | 16,229,084 |
| | | | 17,476,984 | 16,346,486 |

The consolidated financial statements on pages 47 to 150 were approved and authorised for issue by the Board of Directors on 9 March 2015 and are signed on its behalf by:

第47至第150頁所載的綜合財務報表已於2015年3月9日經董事會批准及授權刊發，並由下列董事代表簽署：

Lee Man Chun Raymond 李文俊
Chairman 主席

Lee Man Bun 李文斌
Director 董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2014 截至2014年12月31日止年度

| | | Share capital | Share premium | Share options reserve | Translation reserve | Capital contribution | Legal reserve | Special reserve | Other reserve | Retained profits | Total equity |
|---|----------------|---------------|---------------|-----------------------|---------------------|----------------------|---------------------|-----------------------|---------------------|------------------|--------------|
| | | 股本 | 股份溢價 | 購股權儲備 | 匯兌儲備 | 資金貢獻 | 法定公積金 | 特別儲備 | 其他儲備 | 留存盈利 | 權益總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | | | | (note i) (附註i) | (note ii) (附註ii) | (note iii) (附註iii) | (note iv) (附註iv) | | |
| At 1 January 2013 | 於2013年1月1日 | 117,241 | 4,624,592 | 35,450 | 2,074,752 | 12,552 | 97 | (2,999) | (12,060) | 7,748,565 | 14,598,190 |
| Other comprehensive income for the year | 年內其他全面收益 | — | — | — | 562,758 | — | — | — | — | — | 562,758 |
| Profit for the year | 年度盈利 | — | — | — | — | — | — | — | — | 1,948,203 | 1,948,203 |
| Total comprehensive income for the year | 年內總全面收益 | — | — | — | 562,758 | — | — | — | — | 1,948,203 | 2,510,961 |
| Shares repurchased and cancelled | 購回及註銷股份 | (1,505) | (307,763) | — | — | — | — | — | — | — | (309,268) |
| Exercise of share options (note 28) | 行使購股權(附註28) | 1,666 | 158,583 | (35,450) | — | — | — | — | — | — | 124,799 |
| Dividends recognised as distributions (note 12) | 確認為分派之股息(附註12) | — | — | — | — | — | — | — | — | (578,196) | (578,196) |
| At 31 December 2013 | 於2013年12月31日 | 117,402 | 4,475,412 | — | 2,637,510 | 12,552 | 97 | (2,999) | (12,060) | 9,118,572 | 16,346,486 |
| Other comprehensive income for the year | 年內其他全面收益 | — | — | — | (3,201) | — | — | — | — | — | (3,201) |
| Profit for the year | 年度盈利 | — | — | — | — | — | — | — | — | 1,904,394 | 1,904,394 |
| Total comprehensive income for the year | 年內總全面收益 | — | — | — | (3,201) | — | — | — | — | 1,904,394 | 1,901,193 |
| Shares repurchased and cancelled | 購回及註銷股份 | (652) | (110,496) | — | — | — | — | — | — | — | (111,148) |
| Dividends recognised as distributions (note 12) | 確認為分派之股息(附註12) | — | — | — | — | — | — | — | — | (659,547) | (659,547) |
| At 31 December 2014 | 於2014年12月31日 | 116,750 | 4,364,916 | — | 2,634,309 | 12,552 | 97 | (2,999) | (12,060) | 10,363,419 | 17,476,984 |

notes:

- (i) The capital contribution arose from the disposal of subsidiaries in a prior period to a wholly owned subsidiary of the Group's ultimate holding company.
- (ii) In accordance with the provisions of the Macao Commercial Code, the Company's subsidiaries in Macau are required to transfer a minimum of 25% of the annual net profit to a legal reserve, whenever dividend is declared by the subsidiaries, until the reserve reaches half of the capital of the subsidiaries. The reserve is not distributable to the shareholders.
- (iii) The special reserve represents the difference between the nominal value of the aggregate share capital of the subsidiaries acquired by the Group pursuant to the corporate reorganisation in September 2003, and the nominal value of the Company's shares issued for the acquisition.
- (iv) In October 2008, the Group acquired the remaining 10% equity interests in each of two subsidiaries from their non-controlling shareholders at an aggregate consideration of US\$35. The excess of the carrying amount of the net liabilities acquired over the fair value of the consideration paid has been debited directly to equity.

附註:

- (i) 資金貢獻乃較早期間向本集團最終控股公司一家全資附屬公司出售附屬公司所得。
- (ii) 根據澳門商法典的條文，本公司位於澳門的附屬公司每當宣派股息時，應轉撥不少於年度純利25%的金額作為法定公積金，直至公積金達附屬公司股本的一半為止，該等公積金不得分派予股東。
- (iii) 特別儲備指根據本集團於2003年9月為重組收購所得的附屬公司的股本面值總額與本公司就收購事項而發行的股份面值的差額。
- (iv) 於2008年10月，本集團向兩家附屬公司之非控股股東收購該兩間附屬公司各餘下10%股益，總代價為35美元。所收購負債淨值之賬面金額超出所付代價之公允值之數額已直接於權益中扣除。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2014 截至2014年12月31日止年度

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | 經營業務 | | |
| Profit for the year | 年度盈利 | 1,904,394 | 1,948,203 |
| Adjustments for: | 經調整： | | |
| Income tax expense recognised in profit or loss | 已於損益確認的利得稅 | 304,536 | 244,268 |
| Amortisation of prepaid lease payments | 預付租賃款項攤銷 | 12,775 | 11,258 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 819,912 | 668,344 |
| Finance costs | 財務成本 | 214,640 | 148,881 |
| Interest income | 利息收入 | (16,170) | (10,289) |
| Reversal of impairment losses on trade receivables | 應收貿易賬款減值虧損回撥 | (4,600) | — |
| Impairment loss recognised on trade receivables | 已確認應收貿易賬款減值虧損 | — | 10,076 |
| Write-off of trade receivables | 應收貿易賬款撇賬 | 1,689 | — |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | 5,226 | 5,475 |
| Net loss (gain) from fair value changes of derivative financial instruments | 衍生金融工具公允值變動淨虧損(收益) | 35,463 | (8,210) |
| Return on retirement benefit plan assets | 退休福利計劃資產回報 | — | (39) |
| Share of loss (profit) of a joint venture | 應佔合營企業虧損(盈利) | 51 | (460) |
| Operating cash flows before movements in working capital | 營運資金變動前的經營現金流量 | 3,277,916 | 3,017,507 |
| Increase in trade and other receivables | 應收貿易及其他賬款增加 | (294,031) | (942,020) |
| Increase in inventories | 存貨增加 | (138,711) | (182,431) |
| (Decrease) increase in amount due to a related company | 應收關連公司款項(減少)增加 | (8,570) | 12,159 |
| Decrease in amount due to a substantial shareholder | 應付主要股東款項減少 | (5,124) | (898) |
| Increase (decrease) in trade and other payables | 應付貿易及其他賬款增加(減少) | 188,424 | (167,220) |
| Decrease in amounts due from related companies | 應付關連公司款項減少 | 1,561 | 7 |
| Cash generated from operations | 經營業務產生的現金 | 3,021,465 | 1,737,104 |
| People's Republic of China (the "PRC") Enterprise Income Tax paid | 已付中華人民共和國(「中國」)企業所得稅 | (141,068) | (161,727) |
| Purchase of tax reserve certificates | 購買儲稅券 | (3,688) | (6,630) |
| Interest paid | 已付利息 | (335,793) | (296,357) |
| NET CASH FROM OPERATING ACTIVITIES | 經營業務所得現金淨額 | 2,540,916 | 1,272,390 |



CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
綜合現金流量表(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

| | | NOTES 附註 | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|---------------------|-------------|----------------------------------|----------------------------------|
| INVESTING ACTIVITIES | 投資活動 | | | |
| Purchases of property, plant and equipment | 購置物業、廠房及設備 | | (2,050,048) | (2,271,986) |
| Purchase of prepaid lease payments | 購置預付租賃款項 | | (182,251) | (49,959) |
| Acquisition of assets and liabilities | 收購資產及負債 | 33 | (113,708) | — |
| Loan to a joint venture | 合營企業貸款 | | (7,800) | (19,500) |
| Proceeds from termination of retirement benefit plan | 終止退休福利計劃所得款項 | | — | 1,105 |
| Proceeds on disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | | 19,181 | 1,695 |
| Interest received | 已收利息 | | 16,170 | 10,289 |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動所用現金淨額 | | (2,318,456) | (2,328,356) |
| FINANCING ACTIVITIES | 融資活動 | | | |
| Repayment of bank borrowings | 償還銀行借貸 | | (18,195,425) | (15,738,589) |
| Dividends paid | 已付股息 | | (659,547) | (578,196) |
| Payment on repurchase of shares | 購回股份付款 | | (111,148) | (309,268) |
| New bank borrowings raised | 新籌集銀行借貸 | | 20,065,999 | 17,595,480 |
| Proceeds from issue of shares in connection with exercise of share options | 行使購股權而發行股份所得款項 | | — | 124,799 |
| NET CASH FROM FINANCING ACTIVITIES | 融資活動所得現金淨額 | | 1,099,879 | 1,094,226 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加淨額 | | 1,322,339 | 38,260 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 年初之現金及現金等價物 | | 710,511 | 657,106 |
| EFFECT OF EXCHANGE RATE CHANGES | 滙率變動之影響 | | (283) | 15,145 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 年終之現金及現金等價物 | | | |
| represented by bank balances and cash | 銀行結餘及現金 | | 2,032,567 | 710,511 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2014 截至2014年12月31日止年度

1. GENERAL

The Company is a public limited company incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2013 Revision) of the Cayman Islands on 21 May 2003 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company is Gold Best Holdings Ltd. (“Gold Best”), a private company incorporated in the British Virgin Islands. The ultimate controlling shareholder of Gold Best is Mr Lee Wan Keung, Patrick. The address of the registered office and the principal place of business of the Company is disclosed in the Corporate Information section of the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries and joint ventures are set out in notes 36 and 17, respectively.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

1. 一般資料

本公司是上市有限公司，於2003年5月21日根據開曼群島公司法(2013年修訂版)於開曼群島成立及登記為獲豁免有限公司，股份並於香港聯合交易所有限公司(「聯交所」)上市。母公司及最終控股公司是Gold Best Holdings Ltd(「Gold Best」)，為一間於英屬處女群島註冊成立的私人公司。Gold Best之最終控股股東為李運強先生。本公司註冊辦事處及總辦事處之地址於本年報公司資料內披露。

本公司是一間投資控股公司，各主要附屬公司及合營企業的主要業務分別載於財務報表附註36及17。

綜合財務報表以港元(「港元」)列示，為本公司之功能貨幣。



2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY

Amendments to HKFRSs and the new Interpretation that are mandatorily effective for the current year

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year.

| | |
|--|--|
| Amendments to HKFRS 10, HKFRS 12 and HKAS 27 | Investment Entities |
| Amendments to HKAS 32 | Offsetting Financial Assets and Financial Liabilities |
| Amendments to HKAS 36 | Recoverable Amount Disclosures for Non-Financial Assets |
| Amendments to HKAS 39 | Novation of Derivatives and Continuation of Hedge Accounting |
| HK(IFRIC) – Int 21 | Levies |

Except as described below, the amendments to HKFRSs and the new Interpretation in the current year have had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)/會計政策變更

於本年度強制生效之香港財務報告準則修訂本及新訂詮釋

本集團於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒布之新訂及經修訂香港財務報告準則。

| | |
|---|-----------------|
| 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(修訂本) | 投資實體 |
| 香港會計準則第32號(修訂本) | 抵銷金融資產及金融負債 |
| 香港會計準則第36號(修訂本) | 非金融資產可收回數額之披露 |
| 香港會計準則第39號(修訂本) | 衍生工具的更替及對沖會計之延續 |
| 香港(國際財務報告詮釋委員會) – 詮釋第21號 | 徵費 |

除下文所述外，本年度應用香港財務報告準則修訂本及新訂詮釋對本集團於本年度及過往年度之財務表現及狀況及/或載於綜合財務報表之披露並無重大影響。



2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (CONTINUED)

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realisation and settlement’. The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group’s consolidated financial statements as the Group does not have significant financial assets and financial liabilities for offset.

New and revised HKFRSs in issue but not yet effective

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

| | |
|----------------------|--|
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2010–2012 Cycle ² |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2011–2013 Cycle ¹ |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2012–2014 Cycle ³ |
| HKFRS 9 | Financial Instruments ⁶ |

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

香港會計準則第32號(修訂本)「抵銷金融資產及金融負債」

香港會計準則第32號(修訂本)釐清有關抵銷金融資產及金融負債規定之現有應用問題。特別是，該等修訂釐清「目前擁有法律上可執行之權利互抵權」及「同時變現及清償」之涵義。因本集團並無重大金融資產及金融負債的抵銷安排，本公司董事預期應用該等香港會計準則第32號(修訂本)不會對本集團之綜合財務報表構成重大影響。

已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒布但尚未生效之新訂及經修訂香港財務報告準則：

| | |
|---------------|---|
| 香港財務報告準則(修訂本) | 2010年至2012年週期香港財務報告準則的年度改進 ² |
| 香港財務報告準則(修訂本) | 2011年至2013年週期香港財務報告準則的年度改進 ¹ |
| 香港財務報告準則(修訂本) | 2012年至2014年週期香港財務報告準則均年度改進 ³ |
| 香港財務報告準則第9號 | 金融工具 ⁶ |



2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (CONTINUED)

New and revised HKFRSs in issue but not yet effective (Continued)

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| HKFRS 14 | Regulatory Deferral Accounts ⁴ |
| HKFRS 15 | Revenue from Contracts with Customers ⁵ |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 28 | Investment Entities: Applying the Consolidation Exception ³ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKFRS 11 | Accounting for Acquisitions of Interests in Joint Operations ³ |
| Amendments to HKAS 1 | Disclosure Initiative ³ |
| Amendments to HKAS 16 and HKAS 38 | Clarification of Acceptable Methods of Depreciation and Amortisation ³ |
| Amendments to HKAS 16 and HKAS 41 | Agriculture: Bearer Plants ³ |

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

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| 香港財務報告準則第14號 | 監管遞延賬戶 ⁴ |
| 香港財務報告準則第15號 | 來自客戶合同的收入 ⁵ |
| 香港財務報告準則第10號, 香港財務報告準則第12號及香港會計準則第28號(修訂本) | 投資實體: 應用合併豁免 ³ |
| 香港財務報告準則第10號及香港會計準則第28號(修訂本) | 投資者與其聯營或合營企業之間的資產出售或注資 ³ |
| 香港財務報告準則第11號(修訂本) | 收購共同經營權益的會計法 ³ |
| 香港會計準則第1號(修訂本) | 披露主動性 ³ |
| 香港會計準則第16號及香港會計準則第38號(修訂本) | 折舊與攤銷的可接受方法的澄清 ³ |
| 香港會計準則第16號及香港會計準則第41號(修訂本) | 農業: 生產性植物 ³ |



2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (CONTINUED)

New and revised HKFRSs in issue but not yet effective (Continued)

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|-----------------------|---|
| Amendments to HKAS 19 | Defined Benefit Plans: Employee Contributions ¹ |
| Amendments to HKAS 27 | Equity Method in Separate Financial Statements ³ |

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|---|---|
| 1 | Effective for annual periods beginning on or after 1 July 2014. |
| 2 | Effective for annual periods beginning on or after 1 July 2014, with limited exception. |
| 3 | Effective for annual periods beginning on or after 1 January 2016. |
| 4 | Effective for first annual HKFRS financial statements beginning on or after 1 January 2016. |
| 5 | Effective for annual periods beginning on or after 1 January 2017. |
| 6 | Effective for annual periods beginning on or after 1 January 2018. |

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

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| 香港會計準則 第19號(修訂本) | 界定利益計劃： 僱員供款 ¹ |
| 香港會計準則 第27號(修訂本) | 獨立財務報表之權 益法 ³ |

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|---|--|
| 1 | 於2014年7月1日或之後開始之年度期間生效。 |
| 2 | 於2014年7月1日或之後開始之年度期間生效，少數豁免者除外。 |
| 3 | 於2016年1月1日或之後開始之年度期間生效。 |
| 4 | 於2016年1月1日或之後開始之首個香港財務報告準則的財務報表年度期間生效。 |
| 5 | 於2017年1月1日或之後開始之年度期間生效。 |
| 6 | 於2018年1月1日或之後開始之年度期間生效。 |



2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (CONTINUED)

HKFRS 15 Revenue from Contracts with Customers

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

The core principle of HKFRS 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 HKFRS 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. For more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

香港財務報告準則第15號「來自客戶合同的收入」

於2014年7月，香港財務報告準則第15號已頒布並建立了一個單一的綜合模型，以確認來自客戶合同的收入。當香港財務報告準則第15號生效時，將取代現時沿用的收入確認指引包括香港會計準則第18號「收入」，香港會計準則第11號「建築合同」及相關的詮釋。

香港財務報告準則第15號的核心原則乃一個實體應確認收入以體現向客戶轉讓承諾貨品或服務的數額，並反映實體預期交換該等貨品或服務而應得的代價。具體來說，該準則引入了五步法來確認收入：

- 第1步：識別與一個客戶的合同
- 第2步：識別合同內的履約責任
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合同內的履約責任
- 第5步：當實體符合履約責任時確認收入

根據香港財務報告準則第15號，當一個實體符合履約責任時確認收入，即當貨品或服務按特定的履約責任轉移並由客戶「控制」時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號亦要求較廣泛的披露。



2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGE IN ACCOUNTING POLICY (CONTINUED)

HKFRS 15 Revenue from Contracts with Customers (Continued)

The directors of the Company anticipate that the application of HKFRS 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 HKFRS 15 until the Group performs a detailed review.

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

Change in accounting policy

In the current year, the directors of the Company determined to change its accounting policy to record cost of inventories from weighted average method to first-in, first-out basis. This change is adopted upon change of inventory costing system which used first-in, first-out basis, to which, the management believes, could provide amounts of cost of inventories more efficiently without the complication of weighted average calculations.

In the opinion of the directors, the change in accounting policy has had no significant impact on the Group’s financial performance and position for the current and prior years. However, the adoption of this change in all the group companies retrospectively from 1 January 2014 would involve costs out of proportion to the value to the members of the Company. Accordingly, the change in accounting policy is not adopted retrospectively on 1 January 2014 and the comparative figures have not been restated.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)/會計政策變更(續)

香港財務報告準則第15號「來自客戶合同的收入」(續)

本公司董事預期，將來應用香港財務報告準則第15號對本集團的綜合財務報表在報告金額或披露皆可能構成重大影響。然而，在本集團詳細檢討完成後，才可能對香港財務報告準則第15號的影響作出合理估計。

本公司董事預期應用其他新訂及經修訂香港財務報告準則對綜合財務報表並無重大影響。

會計政策變更

本年度，本公司董事決定變更會計政策，將存貨成本由採用加權平均法轉為先入先出記賬。此變更自轉用按先入先出基準的存貨成本系統起採納，管理層相信此舉能更有效率地提供存貨成本數額而無加權平均計算的複雜。

董事認為，會計政策變更對本年度及過往年度本集團的財務表現及狀況並無重大影響。然而，所有集團公司追溯至2014年1月1日採納此變更所涉及之成本將與集團成員的價值不成比例。據此，會計政策變更並無追溯至2014年1月1日及比較數字並未重列。



3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments that are measured at fair values 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 characteristic 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 statement is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories*, or value in use in HKAS 36 *Impairment of Assets*.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒布之香港財務報告準則編製。此外，綜合財務報表包括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資料。

綜合財務報表按歷史成本法編製，惟於每個報告期末按公允值計量之衍生金融工具除外，會計政策闡述於下文。

歷史成本一般按照交換貨物所付代價之公允值。

公允值為於計量日期在市場參與者之間進行有序交易就出售資產所收取或轉讓負債所支付的價格，不論該價格是直接可觀察或使用另一種估值方式估計得出。在估計一項資產或負債之公允值時，本集團考慮該資產或負債於計量日期的特質(市場參與者在為資產或負債定價時會考慮)。就於該等綜合財務報表中計量及／或披露之公允值乃按有關基準釐定，惟於香港財務報告準則第2號範疇下的股權支付交易、香港會計準則第17號範疇下的租賃交易及一些類似公允值但非公允值的計量(例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」的使用價值)則除外。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, for financial reporting purpose, 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 (its subsidiaries). Control is achieved where the Company:

- has 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.

3. 主要會計政策(續)

此外，就財務申報而言，公允值計量根據公允值計量輸入數據之可觀察程度及輸入數據對公允值整體計量之重要性被分類為第1、第2或第3級，載述如下：

- 第1級－輸入數據乃實體於計量日期在活躍市場就相同資產或負債取得之報價(未經調整)
- 第2級－輸入數據乃指第1級包括的報價外自資產或負債的可直接或間接觀察所得之輸入數據；及
- 第3級－輸入數據為資產或負債的無法以觀察所得之輸入數據。

主要會計政策載列如下：

綜合賬目基準

本公司及本公司控制的實體(其附屬公司)的財務報表均納入綜合財務報表。控制是指本公司：

- 有權控制被投資方；
- 來自參與被投資方業務而獲得或有權獲得的可變回報；及
- 有能力行使其權力而影響其回報。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

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

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

3. 主要會計政策(續)

綜合賬目基準(續)

倘事實及情況顯示上述三項控制權元素中的一項或多項元素有變，則本集團會重新評估其是否擁有被投資方的控制權。

當本集團於被投資方之投票權少於大多數，而投票權足夠使其實際有能力單方面指揮被投資方之相關業務時，則有權控制被投資方。本集團考慮一切相關事實及情況評估本集團於被投資方之投票權是否足夠有控制權，當中包括：

- 本集團持有投票權數目相對其他投票持有人所持有的數目及分布；
- 本集團、其他投票持有人及其他各方持有之潛在投票權；
- 由其他合約安排所產生之權力；及
- 任何額外事實及情況指出本集團是否現行有能力於需要作出決定時去指揮相關業務，包括過往股東會議之投票方式。

綜合附屬公司賬目於本集團取得對附屬公司控制權時開始，並於本集團失去對附屬公司控制權時終止。尤其是，年內所收購或出售附屬公司的收支，自本集團取得控制權之日計起直至本集團不再擁有附屬公司控制權之日止，列入綜合損益及其他全面收益表內。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Profit or loss and each component 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.

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

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

Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. 主要會計政策(續)

綜合賬目基準(續)

損益及其他全面收益的各個項目乃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出現虧絀結餘，附屬公司之總全面收益仍會歸屬於本公司擁有人及非控股權益。

倘需要，將會就附屬公司之財務報表作出調整，致使其會計政策與本集團其他成員公司所採用者貫徹一致。

集團內各成員公司間之交易有關的資產及負債、權益、收入、支出及現金流量均於綜合賬目時全面對銷。

合營企業投資

合營企業是一種共同安排，據此共同控制該安排的各方擁有該安排的淨資產。共同控制為一項合約協定共享控制之安排，僅會於決定相關事項須共享控制的各方一致同意時方會出現。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in joint venture (Continued)

The results and assets and liabilities of joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

合營企業投資(續)

合營企業之業績及資產與負債乃按權益會計法列入綜合財務報表內。按權益法列賬的合營企業的財務報表乃採用本集團在類似情況就類似交易及事件所採用的統一會計政策而編製。根據權益法，於合營企業之投資乃初步按成本於綜合財務狀況表列賬，及其後調整以確認本集團應佔該合營企業之損益及其他全面收益。當本集團應佔合營企業之虧損超出其於該合營企業之權益(即包括任何實質上構成本集團於該合營企業之投資淨額之長期權益)，則本集團不再確認其應佔之進一步虧損。僅會於本集團已產生法定或推定責任或替該合營企業支付款項之情況下，方會確認額外虧損。

合營企業之投資於當被投資方成為合營企業當日採用權益法入賬。收購合營企業之投資時，投資成本超出本集團應佔被投資方可識別資產及負債淨公允值之任何數額乃確認為商譽，並包括在該投資的賬面值中。經重估本集團應佔被投資方可識別資產及負債淨公允值超出投資成本之任何數額則立即在收購該投資之期間在損益確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in joint venture (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

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, net of discounts and sales related taxes.

3. 主要會計政策(續)

合營企業投資(續)

應用香港會計準則第39號的規定，以釐定本集團於合營企業之投資確認任何減值虧損。如需要，投資全數賬面值(包括商譽)根據香港會計準則第36號「資產減值」作為單一資產作減值測試，方法為將賬面值與可收回金額(使用價值及公允值之較高者減出售成本)加以比較。任何已確認之減值虧損構成該投資賬面值的一部分。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該減值虧損之撥回。

當集團實體與其合營企業進行交易時，與合營企業交易產生的損益會在本集團之綜合財務報表確認，但僅限於該合營企業之權益與本集團無關。

收入確認

收入乃按已收或應收代價之公允值計算。收入已減去估計客戶退貨、回扣及其他類似撥備，並扣除折扣及銷售相關稅項。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

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.

Income from supply of steam and electricity is recognised upon the provision of the steam and electricity.

3. 主要會計政策(續)

收入確認(續)

銷售貨品收入於貨品交付、所有權轉移並達致以下全部條件時確認：

- 本集團將商品所有重大風險或回報之擁有權已轉讓予買方；
- 本集團既沒有保留通常與所有權相聯系的繼續管理權，也沒有對已出售貨品實施有效控制；
- 收入金額能可靠地計量；
- 相關的經濟利益很可能流入本集團；及
- 相關的已發生或將發生的成本能夠可靠地計量。

金融資產之利息收入於其經濟效益將可能流入本集團而其收入金額能可靠地計量時確認。金融資產之利息收入乃以時間為基準按未償還本金及適用實際利率計提，而實際利率為透過金融資產之預期可用年期將估計日後所收現金實際折讓至該資產於初始確認時之賬面淨值之比率。

供應蒸氣及電力之收入於提供蒸氣及電力時確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Income from the rendering of wharf cargo handling services is recognised in the year in which the services are provided.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 主要會計政策(續)

收入確認(續)

自提供處理碼頭貨物服務之收入於提供該服務之年度確認。

本集團從經營租賃確認收入之會計政策於下文有關租賃之會計政策描述。

租賃

凡租賃之條款規定擁有權所附帶之一切風險及回報實質上轉移至承租者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

集團作為出租人

經營租賃產生之租金收入按直線法於相關租賃期內在損益確認。磋商及安排一項經營租賃涉及的初始直接成本乃加至租賃資產之賬面值及以直線法於租賃期內確認。

集團作為承租人

經營租賃款項乃按租賃年期以直線法確認，除有其他系統化基準更能反映租賃資產所產生的經濟利益則除外。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Leasehold land and buildings

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

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

3. 主要會計政策(續)

租賃(續)

租賃土地及樓宇

當租賃包括土地及樓宇部份時，本集團以評估與各部份擁有權有關的絕大部份風險及回報是否已轉移至本集團為基礎，評估如何將各部份分類為融資或經營租賃，除非肯定兩部份均為經營租賃，則於該情況下，整項租賃乃分類為經營租賃。尤其，最低租賃款項(包括任何一次性預付款項)乃以租約開始時，於土地及樓宇部份之間進行分配，比例為以租賃權益於土地部份及樓宇部份的相對公允值而定。

倘租賃款項能夠可靠分配時，則入賬列作經營租賃的租賃土地權益乃於綜合財務狀況表列作「預付租賃款項」，並以直線法於租賃期內攤銷。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

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

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

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. HK\$) 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 the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of 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

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用換算匯率確認。於報告期末，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。非貨幣項目按外幣過往成本計量而毋須重新換算。

貨幣項目所產生之匯兌差額於其產生期間於損益內確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃採用報告期末當日之匯率換算為本集團之列賬貨幣(即港元)，而收入及支出項目乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之匯率。所產生之匯兌差額(如有)乃於其他全面收益確認及於匯兌儲備項下累計權益。

借貸成本

與購置、建造或生產合資格資產(需一段長時間方可作擬定用途或可供銷售的資產)直接有關之借貸成本均加至該等資產之成本，直至該等資產大致可作其擬定用途或可供銷售為止。

所有其他借貸成本均於產生期間於損益中確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit scheme are recognised as an expense when the employees have rendered services entitling them to the contributions.

Equity-settled share based payment transactions on share options granted to employees

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

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

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

3. 主要會計政策(續)

政府資助

在獲得合理保證本集團將遵守政府資助附帶的條件及將會收到政府資助前，不會確認政府資助。

應收之政府資助乃作為已產生開支或虧損之補助或對本集團的實時財政資助而並無日後相關成本，應收資助於其產生期間在損益中確認。

退休福利成本

強制性公積金計劃(「強積金計劃」)及國家管理的退休福利計劃的供款於僱員提供可使其享有供款之服務時確認為費用。

授予僱員購股權以股結算股權支付之交易

所獲服務之公允值乃參考購股權於授出當日之公允值釐定，於歸屬期間以直線法支銷，並於權益中作相應增加(購股權儲備)。

於報告期末，本集團修訂預期最終歸屬之購股權數目估計。在歸屬期內修訂原先估計之影響(如有)，其反映修訂估計之累計費用於損益確認，並對購股權儲備作出相應調整。

購股權獲行使時，過往於購股權儲備中確認之數額將轉移至股本溢價賬。當購股權於歸屬日期後被註銷或於屆滿日仍未獲行使，過往於購股權儲備中確認之數額將轉移至留存盈利內。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base 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 assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策(續)

稅項

利得稅支出指現時應付稅項及遞延稅項的總和。

現時應付稅項乃按年度應課稅盈利計算。應課稅盈利與綜合損益及其他全面收益表中所報除稅前盈利不同乃源於其他年度應課稅或可扣稅的收入或開支項目及從未課稅及扣稅的項目。本集團之本期稅項乃按報告期末已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報表之資產及負債賬面值與計算應課稅盈利所採用相應稅基的暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額予以確認。遞延稅項資產一般就所有可扣稅暫時差額確認，惟僅於可能有課稅盈利將可以使用該可扣稅暫時差額時確認。倘暫時差額乃由初次確認一項不影響應課稅盈利或會計盈利的交易的其他資產及負債所引起，則有關遞延資產及負債不予確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in joint venture, 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 the 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 is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債一般就與附屬公司之投資及合營企業權益而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回及暫時差額有可能不會於可見將來撥回之情況則除外。與該等投資及權益相關的可扣稅暫時差額所產生的遞延稅項資產，僅在可能有足夠應課稅盈利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值於各報告期末作檢討，並在沒可能會有足夠應課稅盈利以收回全部或部分資產時加以遞減。

遞延稅項資產及負債按預期負債清償或資產變現期間內應用之稅率，以報告期末已生效或實際上已生效之稅率(及稅法)為基準計量。

遞延稅項負債及資產之計量反映本集團於報告期末所預期對收回或償還其資產及負債之賬面值之方式所產生的稅務後果。

本期及遞延稅項於損益確認，惟倘遞延稅項涉及於其他全面收益或直接於權益確認之項目，在此情況下，本期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate category 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 assets, other than construction in progress, 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.

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

3. 主要會計政策(續)

物業、廠房及設備

除在建工程外，物業、廠房及設備(包括持有作貨物生產或行政用途的樓宇)乃按成本減累計折舊及累計減值虧損(如有)列入綜合財務狀況表。

為生產或行政用途之在建中物業，按成本減任何已確認之減值虧損列賬。成本包括專業費用及合資格資產之借貸成本，按照本集團的會計政策進行資本化。該等物業完工並可投入擬定用途時，則會分類至合適的物業、廠房及設備類別。該等資產的折舊按其他物業資產之相同基準，在資產可投入擬定用途時開始計提折舊。

物業、廠房及設備(在建中除外)之折舊乃按其估計可使用年期，於計及其估計剩餘價值後，以直線法撇銷其成本。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，任何估計變動的影響按前瞻基準入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟效益時取消確認。出售或報廢一項物業、廠房及設備，按其出售所得款項與該資產賬面值間之差額計算盈虧，並計入損益。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets with finite useful lives 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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

3. 主要會計政策(續)

資產減值

於報告期末，本集團須審閱其有限使用年期之資產的賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計資產可收回金額，以釐定減值虧損的幅度(如有)。倘不能估計單一資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。當可識別分配基準屬合理及貫徹一致時，企業資產亦會被分配到個別的現金產生單位，否則或會被分配到可識別分配基準屬合理及貫徹一致的最小的現金產生單位中。

可收回金額為公允值減銷售成本或使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其貼現值，該貼現率反映目前市場對資金時間值之評估以及估計未來現金流量未經調整之資產的獨立風險。

倘某項資產(或現金產生單位)之可收回金額估計低於其賬面值，則該項資產(或現金產生單位)之賬面值須削減至其可收回金額。減值虧損即時在損益中確認。

倘日後撥回減值虧損，有關資產(或現金產生單位)之賬面值須增加至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產(或現金產生單位)並無於過往年度確認任何減值虧損所應釐定之賬面值。撥回之減值虧損即時在損益中確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out basis in 2014, whereas the Group adopted weighted average basis in prior years. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Financial instruments

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

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

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and financial assets at fair value through profit or loss. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. 主要會計政策(續)

存貨

存貨按成本或可變現淨值兩者中之較低者列賬。存貨成本於2014年按先入先出基準釐定，過往年度本集團則採納加權平均法。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需之成本。

金融工具

金融資產及金融負債於集團實體成為工具訂約條文之訂約方時確認。

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

金融資產

本集團之金融資產分為兩個類別其中之一：包括貸款及應收賬款和按公允值列賬及計入損益之金融資產。分類視乎金融資產性質及目的而定，在初始確定時釐定。



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 paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Financial assets at fair value through profit or loss

The Group's financial assets classified as financial assets at fair value through profit or loss are derivatives that are not designated as hedging instruments.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in the 'other gains or losses' line item. Fair value is determined in the manner described in note 30(iii).

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

實際利率法

實際利率法是一種計算債務工具攤銷成本與分派利息收入到相關期間之方法。實際利率是以精確將金融資產預測可使用年期或(如適用)更短期間估計未來現金收入(包括所有已付或已收並構成實際利率整體之費用、交易成本及其他溢價或折讓)折現至初始確認時之賬面淨值之比率。

債務工具之利息收入按實際利率基準確認。

按公允值計入損益之金融資產

本集團分類為按公允值計入損益之金融資產為一種並不能作為指定對沖工具之衍生工具。

按公允值計入損益之金融資產以公允值計量，因重新計量而產生的公允值變動在損益確認。於損益確認之淨收益或虧損包括金融資產所賺取之任何股息或利息及已包含在「其他收益及虧損」之項目內。公允值乃按附註30(iii)所描述之方法釐定。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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 loan to a joint venture, trade and other receivables, amounts due from related companies, and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of loans and receivables below).

Impairment of loans and receivables

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

Objective evidence of impairment could include:

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為在活躍市場上並無報價而具有固定或釐定付款之非衍生金融資產。貸款及應收賬款(包括合營企業貸款、應收貿易及其他賬款、應收關連公司款項、及銀行結餘及現金)以實際利率法，按攤銷成本減任何減值虧損(請參閱下文有關貸款及應收款項減值虧損之會計政策)計量。

貸款及應收款項減值虧損

貸款及應收款項於報告期末評估是否有減值跡象。倘出現客觀證據，於初步確認金融資產後產生之一項或多項事件令該投資的估計未來現金流量受到影響，則貸款及應收款項會被考慮減值。

減值之客觀證據可能包括：

- 發行人或對手方存在嚴重財政困難；或
- 違約，如未能繳付或延遲償還利息及本金；或
- 借款人有可能面臨破產或財務重組。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of loans and receivables (Continued)

For certain categories of loans and receivables, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed 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 45 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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 losses 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項減值虧損(續)

就若干類別的貸款及應收款項(如貿易應收賬款)而言,經評估不會單獨作出減值並會彙集一併評估減值。應收賬款組合出現減值的客觀證據包括本集團過往收款經驗、組合內逾期還款超過平均信貸期45至90天之數目上升、國家或地區經濟狀況出現明顯變動導致拖欠應收賬款。

減值虧損金額乃按資產賬面值與按原有實際利率貼現之估計未來現金流量現值之差額確認。

所有金融資產的減值虧損會直接於賬面值中作出扣減,惟貿易應收賬款除外,其賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當貿易應收賬款被視為不可收回時,其將於撥備賬內撇賬。於其後收回先前已撇賬的款項將計入損益。

倘於隨後期間減值虧損的數額減少,及此項減少可客觀地與確認減值虧損後的某一事件聯繫,則先前確認的減值虧損於損益中予以撥回,惟於撥回減值當日的投資賬面值不得超逾未確認減值時的攤銷成本。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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 the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at fair value through profit or loss

The Group's financial liabilities classified as at fair value through profit or loss are derivatives that are not designated as hedging instruments.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and included in the 'other gains or losses' line item. Fair value is determined in the manner described in note 30(iii).

Other financial liabilities

Other financial liabilities including trade and other payables, amounts due to related companies, amounts due to substantial shareholders and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具

集團實體發行之債務及權益工具按所訂立之合約安排性質，以及金融負債及權益工具之定義而分類為金融負債或權益。

權益工具

權益工具為證明本集團經扣除其所有負債後的資產剩餘權益之任何合約。本公司發行的權益工具按收取所得款項減直接發行成本確認。

按公允值計入損益之金融負債

本集團金融負債分類為按公允值計入損益之金融負債，為一種並不能作為指定對沖工具之衍生工具。

按公允值計入損益之金融負債以公允值計量，因重新計量而產生的公允值變動盈虧在損益確認。於損益確認之淨收益或虧損包括金融負債所支付之任何利息及已包含在「其他收益或虧損」之項目內。公允值乃按附註30(iii)所描述之方法釐定。

其他金融負債

其他金融負債包括其後以實際利率法按攤銷成本計量之應付貿易及其他賬款、應付關連公司款項、應付主要股東款項及銀行借貸。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

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 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.

Derivative financial instruments

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

Derecognition

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

金融工具(續)

金融負債及權益工具(續)

實際利率法

實際利率法是一種計算金融負債攤銷成本與分派利息支出到相關期間之方法。實際利率是以精確將金融負債預測可使用年期或(如適用)更短期間估計日後現金支出(包括所有已付或已收構成實際利率之費用、交易成本及其他溢價或折讓)折現至初始確認時的賬面淨值之比率。利息支出乃按實際利率基準確認。

衍生金融工具

衍生工具以衍生工具合約簽訂日之公允值作初次確認及其後以報告期間結束當日之公允值重新計量。所產生的收益或虧損將即時於損益內確認。

剔除確認

若從資產收取現金流量之合約權利已到期，或本集團轉讓金融資產及已將其於資產擁有權之絕大部份風險及回報轉移予另一實體，本集團方會剔除確認金融資產。

於剔除確認一項金融資產時，資產賬面值與已收及應收代價之差額，將於損益中確認。

僅於本集團之責任獲解除、註銷或屆滿時，本集團方會剔除確認金融負債。剔除確認之金融負債賬面值與已付及應付代價之差額於損益中確認。



4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Impairment loss on trade receivables and bills receivables

The assessment of the impairment loss on trade receivables and bills receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness of each customer. If the financial conditions of the Group's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Impairment is made based on the estimation of the future cash flow discounted at the original effective rate. As at 31 December 2014, an impairment loss amounting to HK\$5,476,000 was recognised on trade receivables and bills receivables (2013: HK\$10,076,000). Movement in the recognition of impairment loss described in note 19.

4. 估計不明朗因素之主要來源

於應用本集團之會計政策(載列於附註3)時,本公司之董事須對未能透過其他來源直接確定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建基於過往經驗及其他被視為相關之因素。實際業績可能有別於該等估計。

估計及相關假設乃按持續基準被審閱。如對會計估計之修訂僅影響進行修訂之期間,則於該期間確認修訂,或如修訂同時影響目前及未來期間,則於修訂及未來期間確認。

下文是有關未來期間的主要假設以及報告期末之估計不明朗因素之其他主要來源,該等假設及不明朗因素具有會造成在下一個財政年度對資產以及負債的賬面值作出重大調整的重大風險。

應收貿易及票據賬款減值虧損

本集團評定應收貿易及票據賬款之減值虧損乃基於評估其可收回性及賬目的賬齡分析及管理層的判斷。在評定該等應收款項之最終變現,須作出大量的判斷,包括現行每一客戶的信譽狀況。倘本集團客戶之財務狀況惡化,將導致其付款能力減低,可能須作出額外撥備。減值乃估計未來現金流入以原來實際利率折現作出。於2014年12月31日,於應收貿易及票據賬款已確認減值虧損總額5,476,000港元(2013年:10,076,000港元)。減值虧損確認之變動載於附註19。



4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Income taxes

As at 31 December 2014, a deferred tax asset in relation to unused tax losses of approximately HK\$98,000,000 (2013: approximately HK\$81,000,000) was not recognised in the consolidated statement of financial position due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the expectation for future profit streams changes, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

Recognition of deferred tax

As at 31 December 2014, no further deferred tax liabilities have been recognised on the undistributed profits of the group companies in the PRC after 2008 as the Group plans to retain those profits in the respective entities for their daily operations and future developments. In case there is a change in such plan, additional tax liabilities will arise, which will be recognised in the profit or loss for the period in which the management intends to declare such profits in the foreseeable future or the Group's future development plan is amended, whichever is earlier. Details of the above unrecognised liabilities are set out in note 25.

4. 估計不明朗因素之主要來源 (續)

利得稅

由於未來盈利之流入不可預測，於2014年12月31日，有關未動用稅項虧損之遞延稅項資產約98,000,000港元(2013年：約81,000,000港元)並無在本集團之綜合財務狀況表中確認。遞延稅項資產之變現主要有賴於是否有足夠未來盈利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際盈利乃多於預期盈利，遞延稅項資產可能會予以實質確認，而該未來盈利會於有關確認發生期間之損益表確認。

遞延稅項確認

於2014年12月31日，由於本集團計劃保留相關公司的盈利以供日常營運及將來發展，並無就於中國之集團公司自2008年後之未分配盈利確認遞延稅項負債。倘此計劃有變，將產生額外稅項負債，其將於將來可預見管理層擬宣派該等盈利或本集團之未來發展計劃修訂時(以較早者為準)之期間，於損益中確認。上述未確認負債之詳情載於附註25。



5. REVENUE AND SEGMENT INFORMATION

During the year, the Group acquired its tissue paper manufacturing business following the completion of the acquisition of assets and liabilities through acquisition of the entire issued share capital and shareholder's loan of Guang Kai Limited ("Guang Kai"), details of which are set out in note 33. The tissue paper manufacturing business forms a new operating segment during the year ended 31 December 2014.

The following is an analysis of the Group's revenue and results by operating segments under HKFRS 8 "Operating Segments", based on information reported to the Company's executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, which focuses on types of goods delivered. The Group's operating and reportable segments under "HKFRS 8 – Operating Segments" are as follows:

- (i) Packaging paper – Kraft linerboard, test linerboard, coated duplex board, white top linerboard and high strength corrugating medium;
- (ii) Pulp; and
- (iii) Tissue paper.

5. 收入及分部資料

年內，本集團透過收購光凱有限公司(「光凱」)之全部已發行股本及股東貸款完成收購有關資產及負債，收購其衛生紙製造業務，詳情載於附註33。衛生紙製造業務於截至2014年12月31日止年度構成一項新的經營分部。

以下為根據香港財務報告準則第8號「經營分部」對本集團按經營分部的收入及業績的分析，向本公司執行董事，即主要經營決策者(「主要經營決策者」)作為資源分配及評估分部表現而呈報之資料，集中於所交付貨物之類別。本集團於「香港財務報告準則第8號—經營分部」項下之經營及可報告分部載列如下：

- (i) 包裝紙—牛咭紙、掛面牛咭紙、塗布白板紙、白面牛咭紙及高強瓦楞芯紙；
- (ii) 木漿；及
- (iii) 衛生紙。



5. REVENUE AND SEGMENT INFORMATION
(CONTINUED)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

Year ended 31 December 2014

| | | Packaging paper 包裝紙 HK\$'000 千港元 | Pulp 木漿 HK\$'000 千港元 | Tissue paper 衛生紙 HK\$'000 千港元 | Segment total 分部合計 HK\$'000 千港元 | Eliminations 對銷 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|--|------------------------|--|-------------------------------|---|---|---------------------------------------|---------------------------------------|
| REVENUE | 收入 | | | | | | |
| External sales | 對外銷售 | 16,314,886 | 709,835 | 74,413 | 17,099,134 | — | 17,099,134 |
| Inter-segment sales | 分部之間銷售 | — | 109,942 | — | 109,942 | (109,942) | — |
| | | 16,314,886 | 819,777 | 74,413 | 17,209,076 | (109,942) | 17,099,134 |
| SEGMENT PROFIT | 分部盈利 | 2,377,480 | 21,369 | 7,298 | 2,406,147 | — | 2,406,147 |
| Net loss from fair value changes of derivative financial instruments | 衍生金融工具 公允值變動 淨虧損 | | | | | | (35,463) |
| Share of loss of a joint venture | 應佔合營企業 虧損 | | | | | | (51) |
| Unallocated income | 未分類之收入 | | | | | | 60,385 |
| Unallocated expenses | 未分類之支出 | | | | | | (7,448) |
| Finance costs | 財務成本 | | | | | | (214,640) |
| Profit before tax | 除稅前盈利 | | | | | | 2,208,930 |

5. 收入及分部資料(續)

分部收入及業績

以下為按可報告分部劃分之本集團
收入及業績分析：

截至2014年12月31日止年度



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION
(CONTINUED)

Segment revenues and results (Continued)

Year ended 31 December 2013

| | | Packaging paper 包裝紙 HK\$'000 千港元 | Pulp 木漿 HK\$'000 千港元 | Segment total 分部合計 HK\$'000 千港元 | Eliminations 對銷 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|--|------------------------|--|-------------------------------|---|---------------------------------------|---------------------------------------|
| REVENUE | 收入 | | | | | |
| External sales | 對外銷售 | 16,322,938 | 647,427 | 16,970,365 | — | 16,970,365 |
| Inter-segment sales | 分部之間銷售 | — | 74,647 | 74,647 | (74,647) | — |
| | | 16,322,938 | 722,074 | 17,045,012 | (74,647) | 16,970,365 |
| SEGMENT PROFIT | 分部盈利 | 2,215,769 | 21,309 | 2,237,078 | — | 2,237,078 |
| Net gain from fair value changes of derivative financial instruments | 衍生金融工具 公允值變動 淨收益 | | | | | 8,210 |
| Share of profit of a joint venture | 應佔合營企業 盈利 | | | | | 460 |
| Unallocated income | 未分類之收入 | | | | | 102,386 |
| Unallocated expenses | 未分類之支出 | | | | | (6,782) |
| Finance costs | 財務成本 | | | | | (148,881) |
| Profit before tax | 除稅前盈利 | | | | | 2,192,471 |

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of net (loss) gain from fair value changes of derivative financial instruments, share of (loss) profit of a joint venture, interest income, net exchange gain, finance costs and other unallocated administrative expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

5. 收入及分部資料(續)

分部收入及業績(續)

截至2013年12月31日止年度

經營分部之會計政策與附註3所描述之本集團會計政策一致。分部盈利指各分部所賺取盈利，而並無分配來自衍生金融工具公允值變動淨(虧損)收益、應佔合營企業(虧損)盈利、利息收入、匯兌淨收益、財務成本及其他未分配行政費用。此乃向主要經營決策者作為資源分配及表現評估而呈報之計量方法。

分部之間銷售乃按現行市場價格計算。



5. REVENUE AND SEGMENT INFORMATION
(CONTINUED)

Segment assets and liabilities

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

5. 收入及分部資料(續)

分部資產及負債

以下為按可報告分部劃分之本集團資產及負債分析：

| | | Packaging paper 包裝紙 HK\$'000 千港元 | Pulp 木漿 HK\$'000 千港元 | Tissue paper 衛生紙 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|--------------------------------|--------------------------|--|-------------------------------|---|---------------------------------------|
| As at 31 December 2014 | 於2014年 12月31日 | | | | |
| Segment assets | 分部資產 | 29,351,267 | 2,492,257 | 632,416 | 32,475,940 |
| Unallocated assets | 未分類之資產 | | | | 2,260,880 |
| Consolidated total assets | 綜合總資產 | | | | 34,736,820 |
| Segment liabilities | 分部負債 | 2,577,149 | 41,845 | 31,451 | 2,650,445 |
| Unallocated liabilities | 未分類之負債 | | | | 14,609,391 |
| Consolidated total liabilities | 綜合總負債 | | | | 17,259,836 |
| As at 31 December 2013 | 於2013年 12月31日 | | | | |
| Segment assets | 分部資產 | 27,545,081 | 2,684,065 | — | 30,229,146 |
| Unallocated assets | 未分類之資產 | | | | 965,560 |
| Consolidated total assets | 綜合總資產 | | | | 31,194,706 |
| Segment liabilities | 分部負債 | 2,142,368 | 43,467 | — | 2,185,835 |
| Unallocated liabilities | 未分類之負債 | | | | 12,662,385 |
| Consolidated total liabilities | 綜合總負債 | | | | 14,848,220 |



5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than derivative financial instruments, tax recoverable, bank balances and cash and other assets used jointly by reportable segments, and all liabilities are allocated to operating segments other than derivative financial instruments, tax payable, bank borrowings and other liabilities for which reportable segments are jointly liable.

Share of (loss) profit of a joint venture was excluded from segment results. However, interest in a joint venture and loan to a joint venture were grouped into packaging paper segment. The directors of the Company are of the opinion that the effect of the asymmetrical allocations to segment results and segment assets are insignificant to the consolidated financial statements.

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| Packaging paper (including linerboard and corrugating medium) | 包裝紙(包括牛咭紙及瓦楞芯紙) | 16,314,886 | 16,322,938 |
| Pulp | 木漿 | 709,835 | 647,427 |
| Tissue paper | 衛生紙 | 74,413 | — |
| | | 17,099,134 | 16,970,365 |

5. 收入及分部資料(續)

分部資產及負債(續)

為考核分部表現及於分部間分配資源，所有資產均分配予經營分部(衍生金融工具、可收回稅項、銀行結餘及現金及由可報告分部共同所用之其他資產除外)以及所有負債均分配予經營分部(衍生金融工具、應付稅項、銀行借貸及可報告分部共同應付之其他負債除外)。

應佔合營企業(虧損)盈利並沒有計入分部業績。然而，合營企業權益及合營企業貸款被歸類入包裝紙分部，本公司董事認為對分部業績及分部資產的不對稱分配於綜合財務報表的影響微不足道。

來自主要產品的收入

以下為本集團來自主要產品的收入分析：



5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

Over 95% (2013: 95%) of the Group's revenue were derived from external customers in the PRC.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

5. 收入及分部資料(續)

地域資料

本集團之收入超過95%(2013年: 95%)來自中國外部客戶。

本集團非流動資產資料乃按資產所在地呈列。

| | | Non-current assets 非流動資產 | |
|--|---------------------|----------------------------------|----------------------------------|
| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
| PRC other than Hong Kong | 中國·香港除外 | 23,059,915 | 21,367,855 |
| Socialist Republic of Vietnam ("Vietnam") | 越南社會主義共和國 (「越南」) | 399,200 | 302,310 |
| Hong Kong | 香港 | 60,769 | 64,316 |
| | | 23,519,884 | 21,734,481 |

Information about major customers

None of the Group's customers contributed over 10% of the Group's total revenue for the current and prior reporting period.

有關主要客戶之資料

本期或過往報告期內並無本集團客戶佔本集團總收入超過10%。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

6. OTHER INCOME

6. 其他收入

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Income from supply of steam and electricity | 供應蒸氣及電力收入 | 107,310 | 90,163 |
| Income from wharf cargo handling | 經營碼頭貨運收入 | 54,454 | 46,074 |
| Sales of materials and waste paper | 廢料及廢紙銷售 | 75,524 | 46,735 |
| Value added tax and other tax refund | 增值稅退款及其他退稅 | 68,410 | 82,510 |
| Net foreign exchange gains | 淨滙兌收益 | 44,215 | 92,097 |
| Interest income from banks | 銀行利息收入 | 16,170 | 10,289 |
| Government subsidy for pier facilities (note) | 政府就碼頭設施之補貼(附註) | 30,410 | — |
| Compensation for damaged goods from suppliers and insurance companies | 供應商及保險公司就損毀貨品所作之賠償 | 7,963 | 618 |
| Others | 其他 | 21,941 | 11,941 |
| | | 426,397 | 380,427 |

note: During the year ended 31 December 2014, the Group received an unconditional subsidy from a local municipal government of Rui Chang, Jiangxi Province in PRC, in relation to the development and advancement of a pier owned by the Group in Rui Chang. No other contingencies attach to the government subsidies that have been recognised.

附註：於截至2014年12月31日止年度內，本集團收到一筆由中國江西省瑞昌市政府就本集團於瑞昌擁有的碼頭之發展及改進的無條件補貼，已確認此政府補貼並無附帶其他事項。



7. FINANCE COSTS

7. 財務成本

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Interest on bank borrowings wholly repayable within five years | 於五年內悉數償還之銀行借貸利息 | 335,793 | 296,357 |
| Less: amounts capitalised to property, plant and equipment | 減去：物業、廠房及設備之資本化金額 | (121,153) | (147,476) |
| | | 214,640 | 148,881 |

Borrowing costs capitalised during the year arose from the general borrowings and are calculated by applying a capitalisation rate of 3.5% (2013: 3.5%) per annum to expenditures on qualifying assets.

年內之資本化借貸成本乃於一般借貸中產生，以合資格資產開支之資本化年利率3.5%(2013年：3.5%)計算。



8. INCOME TAX EXPENSE

8. 利得稅支出

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Income tax recognised in profit or loss: | 於損益內確認之利得稅： | | |
| Current tax | 本期稅項 | | |
| – PRC Enterprise Income Tax (“EIT”) | – 中國企業所得稅 (「企業所得稅」) | 151,933 | 153,313 |
| Under(over)provision in previous year | 去年不足(超額)撥備 | | |
| – PRC EIT | – 中國企業所得稅 | 14,135 | (9,708) |
| Deferred tax (note 25) | 遞延稅項(附註25) | | |
| – Charge to profit or loss | – 計入損益 | 138,468 | 100,663 |
| Total income tax recognised in profit or loss 於損益內確認之總利得稅 | | 304,536 | 244,268 |

The Group's profit is subject to taxation from the place of its operations where its profit is generated and is calculated at the rate prevailing in the relevant jurisdictions.

PRC

The following PRC subsidiaries, are entitled to a reduced EIT rate due to preferential PRC EIT treatment for the calendar years of 2013 and 2014 which are summarised as follows:

- (i) Guangdong Lee & Man (as defined in note 36) was entitled to a reduced EIT rate of 15% as it has been qualified as a High and New-Technology Enterprise (高新技術企業) since the calendar year of 2010 and it has successfully renewed its High and New-Technology Enterprise (高新技術企業) status in the calendar year of 2013. As such, it is entitled to enjoy a reduced EIT rate of 15% for the years ended 31 December 2013 and 2014.

本集團之盈利須於其盈利賺取的營運地方繳納稅項，稅項按個別司法管轄區適用之稅率計算。

中國

下述的中國附屬公司於2013年及2014年曆年因中國企業所得稅優惠待遇，享有減免企業所得稅稅率，概述如下：

- (i) 廣東理文(定義見附註36)自2010年曆年獲得高新技術企業資格，享有減免企業所得稅稅率15%，並於2013年曆年成功獲續其高新技術企業資格。據此，其於截至2013年及2014年12月31日止年度享有減免企業所得稅稅率15%。



8. INCOME TAX EXPENSE (CONTINUED)

PRC (Continued)

- (ii) Jiangsu Lee & Man (as defined in note 36) was entitled to a reduced EIT rate of 15% as it has been qualified as a High and New-Technology Enterprise (高新技術企業) for the calendar years 2011 to 2013 but failed to renew its high and New-Technology Enterprise (高新技術企業) in the calendar year of 2014. As a result, the applicable EIT rates are 25% and 15% for the years ended 31 December 2014 and 2013, respectively.
- (iii) Chongqing Paper (as defined in note 36) is regarded as an entity entitled to the China Western Development (西部大開發) tax concessions with a preferential EIT rate of 15% for the calendar years of 2013 and 2014. As a result, the applicable EIT rate is 15% for the years ended 31 December 2013 and 2014.
- (iv) Dongguan Lee & Man (as defined in note 36) was entitled to a preferential EIT rate of 15% as it has been qualified as a High and New-Technology Enterprise (高新技術企業) since the calendar year of 2009 and it has successfully renewed its High and New-Technology Enterprise status in the calendar year of 2012. As such, it is entitled to enjoy a reduced EIT rate of 15% for the years ended 31 December 2014 and 2013.
- (v) Chongqing Tissue (as defined in note 36) is regarded as an entity entitled to the China Western Development (西部大開發) tax concessions with a preferential EIT rate of 15% for the calendar year of 2014. As a result, the applicable EIT rate is 15% for the year ended 31 December 2014.

8. 利得稅支出(續)

中國(續)

- (ii) 江蘇理文(定義見附註36)於2011年至2013年曆年曾獲得高新技術企業資格,享有減免企業所得稅稅率15%,惟於2014年曆年重續其高新技術企業資格失敗。據此,於截至2014年及2013年12月31日止年度之適用企業所得稅稅率分別為25%及15%。
- (iii) 重慶造紙(定義見附註36)於2013年及2014年曆年,被視為可享有西部大開發稅項優惠之企業,可享有優惠企業所得稅稅率15%。據此,截至2013年及2014年12月31日止年度之適用企業所得稅稅率為15%。
- (iv) 東莞理文(定義見附註36)自2009年曆年起獲得高新技術企業資格,享有優惠企業所得稅稅率15%,並於2012年曆年成功續獲其高新技術企業資格。據此,其於截至2014年及2013年12月31日止年度享有減免企業所得稅稅率15%。
- (v) 重慶衛生紙(定義見附註36)於2014年曆年,被視為可享有西部大開發稅項優惠之企業,可享有優惠企業所得稅稅率15%。據此,截至2014年12月31日止年度之適用企業所得稅稅率為15%。



8. INCOME TAX EXPENSE (CONTINUED)

Hong Kong

During the year ended 31 March 2010, the Hong Kong Inland Revenue Department ("IRD") commenced a field audit on the Hong Kong tax affairs of certain subsidiaries of the Company. Since then the IRD has issued protective profits tax assessments against these subsidiaries in the aggregate amount of HK\$311,025,000 for the years of assessment from 2003/2004 to 2007/2008 (i.e. the five financial years ended 31 March 2008).

The subsidiaries lodged objections with the IRD and the IRD agreed to holdover the tax claimed on the basis that the tax reserve certificates at certain amounts were purchased by the subsidiaries. As at 31 December 2014, the tax reserve certificate of HK\$62,988,000 (2013: HK\$59,300,000) have been purchased by these subsidiaries. In January 2015, the IRD issued protective profits tax assessment for the year of assessment 2008/09 at HK\$65,010,000 and the subsidiaries have lodged objections in February 2015. The directors believe that the IRD would agree to holdover a substantial part of the tax demanded for the year of assessment 2008/09 unconditionally.

The directors believe that no provision for Hong Kong Profits Tax in respect of the above mentioned protective assessments is necessary. In addition, as far as the directors are aware, it is still in a liaison and discussion stage and the IRD has not yet expressed any formal opinion on the potential tax liability, if any, because the tax investigation has not been completed.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from Hong Kong.

8. 利得稅支出(續)

香港

於截至2010年3月31日止年度，香港稅務局(「稅務局」)展開關於本公司若干附屬公司香港稅務事宜的實地審計。其後，稅務局就2003/2004至2007/2008之課稅年度(即截至2008年3月31日止五個財政年度)，向該等附屬公司發出保障性利得稅評稅合共金額311,025,000港元。

附屬公司向稅務局提出反對及稅務局在附屬公司購買一定金額的儲稅券的基礎上同意緩繳稅項。於2014年12月31日，該等附屬公司已購買62,988,000港元(2013年：59,300,000港元)之儲稅券。2015年1月，稅務局就2008/2009之課稅年度發出保障性評稅合共金額65,010,000港元及附屬公司已於2015年2月提出反對。董事相信稅務局將會無條件同意緩繳大部份2008/2009課稅年度的稅項。

此外，據董事現時所知，稅務調查仍處於磋商階段及尚未完成，稅務局並未就潛在稅務負債(如有)發表任何正式意見。因此，董事認為毋須就上述保障性評稅為香港利得稅作出撥備。

由於本集團之收入並非產自或源自香港，故並無就香港稅項作出撥備。



8. INCOME TAX EXPENSE (CONTINUED)

Macau

The Macau subsidiaries incorporated under Decree-Law no. 58/99/M are exempted from Macau complementary tax (Macau income tax) as long as they comply with the relevant regulations and do not sell their products to a Macau resident.

Vietnam

The Vietnam subsidiaries are subjected to Vietnam Corporate Income Tax at a maximum rate of 25%. No provision for Vietnam Corporate Income Tax has been made for both years as the Vietnam subsidiaries incurred losses for both years.

Other

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. 利得稅支出(續)

澳門

澳門附屬公司根據第58/99/M號法令註冊成立，均獲豁免繳納澳門補充稅(澳門所得稅)，前提為其須遵守相關法規且不得向澳門本土公司出售產品。

越南

越南附屬公司須按不多於25%稅率繳納越南企業所得稅。由於越南附屬公司於兩個年度均錄得虧損，故並無為兩個年度計提越南企業所得稅撥備。

其他

其他司法管轄區產生的稅項則按個別司法管轄區適用之稅率計算。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

8. INCOME TAX EXPENSE (CONTINUED)

Other (Continued)

The tax charge for the year can be reconciled to the profit per the consolidated statement of profit or loss and other comprehensive income as follows:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|----------------------------------|
| Profit before tax | 除稅前盈利 | 2,208,930 | 2,192,471 |
| Tax at the applicable tax rate of 25% (2013: 25%) (note i) | 適用稅率25% (2013年: 25%)(附註i) | 552,233 | 548,118 |
| Tax effect of share of loss (profit) of a joint venture | 應佔合營企業虧損(盈利)的稅務影響 | 13 | (115) |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅的支出的稅務影響 | 73,451 | 30,222 |
| Tax effect of income not taxable for tax purpose | 毋須課稅的收入的稅務影響 | (8,625) | (5,286) |
| Tax effect of tax losses not recognised | 未確認稅務虧損的稅務影響 | 4,165 | 8,611 |
| Effect of tax exemption granted to Macau subsidiaries | 澳門附屬公司獲豁免繳稅的影響 | (180,088) | (174,812) |
| Effect of concessionary rates granted to PRC subsidiaries | 中國附屬公司獲優惠稅率的影響 | (150,953) | (153,000) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 於其他司法權區營運的附屬公司的不同稅率的影響 | 205 | 238 |
| Under(over)provision in previous years (note ii) | 過往年度不足(超額)撥備(附註ii) | 14,135 | (9,708) |
| Tax charge for the year | 年內稅務開支 | 304,536 | 244,268 |

notes:

- (i) This represents the domestic income tax rate in the jurisdiction where a substantial portion of the Group's operation is based.
- (ii) During the year ended 31 December 2014, a subsidiary of Group incorporated in the PRC was requested by the local tax authority to perform a self-assessment of tax payable for the calendar year 2009 to 2012, by applying higher profit margins to its sales to a fellow subsidiary incorporated in Macau. As a result of the self-assessment, the Group paid HK\$18,129,000 and recognised such amount as an underprovision in prior years.

Overprovision for the year ended 31 December 2013 and 2014 of HK\$9,708,000 and HK\$3,994,000 respectively, mainly represented additional deduction for production cost qualified as research and development expenditures under relevant PRC tax rules for income tax purpose in the PRC, i.e. an additional 50% of such expenses could be deemed as deductible expenses. The approval of the 50% additional deduction of research and development expenses for last year was obtained in current year.

8. 利得稅支出(續)

其他(續)

年內稅務開支與根據綜合損益及其他全面收益表的盈利對賬如下：

附註：

- (i) 此代表本集團絕大部份業務營運所在之司法權區之當地所得稅率。
- (ii) 於截至2014年12月31日止年度，本集團一間於中國成立的附屬公司被當地稅務機關要求對2009至2012年曆年應付稅項按較高毛利銷售予一間於澳門成立之同系集團附屬公司進行自我評稅。根據自我評稅，本集團已付18,129,000港元及該金額已確認為過往年度不足撥備。

截至2013年及2014年12月31日止年度之超額撥備分別為9,708,000港元及3,994,000港元，主要為合資格研發開支的生產成本根據中國稅務規則獲得中國所得稅的額外扣減，即此等費用可多享50%額外扣減費用。上年度研發費用的額外50%扣減於本年度已獲批准。



9. PROFIT FOR THE YEAR

9. 年度盈利

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Profit for the year has been arrived at after charging (crediting): | 年度盈利經扣除(計入): | | |
| Directors' emoluments (note 10) | 董事酬金(附註10) | 30,946 | 8,756 |
| Staff salaries and other benefits, excluding those of directors | 員工薪金及其他福利, 不包括董事 | 801,455 | 650,112 |
| Contributions to retirement benefit schemes, excluding those of directors | 退休福利計劃供款, 不包括董事 | 55,177 | 54,492 |
| Total employee benefit expense | 僱員福利開支總額 | 887,578 | 713,360 |
| Auditor's remuneration | 核數師酬金 | 6,111 | 5,724 |
| Cost of inventories recognised as expense | 存貨成本確認為支出 | 14,027,532 | 14,084,063 |
| Amortisation of prepaid lease payments | 預付租賃款項攤銷 | 12,775 | 11,258 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 819,912 | 668,344 |
| Total depreciation and amortisation | 折舊及攤銷總額 | 832,687 | 679,602 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 5,226 | 5,475 |
| Operating lease rentals in respect of land and buildings | 土地及樓宇的經營租賃租金 | 10,820 | 9,501 |
| Impairment loss on trade receivables | 應收貿易賬款減值虧損 | — | 10,076 |
| Write-off of trade receivables | 應收貿易賬款撇銷 | 1,689 | — |
| Reversal of impairment loss on trade receivables | 應收貿易賬款減值虧損回撥 | (4,600) | — |



10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the nine (2013: ten) directors and the chief executive were as follows:

10. 董事及主要行政人員酬金

已付或應付予九位董事及主要行政人員(2013年:十位)的酬金如下:

| | | Other emoluments 其他酬金 | | | | Total 合計 |
|--|----------------|--------------------------|--|---|--------------------------------|-----------------|
| | | Fees 袍金 | Salaries and other benefits 薪金及其他福利 | Contributions to retirement benefit schemes 退休福利計劃供款 | Share-based payments 股權支付款項 | |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 2014 | 2014年 | | | | | |
| <i>Executive directors</i> | <i>執行董事</i> | | | | | |
| Lee Man Chun Raymond | 李文俊 | 12,375 | — | — | — | 12,375 |
| Lee Man Bun | 李文斌 | 12,658 | 1,517 | — | — | 14,175 |
| Kunihiko Kashima | 鹿島久仁彦 | — | — | — | — | — |
| Li King Wai Ross | 李經緯 | 2,683 | 921 | — | — | 3,604 |
| <i>Non-executive directors</i> | <i>非執行董事</i> | | | | | |
| Poon Chung Kwong | 潘宗光 | — | — | — | — | — |
| Yoshio Haga | 芳賀義雄 | — | — | — | — | — |
| <i>Independent non-executive directors</i> | <i>獨立非執行董事</i> | | | | | |
| Wong Kai Tung Tony | 王啟東 | 264 | — | — | — | 264 |
| Peter A Davies | Peter A Davies | 264 | — | — | — | 264 |
| Chau Shing Yim David | 周承炎 | 264 | — | — | — | 264 |
| | | 28,508 | 2,438 | — | — | 30,946 |



10. DIRECTORS' AND CHIEF EXECUTIVE'S
EMOLUMENTS (CONTINUED)

10. 董事及主要行政人員酬金(續)

| | | Other emoluments 其他酬金 | | | Total 合計 |
|--|---------------------------|--------------------------|--|--|-----------------|
| | | Fees 袍金 | Salaries and other benefits 薪金及 其他福利 | Contributions to retirement benefit schemes 退休福利 計劃供款 | |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 2013 | 2013年 | | | | |
| <i>Executive directors</i> | <i>執行董事</i> | | | | |
| Lee Wan Keung Patrick (resigned on 1 June 2013) | 李運強 (於2013年 6月1日辭任) | — | — | — | — |
| Lee Man Chun Raymond | 李文俊 | 929 | 471 | — | 1,400 |
| Lee Man Bun | 李文斌 | 3,736 | 1,364 | — | 5,100 |
| Kunihiko Kashima | 鹿島久仁彥 | — | — | — | — |
| Li King Wai Ross | 李經緯 | 890 | 766 | — | 1,656 |
| <i>Non-executive directors</i> | <i>非執行董事</i> | | | | |
| Poon Chung Kwong | 潘宗光 | — | — | — | — |
| Yoshio Haga | 芳賀義雄 | — | — | — | — |
| <i>Independent non-executive directors</i> | <i>獨立非執行董事</i> | | | | |
| Wong Kai Tung Tony | 王啟東 | 200 | — | — | 200 |
| Peter A Davies | Peter A Davies | 200 | — | — | 200 |
| Chau Shing Yim David | 周承炎 | 200 | — | — | 200 |
| | | 6,155 | 2,601 | — | 8,756 |

Mr Lee Man Chun Raymond is also the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman.

李文俊先生亦為本公司主席，上述披露之酬金包括其作為主席所提供的服務之酬金。

For the year ended 31 December 2014 and 2013, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors waived any emoluments during these periods.

截至2013年及2014年12月31日止年度，本集團並無支付任何酬金予董事作為誘使其加入或加入本集團後或失去其辦公室之補償。該等期間並無任何董事放棄酬金。



11. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, three (2013: three) were directors of the Company whose emoluments are included in the disclosures in note 10. The aggregate emoluments of the five highest paid individuals, including directors, were as follows:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|----------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 34,242 | 13,315 |
| Contributions to retirement benefit schemes | 退休福利計劃供款 | 17 | 15 |
| | | 34,259 | 13,330 |

11. 五位最高酬金人士

本集團最高酬金之五位人士，其中三位(2013年：三位)為本公司董事而其酬金已於上述附註10披露。五位最高酬金人員(包括董事)之合計酬金如下：

The emoluments were within the following bands:

酬金介乎下列組別：

| | | | |
|----------------------------------|---------------------------|----------|----------|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 1 | 1 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 | — | 1 |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001港元至2,500,000港元 | — | 1 |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至3,000,000港元 | 1 | 1 |
| HK\$3,500,001 to HK\$4,000,000 | 3,500,001港元至4,000,000港元 | 1 | — |
| HK\$5,000,001 to HK\$5,500,000 | 5,000,001港元至5,500,000港元 | — | 1 |
| HK\$12,000,001 to HK\$12,500,000 | 12,000,001港元至12,500,000港元 | 1 | — |
| HK\$14,000,001 to HK\$14,500,000 | 14,000,001港元至14,500,000港元 | 1 | — |
| | | 5 | 5 |



12. DIVIDENDS

12. 股息

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Dividends recognised as distribution: | 確認為分派之股息： | | |
| Final dividend of HK\$0.073 in respect of the year ended 31 December 2013 (Final dividend of HK\$0.05 in respect of the nine months ended 31 December 2012) per share | 截至2013年12月31日止年度之末期股息每股0.073港元(截至2012年12月31日止九個月之末期股息每股0.05港元) | 341,640 | 235,382 |
| Interim dividend of HK\$0.068 in respect of the year ended 31 December 2014 (Interim dividend of HK\$0.073 in respect of the year ended 31 December 2013) per share | 截至2014年12月31日止年度之中期股息每股0.068港元(截至2013年12月31日止年度之中期股息每股0.073港元) | 317,907 | 342,814 |
| | | 659,547 | 578,196 |

A final dividend of HK\$0.075 per share in respect of the year ended 31 December 2014 (2013: final dividend of HK\$0.073 per share in respect of the year ended 31 December 2013) has been proposed by the directors and is subject to approval by shareholders at the forthcoming annual general meeting.

董事建議派發截至2014年12月31日止年度末期股息每股0.075港元(2013年：截至2013年12月31日止年度末期股息每股0.073港元)，惟須待股東在應屆股東大會批准。



13. EARNINGS PER SHARE

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

13. 每股盈利

本公司擁有人的每股基本及攤薄盈利乃以下列數據為基準計算：

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|---------------------|--|--|
| Earnings for the purpose of basic and diluted earnings per share | 用以計算每股基本及攤薄盈利之盈利 | 1,904,394 | 1,948,203 |
| | | 2014 2014年 Number of shares 股份數目 | 2013 2013年 Number of shares 股份數目 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 用以計算每股基本盈利的普通股加權平均數 | 4,680,422,244 | 4,693,689,102 |
| Effect of dilutive potential ordinary shares: Share options (Note) | 普通股潛在攤薄影響：購股權(附註) | N/A不適用 | 9,375,752 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 用以計算每股攤薄盈利的普通股加權平均數 | N/A不適用 | 4,703,064,854 |

Note: No diluted earnings per share in 2014 was calculated as there was no potential ordinary shares outstanding during the year ended 31 December 2014.

附註：由於截至2014年12月31日止年度內並無潛在未行使之普通股，因此於2014年並無計算每股攤薄盈利。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

| | | Buildings 樓宇 HK\$'000 千港元 | Computer system 電腦系統 HK\$'000 千港元 | Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元 | Leasehold improvements 租賃物業裝修 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Plant and machinery 廠房及機器 HK\$'000 千港元 | Construction in progress 在建工程 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------------|------------------------------------|---|--|--|--|--|--|--------------------------------|
| COST | 成本 | | | | | | | | |
| At 1 January 2013 | 2013年1月1日 | 3,818,063 | 25,302 | 477,325 | 500,838 | 59,138 | 14,409,748 | 2,962,320 | 22,252,734 |
| Exchange realignment | 匯兌重新組合 | 102,130 | 411 | 12,666 | 12,894 | 1,368 | 368,554 | 51,358 | 549,381 |
| Additions | 添置 | 32,652 | 19,157 | 23,154 | 5,446 | 5,693 | 99,702 | 2,056,718 | 2,242,522 |
| Transfers | 轉撥 | 532,626 | — | 79,854 | 14,606 | — | 1,757,614 | (2,384,700) | — |
| Disposals/written off | 出售/撇賬 | — | — | (1,166) | — | (4,034) | (10,621) | — | (15,821) |
| At 31 December 2013 | 2013年12月31日 | 4,485,471 | 44,870 | 591,833 | 533,784 | 62,165 | 16,624,997 | 2,685,696 | 25,028,816 |
| Exchange realignment | 匯兌重新組合 | 2,553 | 44 | 537 | 23 | 72 | 20,983 | 11,029 | 35,241 |
| Additions | 添置 | 433,229 | 2,425 | 14,921 | 2,441 | 5,784 | 60,803 | 1,573,718 | 2,093,321 |
| Acquisition of assets and liabilities (note 33) | 收購資產及負債 (附註33) | — | 7 | 430 | 651 | 369 | — | 353,256 | 354,713 |
| Transfers | 轉撥 | 42,280 | — | 41,419 | 2,719 | — | 518,588 | (605,006) | — |
| Disposals/written off | 出售/撇賬 | — | (483) | (1,334) | — | (4,920) | (9,108) | (17,285) | (33,130) |
| At 31 December 2014 | 2014年12月31日 | 4,963,533 | 46,863 | 647,806 | 539,618 | 63,470 | 17,216,263 | 4,001,408 | 27,478,961 |
| DEPRECIATION | 折舊 | | | | | | | | |
| At 1 January 2013 | 2013年1月1日 | 807,364 | 14,361 | 227,902 | 146,101 | 36,429 | 2,230,364 | — | 3,462,521 |
| Exchange realignment | 匯兌重新組合 | 22,119 | 18 | 6,109 | 3,935 | 776 | 43,685 | — | 76,642 |
| Provided for the year | 年內撥備 | 158,995 | 3,940 | 42,856 | 25,215 | 5,415 | 431,923 | — | 668,344 |
| Eliminated on disposals/written off | 出售/撇賬時對銷 | — | — | (1,038) | — | (3,753) | (3,860) | — | (8,651) |
| At 31 December 2013 | 2013年12月31日 | 988,478 | 18,319 | 275,829 | 175,251 | 38,867 | 2,702,112 | — | 4,198,856 |
| Exchange realignment | 匯兌重新組合 | 1,061 | 18 | 123 | 219 | 32 | 2,803 | — | 4,256 |
| Provided for the year | 年內撥備 | 206,635 | 5,909 | 44,550 | 26,716 | 8,159 | 527,943 | — | 819,912 |
| Eliminated on disposals/written off | 出售/撇賬時對銷 | — | (1) | (1,019) | — | (3,952) | (3,751) | — | (8,723) |
| At 31 December 2014 | 2014年12月31日 | 1,196,174 | 24,245 | 319,483 | 202,186 | 43,106 | 3,229,107 | — | 5,014,301 |
| CARRYING VALUE | 賬面值 | | | | | | | | |
| At 31 December 2014 | 2014年12月31日 | 3,767,359 | 22,618 | 328,323 | 337,432 | 20,364 | 13,987,156 | 4,001,408 | 22,464,660 |
| At 31 December 2013 | 2013年12月31日 | 3,496,993 | 26,551 | 316,004 | 358,533 | 23,298 | 13,922,885 | 2,685,696 | 20,829,960 |



14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

notes:

- (i) The above buildings of the Group represent buildings on lands under medium-term lease in the PRC.
- (ii) Certain buildings of the Group are erected on lands in the PRC with respect to which the Group has not been granted formal title of ownership. At 31 December 2014, the carrying value of such buildings was HK\$1,442,033,000 (2013: HK\$1,093,003,000). In the opinion of directors, the absence of formal title to these buildings does not impair the value of the relevant buildings to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The directors also believe that formal title of these buildings will be granted to the Group in due course.
- (iii) As disclosed in notes 31 and 35, certain portions of the buildings have been leased to a related party. These buildings were not reclassified as investment properties as the leased portions could not be sold separately and a significant portion of the buildings is held for use in the production or for administrative purposes.
- (iv) Depreciation is provided to write off the cost of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

| | |
|-----------------------------------|-------------------------------------|
| Buildings | 5% |
| Computer system | 10% |
| Furniture, fixtures and equipment | 20% |
| Leasehold improvements | 5%–15% |
| Motor vehicles | 20% |
| Plant and machinery | 3 ¹ / ₃ %–20% |

14. 物業、廠房及設備(續)

附註：

- (i) 上述之本集團樓宇乃於中國中期租賃土地上之樓宇。
- (ii) 集團有若干樓宇建於仍未授予集團正式擁有權之中國土地上。於2014年12月31日，該等樓宇之賬面值為1,442,033,000港元(2013年：1,093,003,000港元)。董事認為欠缺該等樓宇正式擁有權並不會損害集團相應樓宇價值，因為本集團已支付大部份購買該等土地使用權之代價及以欠缺正式擁有權的理由而收回土地的機是微乎其微。董事亦相信在不久將來集團會獲授予該等樓宇之正式擁有權。
- (iii) 如附註31及35所述，樓宇當中若干部份已租予一關連人士。該等樓宇未分類為投資物業，因租賃部份並不能單獨出售，及樓宇絕大部份乃持有用作生產或行政用途。
- (iv) 除在建工程外，物業、廠房及設備在計及其預計剩餘價值後，於預計可用年期以直線法計提折舊以撇銷成本，年率如下：

| | |
|------------|-------------------------------------|
| 樓宇 | 5% |
| 電腦系統 | 10% |
| 傢俬、固定裝置及設備 | 20% |
| 租賃物業裝修 | 5%–15% |
| 汽車 | 20% |
| 廠房及機器 | 3 ¹ / ₃ %–20% |



15. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold lands held under medium-term leases located in:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|-------------------------------------|----|----------------------------------|----------------------------------|
| PRC | 中國 | 736,744 | 566,933 |
| Vietnam | 越南 | 44,647 | 45,123 |
| | | 781,391 | 612,056 |
| Analysed for reporting purposes as: | | | |
| Non-current asset | | 763,789 | 598,929 |
| Current asset | | 17,602 | 13,127 |
| | | 781,391 | 612,056 |

As at 31 December 2014, the carrying value of land use rights in respect of which the Group had not been granted formal title of ownership was HK\$194,349,000 (2013: HK\$120,362,000). In the opinion of the directors, the absence of formal title to these land use rights does not impair the value of the relevant properties to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The directors also believe that formal title to these land use rights will be granted to the Group in due course.

15. 預付租賃款項

本集團預付租賃款項包括中期租賃項下之租賃土地位於：

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|-------------------------------------|----|----------------------------------|----------------------------------|
| PRC | 中國 | 736,744 | 566,933 |
| Vietnam | 越南 | 44,647 | 45,123 |
| | | 781,391 | 612,056 |
| Analysed for reporting purposes as: | | | |
| Non-current asset | | 763,789 | 598,929 |
| Current asset | | 17,602 | 13,127 |
| | | 781,391 | 612,056 |

於2014年12月31日，集團未獲授予正式擁有權之土地使用權之賬面值為194,349,000港元(2013年：120,362,000港元)。董事認為欠缺此等土地使用權正式擁有權並不會損害集團相應物業價值，因為本集團已支付大部份購買該土地使用權之代價及以欠缺正式擁有權的理由而收回土地的機會是微乎其微。董事亦相信在不久將來集團會獲授予該等土地使用權正式擁有權。



16. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

The deposits were paid by the Group in connection with the acquisition of property, plant and equipment and land use rights for new production facilities. The related commitments for acquisition of property, plant and equipment and land use rights are disclosed in note 32.

17. INTEREST IN A JOINT VENTURE

16. 購置物業、廠房及設備及土地使用權所付訂金

所付訂金是本集團為了新生產設施而購置的物業、廠房及設備及土地使用權的訂金。購置物業、廠房及設備以及土地使用權的有關承擔已於附註32披露。

17. 合營企業權益

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Cost of an unlisted investment in joint venture | 於合營企業之未上市投資成本 | — | — |
| Exchange realignment | 匯兌重新組合 | 1,647 | 1,657 |
| Share of profit and other comprehensive income | 應佔盈利及其他全面收益 | 152 | 203 |
| | | 1,799 | 1,860 |
| Loan to a joint venture (note ii) | 合營企業貸款(附註ii) | 91,690 | 83,890 |



17. INTEREST IN A JOINT VENTURE (CONTINUED)

17. 合營企業權益(續)

notes:

- (i) Details of the Group's joint ventures and its subsidiary at the end of the reporting period are as follows:

附註：

- (i) 於報告期末本集團之合營企業及其附屬公司詳情如下：

| Name of joint venture and its subsidiary 合營企業及其附屬公司名稱 | Form of entity ventures 合營運作個體之形式 | Place of incorporation and operations 成立及營運地點 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本 | Proportion of issued and fully paid up capital held by the Group 本集團持有已發行及繳足股本比例 | | Principal activity 主要業務 |
|--|--------------------------------------|--|---|---|------------------|--|
| | | | | Directly 直接 | Indirectly 間接 | |
| Joint venture: 合營企業： | | | | | | |
| Southern Hill Company Limited ("Southern Hill") 南峰有限公司(「南峰」) | Limited incorporated 有限公司成立 | Hong Kong 香港 | Ordinary shares — HK\$2 普通股 — 2港元 | 50% | — | Investment holding 投資控股 |
| Its wholly-owned subsidiary: 其全資擁有附屬公司： | | | | | | |
| 瑞昌理文物流有限公司 (Ruichang Lee & Man Logistics Company Limited) | Limited incorporated 有限公司成立 | PRC 中國 | Registered capital — US\$12,000,000 註冊資本 — 12,000,000美元 | — | 50% | Provision of port facilities 提供港口設施 |

- (ii) The loan is provided to the joint venture in the form of a shareholder's loan and it forms part of the net investment in the joint venture. The amount is unsecured, interest-free and no fixed repayment term but the settlement is neither planned nor likely to occur in the foreseeable future.

- (ii) 合營企業貸款以股東借款形式提供及成為合營企業淨投資的一部分。該數額乃無抵押、免息及無固定還款期，惟其償付是既無計劃，也未必可能在可預見的將來發生。

Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

主要合營企業財務資料概要

有關本集團之主要合營企業財務概要載列如下。下文財務資料概要乃合營企業按照香港財務報告準則編製之綜合財務報表所呈示之金額。

合營企業於綜合財務報表採用權益法入賬。



17. INTEREST IN A JOINT VENTURE (CONTINUED)

Southern Hill's consolidated financial
information

17. 合營企業權益(續)

南峰之綜合財務資料

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 1,848 | 1,583 |
| Non-current assets | 非流動資產 | 196,163 | 183,634 |
| Current liabilities | 流動負債 | (194,412) | (181,497) |
| Non-current liabilities | 非流動負債 | — | — |
| The above amounts of assets and liabilities include the following: | 上述資產及負債之金額包括： | | |
| Cash and cash equivalents | 現金及現金等價物 | 1,848 | 1,583 |
| Current financial liabilities (excluding trade and other payables and provisions) | 流動金融負債 (不包括應付貿易及其他賬款及撥備) | (183,355) | (167,780) |
| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
| Revenue | 收入 | — | — |
| (Loss) profit and total comprehensive (expense) income for the year | 年度(虧損)盈利及全面(支出)收益總額 | (101) | 919 |



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17. INTEREST IN A JOINT VENTURE (CONTINUED)

Southern Hill's consolidated financial information (Continued)

The above (loss) profit for the year include the following:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|-------------------------------|-------|----------------------------------|----------------------------------|
| Depreciation and amortisation | 折舊及攤銷 | (37) | (40) |
| Interest income | 利息收入 | 2 | 3 |

Reconciliation of the above summarised financial information to the carrying amount of the interest in Southern Hill recognised in the consolidated financial statements.

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Net assets of Southern Hill | 南峰之淨資產 | 3,598 | 3,720 |
| Proportion of the Group's ownership interest in Southern Hill | 本集團於南峰所佔權益比例 | 50% | 50% |
| Carrying amount of the Group's interest in Southern Hill | 本集團於南峰權益之賬面值 | 1,799 | 1,860 |

17. 合營企業權益(續)

南峰之綜合財務資料(續)

上述年度(虧損)盈利包括：

上述財務資料概要已與在綜合財務報表確認於南峰之權益之賬面值對賬。

18. INVENTORIES

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|----------------|-----|----------------------------------|----------------------------------|
| Raw materials | 原料 | 2,441,223 | 2,575,323 |
| Finished goods | 製成品 | 816,668 | 547,388 |
| | | 3,257,891 | 3,122,711 |

18. 存貨



19. TRADE AND OTHER RECEIVABLES

19. 應收貿易及其他賬款

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| Trade receivables | 應收貿易賬款 | 2,689,886 | 2,620,403 |
| Less: allowance for doubtful debt | 減：呆壞賬撥備 | (5,476) | (10,076) |
| | | 2,684,410 | 2,610,327 |
| Bills receivables | 應收票據 | 1,923,853 | 1,680,642 |
| | | 4,608,263 | 4,290,969 |
| Prepayments and deposits for purchase of raw materials | 購買原料預付款項及 訂金 | 599,899 | 657,947 |
| Other deposits and prepayments | 其他訂金及預付款項 | 88,014 | 108,473 |
| VAT receivables | 應收增值稅款項 | 401,665 | 329,102 |
| Other receivables | 其他應收款項 | 193,586 | 195,687 |
| | | 5,891,427 | 5,582,178 |



19. TRADE AND OTHER RECEIVABLES (CONTINUED)

notes:

- (i) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory and trustworthy credit history. Credit limits attributed to customers are reviewed regularly. The Group allows its customers an average credit period of 45 to 90 days. The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|-----------------------|---------|----------------------------------|----------------------------------|
| Aged: | 賬齡: | | |
| Not exceeding 30 days | 不超過30日 | 3,476,684 | 3,219,934 |
| 31-60 days | 31-60日 | 842,643 | 850,628 |
| 61-90 days | 61-90日 | 202,880 | 173,574 |
| 91-120 days | 91-120日 | 39,624 | 14,705 |
| Over 120 days | 120日以上 | 46,432 | 32,128 |
| | | 4,608,263 | 4,290,969 |

- (ii) Included in the Group's trade receivables balances are debtors with an aggregate carrying amount of HK\$86,056,000 (2013: HK\$46,833,000) which were past due at the reporting date but for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on historical experience. The Group does not hold any collateral over these balances. The directors consider all trade receivables (other than those for which impairment losses have been recognised) at the end of the reporting date are of good credit quality with reference to the track records of these customers under internal assessment by the Group.

19. 應收貿易及其他賬款(續)

附註:

- (i) 本集團於接納任何新客戶前，會評估該潛在客戶的信貨質量及界定其信貸限額。信貸銷售將會給予信貸記錄良好的客戶，客戶信貸限額定期予以檢討。本集團給予客戶的平均信貸期為45日至90日。以下為報告期末按發票日期(相若各自的收入確認日期)呈列之應收貿易及票據賬款的賬齡分析。

- (ii) 本集團應收貿易賬款結餘中包括賬面值合共86,056,000港元(2013年: 46,833,000港元)的應收貿易賬款於報告期末已告逾期，惟本集團認為根據過往經驗，該等結餘應可予以收回，故並無計提減值虧損撥備。本集團並無就該等結餘持有任何抵押品。在本集團根據該等客戶的往績紀錄作出的內部評估，董事認為在報告期末所有應收貿易賬款(該等已確認減值虧損的除外)均具備良好信貸質量。



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19. TRADE AND OTHER RECEIVABLES (CONTINUED)

notes: (Continued)

(ii) (Continued)

Ageing of trade receivables which were past due but not impaired

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---------------|---------|----------------------------------|----------------------------------|
| 91-120 days | 91-120日 | 39,624 | 14,705 |
| Over 120 days | 120日以上 | 46,432 | 32,128 |
| | | 86,056 | 46,833 |

Movement in the allowance for doubtful debts

呆壞賬撥備變動

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| At 1 January | 於1月1日 | 10,076 | — |
| Impairment loss recognised on receivables | 已於應收賬款確認之減值虧損 | — | 10,076 |
| Reversal of impairment losses on trade receivables | 應收賬款之減值虧損回撥 | (4,600) | — |
| At 31 December | 於12月31日 | 5,476 | 10,076 |

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$5,476,000 (2013: HK\$10,076,000) which have either been placed under liquidation or are in severe financial difficulties.

呆壞賬撥備包括向個別面臨清盤或嚴重財政困難的應收貿易賬款減值，合共金額5,476,000港元(2013年：10,076,000)。

(iii) Trade and other receivables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

(iii) 並非以有關集團實體功能貨幣計值的應收貿易及其他賬款如下：

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--------------------------------|----------|----------------------------------|----------------------------------|
| HK\$ | 港元 | 275,495 | 214,024 |
| United States dollars ("US\$") | 美元(「美元」) | 176,585 | 20,835 |



20. AMOUNTS DUE FROM (TO) RELATED COMPANIES AND SUBSTANTIAL SHAREHOLDERS

Amounts due from related companies disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

20. 應收(付)關連公司及主要股東款項

根據香港公司法條例第161B所披露之應收關連公司款項如下：

| Name of related company 關連公司名稱 | Terms 條款 | Balance at 31 December 2014 於2014年 12月31日結餘 HK\$'000 千港元 | Balance at 1 January 2014 於2014年 1月1日結餘 HK\$'000 千港元 | Maximum amount outstanding during the year 年內 最高欠款 HK\$'000 千港元 |
|--|---|--|--|---|
| Jiangsu Lee & Man Chemical Limited ("Jiangsu Chemical") (Note) 江蘇理文化工有限公司 (「江蘇化工」)(附註) | Unsecured, non-interest bearing and repayable on demand 無抵押、免息及須於要求時償還 | 7,696 | 8,110 | 10,797 |
| Lee & Man Industrial Manufacturing Limited ("LMIML") (Note) 理文實業有限公司 (「理文實業」)(附註) | Unsecured, non-interest bearing and repayable on demand 無抵押、免息及須於要求時償還 | 9,708 | 10,855 | 11,438 |
| | | 17,404 | 18,965 | |

Note: The amounts due from related companies represent trade balances due from Jiangsu Chemical and LMIML, both of which are beneficially owned and controlled by Mr Lee Wan Keung, Patrick, the ultimate controlling shareholder of the Company, and one of his daughters, respectively.

附註：應收關連公司款項乃應收江蘇化工及理文實業的貿易結餘，兩間公司分別由本公司最終控股股東李運強先生及其一位女兒實益擁有及控制。



20. AMOUNTS DUE FROM (TO) RELATED COMPANIES AND SUBSTANTIAL SHAREHOLDERS (CONTINUED)

HK\$518,000 (2013: HK\$5,642,000) of the amounts due to substantial shareholders represent trade balance due to Nippon Paper Group Inc. ("Nippon Paper"), a substantial shareholder of the Company. The amounts are unsecured and interest-free. The Group generally allows related companies an average credit period of 30 days and the amounts for both years were aged less than 30 days. As at the end of the reporting period, the balances were neither impaired nor past due. The credit period granted by a substantial shareholder is 30 days and the amount was aged less than 30 days.

The remaining amount of HK\$240,050,000 (2013: Nil) due to a substantial shareholder represents consideration payable to Ms. Lee Wong Wai Kuen for the acquisition of Guang Kai. The amount is unsecured, interest-free and repayable on demand. Details of the acquisition are set out in Note 33.

The amount due to a related company represents trade balance due to Jiangsu Chemical. The amount is unsecured, interest-free, with average credit period of 30 days and was aged less than 30 days.

The amounts due from (to) related companies and due to substantial shareholders that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

20. 應收(付)關連公司及主要股東款項(續)

應付主要股東款項 518,000 港元 (2013年: 5,642,000 港元) 乃應付本公司主要股東日本製紙集團(「日本製紙」)之貿易結餘。該等款項為無抵押及免息。本集團一般給予關連公司平均信貸期30日及該款項於兩個年度的賬齡均少於30日。於報告期末, 該等結餘概無減值或逾期。主要股東給予之信貸期為30日及該款項賬齡少於30日。

餘下款項 240,050,000 港元 (2013年: 無) 乃應付本公司主要股東李黃惠娟作為收購光凱之代價。該等款項為無抵押、免息及須於要求時償還。收購詳情載於附註33。

應付關連公司款項乃應付江蘇化工的貿易結餘。該數額乃無抵押、免息, 平均信貸期30日及賬齡少於30日。

並非以有關集團實體功能貨幣計值的應收(付)關連公司及應付主要股東款項載列如下:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Amounts due from related companies – HK\$ | 應收關連公司款項 — 港元 | 1,153 | 3,835 |
| Amount due to a related company – HK\$ | 應付關連公司款項 — 港元 | (3,736) | (12,306) |
| Amounts due to substantial shareholders – HK\$ | 應付主要股東款項 — 港元 | (518) | (5,642) |



21. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less.

Bank balances that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

21. 銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期日為3個月或以內的短期銀行存款。

並非以有關集團實體功能貨幣計值的銀行結餘載列如下：

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 71,016 | 39,515 |
| US\$ | 美元 | 537,938 | 70,554 |

22. TRADE AND OTHER PAYABLES

22. 應付貿易及其他賬款

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--------------------------|-----------|----------------------------------|----------------------------------|
| Trade and bills payables | 應付貿易及票據賬款 | 2,406,140 | 2,175,485 |
| Construction fee payable | 應付工程款 | 427,925 | 543,889 |
| Accruals | 應計費用 | 159,112 | 189,897 |
| Receipt in advance | 預收款項 | 118,505 | 113,864 |
| Other payables | 其他應付款項 | 150,783 | 142,127 |
| | | 3,262,465 | 3,165,262 |



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22. TRADE AND OTHER PAYABLES (CONTINUED)

notes:

- (i) The average credit period taken for trade purchases ranges from 30 to 120 days. The following is an aged analysis of the trade and bills payables presented based on the invoice date at the end of the reporting period.

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|-----------------------|---------|----------------------------------|----------------------------------|
| Aged: | 賬齡: | | |
| Not exceeding 30 days | 不超過30日 | 933,141 | 1,008,030 |
| 31-60 days | 31-60日 | 606,852 | 471,831 |
| 61-90 days | 61-90日 | 473,231 | 369,958 |
| 91-120 days | 91-120日 | 375,957 | 312,226 |
| Over 120 days | 120日以上 | 16,959 | 13,440 |
| | | 2,406,140 | 2,175,485 |

- (ii) Trade and other payables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--------------|----------|----------------------------------|----------------------------------|
| Euro ("EUR") | 歐元(「歐元」) | 477,195 | 455,446 |
| US\$ | 美元 | 1,458,636 | 1,356,574 |

22. 應付貿易及其他賬款(續)

附註:

- (i) 貿易購貨之平均賬期由30至120日不等。下表為於報告期末按發票日期之應付賬款及票據賬款之賬齡分析。

- (ii) 並非以有關集團實體功能貨幣計值的應付貿易及其他賬款如下:



23. BANK BORROWINGS

The Group's bank borrowings, all of which are unsecured, comprised:

23. 銀行借貸

本集團之銀行借貸(全部均為無抵押)包括：

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Bank loans | 銀行貸款 | 12,526,485 | 10,368,852 |
| Bank import loans | 銀行進口貸款 | 334,304 | 590,257 |
| | | 12,860,789 | 10,959,109 |
| The bank borrowings are repayable as follows: | | | |
| The bank borrowings are repayable as follows: | | | |
| Within one year | 一年內 | 6,698,110 | 5,661,276 |
| More than one year, but not exceeding two years | 超過一年但少於兩年 | 996,979 | 4,117,433 |
| More than two years, but not exceeding five years | 超過兩年但少於五年 | 5,165,700 | 1,180,400 |
| | | 12,860,789 | 10,959,109 |
| Less: Amount due within one year shown under current liabilities | 減：列為流動負債的一年內到期款項 | (6,698,110) | (5,661,276) |
| Amount due after one year | 一年後到期款項 | 6,162,679 | 5,297,833 |



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綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

23. BANK BORROWINGS (CONTINUED)

notes:

- (i) All the above bank borrowings carry variable interest rates ranging from Hong Kong Interbanks Offered Rate ("HIBOR") plus 1.10% to HIBOR plus 2.48% or London Interbanks Offered Rate ("LIBOR") plus 0.88% to LIBOR plus 2.30% (2013: ranging from HIBOR plus 1.00% to HIBOR plus 2.55% or LIBOR plus 1.03% to LIBOR plus 2.55%) per annum.

The weighted average effective interest rate of the Group's bank borrowings are as follows:

| | | 2014 2014年 | 2013 2013年 |
|--------------------------|------|---------------|---------------|
| Variable-rate borrowings | 浮息借貸 | 2.42% | 2.17% |

- (ii) Bank borrowings of HK\$1,928,904,000 (2013: HK\$2,024,701,000) with a repayable on demand clause are included in bank borrowings of HK\$6,698,110,000 (2013: HK\$5,661,276,000) repayable within one year.

- (iii) The Group's bank borrowings that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| EUR | 歐元 | — | 120,788 |
| US\$ | 美元 | 1,029,264 | 1,443,750 |
| HK\$ | 港元 | 636,449 | 762,592 |

23. 銀行借貸(續)

附註:

- (i) 上述所有銀行借貸均為浮息借貸，年息率由香港銀行同業拆息加1.10%至2.48%或倫敦銀行同業拆息加0.88%至2.30%不等(2013年：香港銀行同業拆息加1.00%至2.55%；或倫敦銀行同業拆息加1.03%至2.55%不等)。

本集團銀行借貸之實際利率加權平均數如下：

- (ii) 附帶應要求還款條款之銀行借貸1,928,904,000港元(2013年：2,024,701,000港元)已包括在一年內到期之銀行借貸6,698,110,000港元(2013年：5,661,276,000港元)內。

- (iii) 並非以有關集團實體功能貨幣計值之本集團銀行借貸如下：

24. DERIVATIVE FINANCIAL INSTRUMENTS

24. 衍生金融工具

| | | Current 流動 | | Non-current 非流動 | |
|--|------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
| Derivative financial assets - net settlement | 衍生金融資產 - 淨額交收 | | | | |
| Foreign currency forward contracts (note i) | 外幣遠期合約 (附註i) | 45 | 12,733 | — | — |
| Derivative financial liabilities - net settlement | 衍生金融負債 - 淨額交收 | | | | |
| Foreign currency forward contracts (note i) | 外幣遠期合約 (附註i) | 22,775 | — | — | — |

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

notes:

(i) Foreign currency forward contracts

Major terms of the foreign currency forward contracts outstanding as at 31 December 2014 are as follows:

| Notional amount 概念金額 | Currency conversion 貨幣轉換 |
|---|---|
| 15 contracts to buy EUR57,603,894 in total 15份合約共買57,603,894歐元 | EUR1: HK\$9.5770-10.5 1歐元兌9.5770至10.5港元 |
| 3 contracts to buy US\$7,224,003 in total 3份合約共買7,224,003美元 | US\$1: HK\$7.7491-7.7521 1美元兌7.7491至7.7521港元 |

Major terms of the foreign currency forward contracts outstanding as at 31 December 2013 are as follows:

| Notional amount 概念金額 | Currency conversion 貨幣轉換 |
|--|--|
| 7 contracts to buy Great British Pound ("GBP") 18,270,000 in total 7份合約共買18,270,000英鎊(「英鎊」) | GBP1: HK\$12.3661-12.7244 1英鎊兌12.3661至12.7244港元 |
| 11 contracts to buy EUR43,955,653 in total 11份合約共買43,955,653歐元 | EUR1: HK\$10.2473-10.6117 1歐元兌10.2473至10.6117港元 |
| 1 contract to buy EUR8,000,000 in total 1份合約共買8,000,000歐元 | EUR1: US\$1.3692 1歐元兌1.3692美元 |
| 3 contracts to buy US\$47,500,000 in total 3份合約共買47,500,000美元 | US\$1: HK\$7.7515-7.7519 1美元兌7.7515至7.7519港元 |

(ii) The fair values of the above derivative financial instruments were calculated using discounted cash flow analysis based on the applicable forward foreign exchange rates.

24. 衍生金融工具(續)

附註：

(i) 外幣遠期合約

於2014年12月31日未完結外幣遠期合約之主要條款如下：

於2013年12月31日未完結外幣遠期合約之主要條款如下：

(ii) 上述衍生金融工具之公允值乃根據適用遠期外幣匯率分析之折現現金流量計算。



25. DEFERRED TAX

The following are the major deferred tax liabilities recognised and movement thereon during the current and prior year:

25. 遞延稅項

下表為主要已確認遞延稅項負債於本年度及上年度之變動。

| | | Accelerated tax depreciation 加速稅項 折舊 | Undistributed earnings of PRC subsidiaries 中國附屬 公司之 未分配盈利 | Total 合計 |
|--------------------------|-------------|---|--|---------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 April 2013 | 2013年4月1日 | 536,538 | 4,145 | 540,683 |
| Charge to profit or loss | 計入損益 | 100,663 | — | 100,663 |
| At 31 December 2013 | 2013年12月31日 | 637,201 | 4,145 | 641,346 |
| Charge to profit or loss | 計入損益 | 138,468 | — | 138,468 |
| At 31 December 2014 | 2014年12月31日 | 775,669 | 4,145 | 779,814 |

notes:

- (i) At 31 December 2014, the Group had unused tax losses of approximately HK\$98,000,000 (2013: HK\$81,000,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for both years due to unpredictability of future profit streams. As at 31 December 2014, tax losses of approximately HK\$12,958,000 (2013: HK\$9,844,000) from the PRC subsidiaries will expire at various dates up to and including 2019 (2013: 2018).

附註：

- (i) 於2014年12月31日，本集團尚未動用但可用作抵扣未來盈利之稅項虧損約為98,000,000港元(2013年：81,000,000港元)。由於無法預計未來盈利流向，兩個年度並未就該等虧損確認為遞延稅項資產。於2014年12月31日，稅項虧損約12,958,000港元(2013年：9,844,000港元)來自中國附屬公司並將於直至並包括2019年(2013年：2018年)之多個不同日期到期。



25. DEFERRED TAX (CONTINUED)

notes: (Continued)

- (ii) According to the EIT Law, dividend paid to foreign investors out of profit earned by entities established in the PRC from 1 January 2008 onwards is subject to withholding tax at 10%. For investors incorporated in Hong Kong and holding at least 25% of equity interest in a PRC company, a preferential rate of 5% can be applied. The Group has not recognised deferred tax liability in respect of the relevant undistributed profits of some of its PRC subsidiaries because the directors believe that the Company is able to control the timing of the distribution by its subsidiaries such that no withholding tax will be payable in the foreseeable future. As at the end of the reporting period, the deferred tax liabilities in relation to the undistributed profits of the PRC subsidiaries for which deferred tax liabilities have not been recognised were approximately HK\$294 million (2013: approximately HK\$256 million).
- (iii) The tax rates of certain subsidiaries were changed when these subsidiaries became entitled to concessionary tax rates pursuant to relevant incentive tax rules as detailed in note 8.

26. RETIREMENT BENEFITS PLANS

Defined contribution scheme

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,500 (HK\$1,250 from 1 January 2014 to 31 May 2014) or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

The only obligation of the Group with respect of MPF Scheme is to make the required contribution payable on the future years.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefit scheme operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

25. 遞延稅項(續)

附註：(續)

- (ii) 根據企業所得稅法，自2008年1月1日起，從於中國註冊成立的實體的盈利中派息予海外投資者，須繳交預扣稅10%。香港註冊成立且於中國公司持有最少25%權益的投資者，適用優惠稅率5%。由於董事相信本公司可控制其附屬公司進行派付之時間，且於可見的將來不會繳交預扣稅，故本集團無就其中國附屬公司相關未分配盈利計提遞延稅項負債撥備。於報告期末，就中國附屬公司未分配盈利相關而未確認的遞延稅項負債約達2.94億港元(2013年：約2.56億港元)。
- (iii) 若干附屬公司之稅率於其按照有關稅務優惠政策享有優惠稅率時變更，詳情載於附註8。

26. 退休福利計劃

界定供款計劃

本集團在香港為所有合資格僱員設立一項強積金計劃。該強積金計劃的資產與本集團的資產分開持有，以及撥入信託人管理的基金。本集團按1,500港元(由2014年1月1日至2014年5月31日為1,250港元)或有關月薪成本的5%，以較低者為準，向強積金計劃供款，與僱員之供款一致。

本集團對強積金計劃的唯一責任就是在未來年度作出所需應付供款。

中國附屬公司聘用的僱員均參與中國政府營辦的國家管理退休福利計劃。中國附屬公司須按僱員薪金的若干百分比，向退休福利計劃供款，作為福利之用。本集團對退休福利計劃的唯一責任就是作出指定供款。



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綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

27. SHARE CAPITAL

27. 股本

| | | Number of ordinary shares 普通股數目 | Amount 金額 HK\$'000 千港元 |
|--|---|---------------------------------------|---------------------------------|
| | Note 附註 | | |
| Authorised: | 法定： | | |
| Ordinary shares of HK\$0.025 each at 1 January 2013, 31 December 2013 and 31 December 2014 | 於2013年1月1日、2013年 12月31日及2014年 12月31日每股0.025港元 的普通股 | 8,000,000,000 | 200,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| Ordinary shares of HK\$0.025 each at 1 January 2013 | 於2013年1月1日 每股0.025港元的普通股 | 4,689,622,980 | 117,241 |
| Share repurchased and cancelled | 股份購回及註銷 (i) | (60,206,648) | (1,505) |
| Exercise of share options (note 28) | 行使購股權(附註28) | 66,666,668 | 1,666 |
| Ordinary shares of HK\$0.025 each at 31 December 2013 | 於2013年12月31日 每股0.025港元的普通股 | 4,696,083,000 | 117,402 |
| Shares repurchased and cancelled | 股份購回及註銷 (i) | (26,083,000) | (652) |
| Ordinary shares of HK\$0.025 each at 31 December 2014 | 於2014年12月31日 每股0.025港元的普通股 | 4,670,000,000 | 116,750 |

All the new shares were issued in year ended 31 December 2013 rank passu with the existing shares in all respects.

所有於2013年12月31日止年度發行的新股份在各方面與現有股份享有相同權益。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

27. SHARE CAPITAL (CONTINUED)

Note:

- (i) The Company repurchased its own shares through the Stock Exchange as follows:

2014

| Month of repurchases | 購回月份 | No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股數目 | Price paid per share 每股支付價格 | | Aggregate consideration paid (including expenses) 累計已付代價(含使費) HK\$'000 千港元 |
|----------------------|----------|---|--------------------------------|----------------------------|---|
| | | | Highest 最高 HK\$ 港元 | Lowest 最低 HK\$ 港元 | |
| March 2014 | 2014年3月 | 9,743,000 | 4.44 | 4.15 | 42,125 |
| April 2014 | 2014年4月 | 6,340,000 | 4.68 | 4.28 | 28,295 |
| June 2014 | 2014年6月 | 4,898,000 | 4.18 | 3.89 | 19,869 |
| November 2014 | 2014年11月 | 5,102,000 | 4.08 | 4.06 | 20,859 |
| | | 26,083,000 | | | 111,148 |

27. 股本(續)

附註：

- (i) 本公司於聯交所購回本身之股份如下：

2014年

2013

| Month of repurchases | 購回月份 | No. of ordinary shares of HK\$0.025 each 每股0.025港元之普通股數目 | Price paid per share 每股支付價格 | | Aggregate consideration paid (including expenses) 累計已付代價(含使費) HK\$'000 千港元 |
|----------------------|---------|---|--------------------------------|----------------------------|---|
| | | | Highest 最高 HK\$ 港元 | Lowest 最低 HK\$ 港元 | |
| January 2013 | 2013年1月 | 29,441,980 | 5.18 | 4.74 | 145,427 |
| February 2013 | 2013年2月 | 1,861,000 | 5.39 | 5.18 | 9,986 |
| March 2013 | 2013年3月 | 607,000 | 5.80 | 5.52 | 3,486 |
| April 2013 | 2013年4月 | 13,256,668 | 5.99 | 5.59 | 77,628 |
| May 2013 | 2013年5月 | 6,188,000 | 5.65 | 5.06 | 32,776 |
| June 2013 | 2013年6月 | 8,852,000 | 4.89 | 3.93 | 39,965 |
| | | 60,206,648 | | | 309,268 |

The above shares were subsequently cancelled.

上述股份已隨後註銷。



28. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to the written resolution of the shareholders of the Company dated 11 September 2003, a share option scheme was approved and adopted (the "Scheme").

The Scheme was established for the purpose of providing incentives to directors and eligible persons. The Scheme will remain in force for a period of ten years from adoption of the Scheme. The Scheme expired on 10 September 2013.

Under the Scheme, the Board may at their discretion grant options to (i) any director (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group in which the Group holds an equity interest or a subsidiary of such company; or (ii) any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, promoters, service providers of any member of the Group may be determined by the Board from time to time to subscribe for the shares of the Company (the "Shares").

Options granted must be taken up within 28 days of the date of grant. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company at any point in time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

28. 以股權支付交易

根據本公司股東於2003年9月11日通過的書面決議案，購股權計劃(「該計劃」)獲批准及採納。

設立該計劃旨在提供獎勵予董事及合資格人士。該計劃的有效有效期自採納日期起計10年，已於2013年9月10日屆滿。

根據該計劃，董事會可不時酌情決定授出購股權予(i)本集團的任何董事(包括執行董事、非執行董事及獨立非執行董事)及於本集團持有權益的公司或該公司的附屬公司之本集團僱員；或(ii)本集團任何成員公司的任何顧問、專家顧問、分銷商、承包商、供應商、代理人、客戶、業務夥伴、推廣人員及服務供應商(可經董事會不時釐定)，以認購本公司股份(「股份」)。

授出之購股權必須於授出日期起計28日內接納。根據購股權計劃授出的購股權所涉及的股份數目，在任何時候不得超逾本公司已發行股本10%。除非根據上市規則的規定取得本公司股東的批准，否則任何人士在任何12個月期間內獲授的購股權所涉及的股份最高數目，不得超逾於上述12個月期間最後一日本公司已發行股份的1%。



28. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the Board (which shall be less than ten years from the date of issue of the relevant option). Options may be granted without initial payment except the payment of HK\$1 as consideration for grant of option each time. The exercise price is equal to the highest of (i) nominal value of the Shares; (ii) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of the grant; and (iii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the grant.

The following table discloses details of the Company's options granted under the Scheme held by employees (including directors) and movement in such holdings during the year:

28. 以股權支付交易(續)

購股權可於董事會釐定的期間(包括購股權行使前必須持有的最短期限(如有))行使(該期間由有關購股權發行日期起計不得超逾10年)。除了須支付1港元作為每次獲授購股權的代價外,購股權可在毋須作出初始付款的情況下授出。行使價相等於下列較高者:(i)股份面值;(ii)股份於授出日期在聯交所每日報價表所示的收市價;及(iii)股份在緊接授出日期前五個營業日在聯交所每日報價表所示的平均收市價。

下表披露年內僱員(包括董事)持有根據該計劃授出的本公司購股權詳情及其變動:

| Category | Date of grant | Exercise price HK\$ | Number of share options 購股權數目 | | |
|---|-------------------------------|------------------------|-------------------------------------|---|--|
| | | | Outstanding at 1 January 2013 | Exercised during the year of 2013 | Outstanding at 31 December 2013 and 31 December 2014 |
| 類別 | 授出日期 | 行使價 港元 | 於2013年 1月1日 尚未行使 | 2013年 內行使 | 於2013年 12月31日及 2014年12月31日 尚未行使 |
| Directors 董事 | 5 September 2008 2008年9月5日 | 1.872 | 66,666,668 | (66,666,668) | — |
| Exercisable at the end of the year 於年末可行使數目 | | | | | — |



28. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The options granted on 5 September 2008 may be exercised in accordance with the following terms of the Scheme as to:

- (i) up to 66,666,668 of the options exercisable commencing 1 September 2009 to 31 August 2013, with vesting period from 5 September 2008 to 31 August 2009, the fair value of each option at the date of grant is approximately HK\$0.4075;
- (ii) up to 133,333,332 of the options exercisable commencing 1 September 2010 to 31 August 2013, with vesting period from 5 September 2008 to 31 August 2010, the fair value of each option at the date of grant is approximately HK\$0.48; and
- (iii) up to 200,000,000 of the options exercisable commencing 1 September 2011 to 31 August 2013, with vesting period from 5 September 2008 to 31 August 2011, the fair value of each option at the date of grant is approximately HK\$0.5325, of which, 133,333,332 of options were exercised during the year ended 31 March 2011.

The exercise of the options during the exercise periods described in (i), (ii) and (iii) above, commencing from 1 September 2009 to 31 August 2013, are subject to achievement of pre-determined and specific profit targets for the Group for each of the years ended 31 March 2009, 2010 and 2011, respectively.

No share-based payment expense was recognised for both years.

28. 以股權支付交易(續)

於2008年9月5日授出之購股權可根據計劃下的條款行使如下：

- (i) 由2009年9月1日至2013年8月31日可行使最多66,666,668股的購股權及獲准行使期由2008年9月5日至2009年8月31日，每股購股權在授出日當日之公允值約為0.4075港元；
- (ii) 由2010年9月1日至2013年8月31日可行使最多133,333,332股的購股權及獲准行使期由2008年9月5日至2010年8月31日，每股購股權在授出日當日之公允值約為0.48港元；及
- (iii) 由2011年9月1日至2013年8月31日可行使最多200,000,000股的購股權及獲准行使期由2008年9月5日至2011年8月31日，每股購股權在授出日當日之公允值約為0.5325港元，當中133,333,332股購股權已於2011年3月31日止年度行使。

自2009年9月1日起至2013年8月31日止於上述行使期內行使上述(i)，(ii)及(iii)購股權時，須達致本集團就分別截至2009年、2010年及2011年3月31日止年度各年之預定及特定盈利目標。

兩個年度均無股權支付費用確認入賬。



29. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debts, which include the bank borrowings and equity attributable to equity holders of the Company, comprising issued share capital and various reserves.

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

30. FINANCIAL INSTRUMENTS

(i) Categories of financial instruments

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Fair value through profit or loss – derivative financial instruments | 按公允值計入損益 – 衍生金融工具 | 45 | 12,733 |
| 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) | 7,348,876 | 5,723,938 |
| Financial liabilities | 金融負債 | | |
| Fair value through profit or loss – derivative financial instruments | 按公允值計入損益 – 衍生金融工具 | 22,775 | — |
| Amortised cost | 攤銷成本 | 16,168,605 | 13,863,744 |

29. 資本風險管理

本集團管理其資本以確保本集團的實體可持續經營業務，並透過最佳債務及權益比例為權益持有人提供最高回報。本集團的整體政策維持與去年一致。

本集團的資本結構包括債務，當中包括銀行借貸以及本公司權益持有人應佔權益(包括已發行股本及多項儲備)。

本公司董事不時檢討資本結構。作為檢討的一部份，董事將考慮資本成本以及與各類資本有關的風險。根據董事的建議，本集團將通過派付股息、發行新股及購回股份以及發行新債或贖回現債平衡其整體資本結構。

30. 金融工具

(i) 金融工具類別



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies

The Group's major financial instruments include a loan to a joint venture, trade and other receivables, amounts due from (to) related companies, derivative financial instruments, bank balances and cash, trade and other payables, amounts due to substantial shareholders and bank borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(a) Currency risk

The Group has foreign currency transactions, which expose the Group to market risk arising from changes in foreign exchange rates. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into by the Group for certain material foreign currency transactions. Management monitors other foreign currency exposure closely and will consider the use of hedging instruments when the need arises.

30. 金融工具(續)

(ii) 財務風險管理目的及政策

本集團的主要金融工具包括合營企業貸款、應收貿易及其他賬款、應收(付)關連公司款項、衍生金融工具、銀行結餘及現金、應付貿易及其他賬款、應付主要股東款項及銀行借貸。金融工具的詳情於相關附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。如何緩和該等風險的政策載列如下。管理層管理及監控該等風險，以確保及時有效地採用適當的措施。

市場風險

(a) 貨幣風險

本集團存在外幣交易，令本集團須承受外幣匯率變動引起的市場風險。為了降低外幣風險，本集團就若干重大外幣交易訂立外幣遠期合同。管理層將密切監察其他外幣風險，並考慮於必要時運用對沖工具。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(a) Currency risk (Continued)

The carrying amounts of the Group's significant monetary assets and monetary liabilities, excluding intercompany balances and derivative financial instruments, that are denominated in currencies other than the functional currency of the relevant group entities at the reporting dates are as follows:

Monetary assets (note):

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 347,664 | 257,374 |
| US\$ | 美元 | 714,523 | 87,541 |
| EUR | 歐元 | 74 | 28 |

Monetary liabilities (note):

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 641,010 | 768,234 |
| US\$ | 美元 | 2,487,900 | 332,444 |
| EUR | 歐元 | 477,195 | 576,234 |

note: The above amounts exclude HK\$/US\$ amounts where the functional currency of the relevant group entities is US\$/HK\$ because HK\$ is pegged to the US\$, as a result of which the exchange exposure is not significant.

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(a) 貨幣風險(續)

本集團於報告日並非以相關集團實體功能貨幣計值之主要貨幣資產及貨幣負債(內部公司往來及衍生金融工具除外)的賬面值如下:

貨幣資產(附註):

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 347,664 | 257,374 |
| US\$ | 美元 | 714,523 | 87,541 |
| EUR | 歐元 | 74 | 28 |

貨幣負債(附註):

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|------|----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 641,010 | 768,234 |
| US\$ | 美元 | 2,487,900 | 332,444 |
| EUR | 歐元 | 477,195 | 576,234 |

附註: 上述金額未包括相關集團實體功能貨幣為美元/港元的港元/美元金額, 由於港元與美元掛鈎, 因此並無重大滙兌風險。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(a) Currency risk (Continued)

In addition, intercompany balances denominated in foreign currencies are as follows:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--------------------|-----------|----------------------------------|----------------------------------|
| Assets | 資產 | | |
| US\$ | 美元 | 913,914 | 1,106,542 |
| HK\$ | 港元 | 29,896 | 350,624 |
| RMB | 人民幣 | — | 49,508 |
| Liabilities | 負債 | | |
| US\$ | 美元 | 913,914 | 1,106,542 |
| HK\$ | 港元 | 26,089 | 472,324 |

Sensitivity analysis

The Group is primarily exposed to the fluctuation of EUR against HK\$, and HK\$ and US\$ against RMB.

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(a) 貨幣風險(續)

此外，以外幣計值之內部公司往來結餘如下：

敏感度分析

本集團主要面對歐元兌港元、和港元及美元兌人民幣的波動影響。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(a) Currency risk (Continued)

Sensitivity analysis (Continued)

The following tables detail the Group's sensitivity to a 5% (2013: 5%) increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies to the extent that the exposures have not been hedged. 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 (including intercompany balances denominated in foreign currencies) and derivative financial instruments and adjusts their translation or fair value in the case of the derivative financial instruments at the year ended for a 5% change in foreign currency rates. On this basis, there will be an increase/decrease in post-tax profit where the functional currency of the relevant group entities strengthens against the foreign currencies by 5%, and vice versa.

| | | Increase (decrease) in post-tax profit | |
|------|----|---|----------|
| | | 稅後盈利增加(減少) | |
| | | 2014 | 2013 |
| | | 2014年 | 2013年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| HK\$ | 港元 | 12,459 | 26,653 |
| US\$ | 美元 | 84,740 | 10,386 |
| EUR | 歐元 | 23,692 | 27,939 |

No sensitivity analysis for foreign currency forward contracts has been presented as for the year ended 31 December 2014.

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(a) 貨幣風險(續)

敏感度分析(續)

下表詳述本集團在並無對沖風險的情況下，相關集團實體之功能貨幣兌其相關外幣上升及下降5% (2013年：5%) 的敏感度。5% (2013年：5%) 為對內向主要管理人員匯報外幣風險時採用的敏感度比率，為管理層就外幣匯率的合理可能變動作出的評估。敏感度分析只包括以外幣計值的未償付貨幣項目(包括以外幣定值之內部公司往來)及衍生金融工具，並於結算日調整其換算或公允值(如為衍生金融工具)，以反映外幣匯率的5%變動。在上述基準下，當相關集團實體之功能貨幣兌外幣升值5%，稅後盈利將增加/減少，反之亦然。

Increase (decrease) in post-tax profit

稅後盈利增加(減少)

| | | 2014 | 2013 |
|------|----|-----------------|----------|
| | | 2014年 | 2013年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| HK\$ | 港元 | 12,459 | 26,653 |
| US\$ | 美元 | 84,740 | 10,386 |
| EUR | 歐元 | 23,692 | 27,939 |

截至2014年12月31日止年度之外幣遠期合約敏感度分析並無呈列。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(b) Interest rate risk

The Group's bank balances carry floating-rate of interests and have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rates. However, the Group considers that the bank balances are within short maturity period, and the fluctuation in interest rate and the cash flow interest rate risk arising from bank balances are insignificant.

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. In order to minimise the cash flow interest rate risk, the Group entered into certain interest rate swaps to partially hedge against its exposures to variable interest rate of bank borrowings in prior years. The Group considers that the interest rate of bank borrowings is relatively stable and so no interest rate swap was used to hedge the exposure to interest rate risk in current year. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(b) 利率風險

本集團銀行結餘乃浮息，由於現行市場利率波動，銀行結餘承受現金流量利率風險。然而，本集團認為該銀行結餘乃短期內到期，且從銀行結餘引伸的利率波動及現金流量利率風險並不重大。

本集團亦須承受有關浮息銀行借貸的現金流量利率風險。為將現金流量利率風險減至最低，本集團在過往年度訂立若干利率掉期以就銀行借貸的浮息風險進行部份對沖。本集團認為銀行借貸的利率相對穩定，所以在本年度未有以利率掉期對沖利率風險。管理層監控利率風險程度及當有需時會考慮對沖重大的利率風險。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(b) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank borrowings, to the extent that they were not hedged by effective instruments, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For bank borrowings at variable-rate of HK\$11,849,353,000 (2013: HK\$10,959,109,000), if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2014 after taking into account the capitalisation of borrowing costs using the capitalisation rate of 3.5% (2013: 3.5%) would decrease/increase by HK\$33,052,000 (2013: decrease/increase by HK\$28,142,000).

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.

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

市場風險(續)

(b) 利率風險(續)

敏感度分析

下列的敏感度分析根據於報告期末非衍生工具的利率風險釐定。就浮息銀行借貸，當該等借貸並非由有效工具對沖，分析乃假設於報告期末未償付負債於全年均為未償付而編製。50基點增加或減少為對內向主要管理人員匯報利率風險時採用的敏感度比率，為管理層就利率的合理可能變動的評估。

就為數11,849,353,000港元(2013年: 10,959,109,000港元)之浮息銀行借貸而言，倘利率上升/下跌50基點，而所有其他變數維持不變，本集團截至2014年12月31日止年度的稅後盈利經計及以資本化利率3.5%(2013年: 3.5%)計算之資本化借貸成本後，將減少/增加33,052,000港元(2013年: 減少/增加28,142,000港元)。

信貸風險

於2014年12月31日，本集團因對手方未能履行責任而導致財務損失的最高信貸風險來自綜合財務狀況表載列的各已確認金融資產的賬面值。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, 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 debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Accordingly, the Group's concentration of credit risk is considered minimal.

In addition to the credit risk on trade debts, the Group is also exposed to concentration on credit risk on its loan to a joint venture. Because the Group's involvement in the management of joint venture, the Group is in a position to monitor their financial performance and would take timely actions to safeguard its assets and/or to minimise its losses. Accordingly, management believes that the Group's exposure to the credit risk associated with loan to joint venture is low.

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

信貸風險(續)

為盡量減低信貸風險，本集團管理層已委任一組人員釐定信貸限額、信貸審批以及其他監控程序，確保就收回逾期債項採取跟進行動。此外，本集團管理層會於報告期末審閱各個別債務之可收回金額，以確保就無法收回金額確認足夠減值虧損。就此，董事認為本集團之信貸風險已大大減少。

由於交易方均為信譽評級良好之銀行，故流動資金之信貸風險有限。

本集團的應收貿易賬款包括大量客戶，涵蓋多個行業及地理區域。因此，本集團集中信貸風險極低。

除了在貿易債務的信貸風險外，本集團於合營企業貸款上存在集中信貸風險。因為本集團參與合營企業的管理，本集團身處監控其財務表現的位置並可採取及時行動以保護其資產及／或減低虧損。因此，管理層相信本集團在給予合營企業貸款引發的信貸風險屬低。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the tables have 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. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. 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.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash flows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險

就管理流動資金風險而言，本集團監察及維持其視為足以為本集團營運提供資金，以及減輕現金流量波動影響之現金及現金等價物水平。

下表詳述依據經協定還款條款本集團金融負債的餘下合約到期日。就非衍生金融負債而言，下表乃根據本集團須還款最早日期當日之金融負債未貼現現金流量作出。具體而言，附帶應要求還款條款之銀行借貸，被包括在最早時限之內，不論銀行是否選擇行使其權利。其他非衍生金融負債之到期日根據議定的還款日期計算。下表已包括利息及本金現金流量。在某種程度上，利息流是浮動利率，未貼現金額來自報告期末的利率曲線。

另外，下表詳述本集團衍生金融工具之流動性分析。該表乃根據按淨額結算的衍生工具以未折現合約淨現金流量列示。倘應付款項不固定，則所披露款項乃參照於報告日末現行利率收益曲線所示預測利率釐定。本集團根據合約到期日編製衍生金融工具的流動性分析，因管理層認為合約到期日乃了解衍生工具現金流之時間的重要因素。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表

| | | Weighted average effective interest rate | Repayable on demand or less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Total undiscounted cash flows | Carrying amount at 31 December 2014 |
|---|--------------------|--|--|--------------------|---------------------|-------------------|-------------------------------|-------------------------------------|
| | | 實際利率加權平均數 % 百分比 | 應要求還款或少於1個月 HK\$'000 千港元 | 1至3個月 HK\$'000 千港元 | 3個月至1年 HK\$'000 千港元 | 1至5年 HK\$'000 千港元 | 未折現現金流量合計 HK\$'000 千港元 | 於2014年12月31日之賬面值 HK\$'000 千港元 |
| 31 December 2014 | 2014年12月31日 | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | |
| Trade and other payables | 應付貿易及其他賬款 | — | 1,695,358 | 998,907 | 369,247 | — | 3,063,512 | 3,063,512 |
| Amounts due to substantial shareholders | 應付主要股東款項 | — | 240,568 | — | — | — | 240,568 | 240,568 |
| Amount due to a related company | 應付關連公司款項 | — | 3,736 | — | — | — | 3,736 | 3,736 |
| Bank borrowings – variable rate | 銀行借貸 – 浮息 | 2.42 | 3,295,008 | 738,288 | 2,875,542 | 6,582,265 | 13,491,103 | 12,860,789 |
| | | | 5,234,670 | 1,737,195 | 3,244,789 | 6,582,265 | 16,798,919 | 16,168,605 |
| Derivatives – net settlement | 衍生工具 – 淨額交收 | | | | | | | |
| Foreign exchange forward contracts | 外幣遠期合約 | — | 449 | 14,190 | 8,136 | — | 22,775 | 22,775 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

流動資金表(續)

| | | Weighted average effective interest rate | Repayable on demand or less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Total undiscounted cash flows | Carrying amount at 31 December 2013 |
|---|------------------------|---|---|--------------------------|-------------------------------|-------------------------|--------------------------------------|--|
| | | 實際利率 加權平均數 % | 應要求還款或 少於1個月 HK\$'000 千港元 | 1至3個月 HK\$'000 千港元 | 3個月 至1年 HK\$'000 千港元 | 1至5年 HK\$'000 千港元 | 未折現 現金流量 合計 HK\$'000 千港元 | 於2013年 12月31日 之賬面值 HK\$'000 千港元 |
| 31 December 2013 | 2013年12月31日 | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | |
| Trade and other payables | 應付貿易及 其他賬款 | — | 1,701,612 | 848,760 | 336,315 | — | 2,886,687 | 2,886,687 |
| Amount due to a substantial shareholder | 應付主要股東款項 | — | 5,642 | — | — | — | 5,642 | 5,642 |
| Amounts due to related companies | 應付關連公司款項 | — | 12,306 | — | — | — | 12,306 | 12,306 |
| Bank borrowings – variable rate | 銀行借貸 — 浮息 | 2.17 | 2,168,013 | 1,057,026 | 2,480,094 | 5,559,213 | 11,264,346 | 10,959,109 |
| | | | 3,887,573 | 1,905,786 | 2,816,409 | 5,559,213 | 14,168,981 | 13,863,744 |
| Derivatives – net settlement | 衍生工具 — 淨額結算 | | | | | | | |
| Foreign exchange forward contracts | 外幣遠期合約 | — | — | — | — | — | — | — |



30. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2014 and 2013, the aggregate undiscounted principal amounts and carrying amounts of these bank loans amounted to HK\$1,928,904,000 and HK\$2,024,701,000 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid after the reporting date in accordance with the following scheduled repayment dates set out in the loan agreements:

Bank borrowings subject to repayment on demand clause based on scheduled repayments:

| | | Weighted average effective interest rate 實際利率 加權平均數 % | Less than 1 month 少於1個月 HK\$'000 千港元 | 1-3 months 1至3個月 HK\$'000 千港元 | 3 months to 1 year 3個月 至1年 HK\$'000 千港元 | Total undiscounted cash flows 未折現 現金流量合計 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|------------------------|--------------|---|--|--|--|---|--|
| As at 31 December 2014 | 於2014年12月31日 | 2.05 | 1,753,743 | 106,957 | 73,199 | 1,933,899 | 1,928,904 |
| As at 31 December 2013 | 於2013年12月31日 | 2.17 | 1,358,075 | 442,458 | 233,977 | 2,034,510 | 2,024,701 |

30. 金融工具(續)

(ii) 財務風險管理目的及政策(續)

流動資金風險(續)

附帶應要求還款條款之銀行借貸按上述到期日分析計入「應要求還款或少於1個月」之期間。於2014年及2013年12月31日，該等銀行貸款之未折現本金及賬面值總額分別為1,928,904,000港元及2,024,701,000港元。考慮到本集團之財務狀況，董事相信，銀行不大可能行使酌情權，要求本集團即時還款。董事相信，該等銀行借貸將於本報告日期之後根據貸款協議所載之既定還款日期償還如下：

附帶應要求還款條款之銀行借貸按其既定還款期：



30. FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Fair value

Fair value measurements recognised in the statement of financial position

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

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

| Financial assets/ financial liabilities 金融資產／金融負債 | Fair value as at 31 December 2014 於2014年12月31日 之公允值 | Fair value hierarchy 公允值級別 | Valuation techniques and key inputs 估值方式及主要依據 |
|---|---|---|---|
| Foreign currency forward contracts classified as other derivative financial instruments on the statement of financial position 外幣遠期合約於財務狀況表分類為其他衍生金融工具 | Assets – HK\$45,000 Liabilities – HK\$22,775,000 資產 – 45,000港元 負債 – 22,775,000港元 | Level 2 第二級 | Future discounted cash flows are estimated based on the applicable forward foreign exchange rates. 未來折現現金流量乃基於適用外幣遠期匯價估算 |

30. 金融工具(續)

(iii) 公允值

於財務狀況表確認之公允值計量

本附註提供本集團如何釐定不同金融資產及金融負債公允值之資料。

本集團某些金融資產及金融負債於各報告期末按公允值計量。下表提供如何釐定該等金融資產及金融負債公允值的資料(尤其估計方式及所使用之依據)。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Fair value (Continued)

Fair value measurements recognised in the statement of financial position (Continued)

| Financial assets/ financial liabilities 金融資產／金融負債 | Fair value as at 31 December 2013 於2013年12月31日 之公允值 |
|---|--|
| Foreign currency forward contracts classified as other derivative financial instruments on the statement of financial position 外幣遠期合約於財務狀況表分類為其他衍生金融工具 | Assets – HK\$12,733,000 資產 – 12,733,000港元 |

The directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

30. 金融工具(續)

(iii) 公允值(續)

於財務狀況表確認之公允值計量(續)

| Fair value hierarchy 公允值級別 | Valuation techniques and key inputs 估值方式及主要依據 |
|----------------------------------|---|
| Level 2 第二級 | Future discounted cash flows are estimated based on the applicable forward foreign exchange rates. 未來折現現金流量乃基於適用外幣遠期匯價估算 |

董事認為於綜合財務報表金融資產及金融負債按攤銷成本呈報之賬面值相若其公允值。

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債

下表披露包括於可執行總淨額結算安排或類似協議項下之金融資產及金融負債，並已涵蓋類似金融工具，不論其是否已於本集團綜合財務狀況表對銷。



30. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

As at 31 December 2014

30. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

待對銷、可執行總淨額結算安排及類似協議項下之金融資產

於2014年12月31日

| Description | 摘要 | Gross amounts of recognised financial assets 已確認金融資產總額 HK\$'000 千港元 | Gross amount of recognised financial liabilities set off in the consolidated statement of financial position 對銷之已確認金融負債總額 HK\$'000 千港元 | Net amounts of financial assets presented in the consolidated statement of financial position 呈示之金融資產淨額 HK\$'000 千港元 | Related amounts not set off in the consolidated statement of financial position 並無於綜合財務狀況表對銷之相關金額 | | Net amount 淨額 HK\$'000 千港元 |
|---|--------------------|--|---|---|--|--|-------------------------------------|
| | | | | | Financial instruments 衍生金融工具 HK\$'000 千港元 | Cash collateral received 已收現金抵押品 HK\$'000 千港元 | |
| Bank balances | 銀行結餘 | 226 | — | 226 | — | — | 226 |
| Derivative financial assets - Foreign currency forward contracts | 衍生金融資產 - 外幣遠期合約 | 45 | — | 45 | — | — | 45 |
| Total | 合計 | 271 | — | 271 | — | — | 271 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

30. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements (Continued)

As at 31 December 2013

| Description | 摘要 | Gross amounts of recognised financial assets and liabilities set off in the consolidated statement of financial position | | Net amounts of financial assets presented in the consolidated statement of financial position | | Related amounts not set off in the consolidated statement of financial position | | Net amount |
|--------------------------------------|----------|--|-----------------------|---|---|---|--------------------------|------------|
| | | Gross amounts of recognised financial assets | financial liabilities | of financial assets presented | in the consolidated statement of financial position | Financial instruments | Cash collateral received | |
| | | 已確認金融資產總額 | 對銷之已確認金融負債總額 | 金融資產淨額 | 金融資產淨額 | 衍生金融工具 | 已收現金抵押品 | 淨額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Bank balances | 銀行結餘 | 2,145 | — | 2,145 | — | — | — | 2,145 |
| Derivative financial assets | 衍生金融資產 | | | | | | | |
| – Foreign currency forward contracts | – 外幣遠期合約 | 12,733 | — | 12,733 | — | — | — | 12,733 |
| Total | 合計 | 14,878 | — | 14,878 | — | — | — | 14,878 |

30. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

待對銷、可執行總淨額結算安排及類似協議項下之金融資產(續)

於2013年12月31日



30. FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Financial assets and financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements (Continued)

Financial liabilities subject to offsetting, enforceable master netting arrangement and similar agreements

As at 31 December 2014

30. 金融工具(續)

(iv) 待對銷、可執行總淨額結算安排及類似協議項下之金融資產及金融負債(續)

待對銷、可執行總淨額結算安排及類似協議項下之金融負債

於2014年12月31日

| Description | 摘要 | Gross amount of recognised financial assets set off in the consolidated statement of financial position | Net amounts of financial liabilities presented in the consolidated statement of financial position | Related amounts not set off in the consolidated statement of financial position | | |
|--------------------------------------|----------|---|--|---|--------------------------|------------|
| | | Gross amounts of recognised financial liabilities | Net amounts of financial liabilities presented in the consolidated statement of financial position | Financial instruments | Cash collateral received | Net amount |
| | | 已確認金融負債總額 | 金融負債淨額 | 衍生金融工具 | 已收現金抵押品 | 淨額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Derivative financial liabilities | 衍生金融負債 | | | | | |
| - Foreign currency forward contracts | - 外幣遠期合約 | (22,775) | — | (22,775) | — | (22,775) |



31. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings, which fall due as follows:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|---------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 2,807 | 3,778 |
| In the second to fifth years inclusive | 第二至第五年內 | – | 521 |
| | | 2,807 | 4,299 |

Operating lease payments represent rentals payable by the Group for lands and certain of its office properties. For leasehold lands, leases are negotiated for terms ranged from one year to five years with fixed rentals. For office properties, leases are negotiated for terms ranged from 6 months to 1 year with fixed rentals.

The Group as lessor

During the year ended 31 December 2014, rental income in respect of office spaces and certain shops and staff quarters in the PRC was HK\$1,919,000 (2013: HK\$1,994,000) and HK\$314,000 (2013: nil), respectively. Leases are within one to three years.

31. 經營租約

集團作為承租人

於報告期末，本集團根據不可撤銷的土地及樓宇經營租約於日後應付的最低租金如下：

經營租金指本集團就土地及其若干辦公室物業應付的租金。租賃土地經磋商租期由一年至五年，期內租金不變。辦公室物業經磋商租期由6個月至1年，期內租金不變。

集團作為出租人

於截至2014年12月31日止年度，有關中國的辦公室及若干商舖和員工宿舍的租金收入分別為1,919,000港元(2013年：1,994,000港元)及314,000港元(2013年：無)。租約為期一至三年內。



31. OPERATING LEASES (CONTINUED)

The Group as lessor (Continued)

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|---------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 2,166 | 1,940 |
| In the second to fifth years inclusive | 第二至第五年內 | 4,060 | - |
| | | 6,226 | 1,940 |

32. CAPITAL COMMITMENTS

Capital expenditures contracted for but not provided in the consolidated financial statements in respect of acquisition of:

– property, plant and equipment
– land use rights

就已訂約但未於綜合財務報表中撥備有關下列購置的資本開支：

– 物業、廠房及設備
– 土地使用權

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| | | 1,894,873 | 1,624,846 |
| | | 135,476 | 154,275 |
| | | 2,030,349 | 1,779,121 |

In addition, at 31 December 2014, the Group had a commitment to provide an additional loan of HK\$33,110,000 (2013: HK\$40,910,000) to its joint venture. Details of loan terms disclosed in note 17 (ii).

此外，於2014年12月31日，本集團承諾給予額外33,110,000港元(2013年：40,910,000港元)之貸款予其合營企業。貸款條款載於附註17(ii)。



33. ACQUISITION OF ASSETS AND LIABILITIES

On 11 November 2014, the Group entered into a sale and purchase agreement with two substantial shareholders of the Company to acquire the entire issued capital and shareholder's loan of Guang Kai at an aggregate cash consideration of HK\$404,200,000. The principal assets of Guang Kai and its subsidiaries are the tissue paper manufacturing plant and equipment. At the time when the Group obtain control over Guang Kai, the production lines were at installation stage. The acquisition has been accounted for as an acquisition of assets and liabilities.

The consolidated net assets acquired was summarised as follows:

33. 收購資產及負債

於2014年11月11日，本集團與本公司兩位主要股東簽訂一份買賣協議，以累計代價404,200,000港元收購光凱全部已發行股本及股東貸款。光凱及其附屬公司之主要資產為衛生紙製造廠房及設備。於本集團取得光凱之控制權時，生產線處安裝階段。此收購已以收購資產及負債入賬。

所收購綜合淨資產概述如下：

| | | HK\$'000 千港元 |
|--|--------------------------|-----------------|
| Net assets acquired: | 收購淨資產： | |
| Deposit paid for acquisition of land use rights | 購置土地使用權所付訂金 | 12,500 |
| Plant and equipment | 廠房及設備 | 354,713 |
| Inventories | 存貨 | 6,225 |
| Other receivables | 應收其他賬款 | 19,107 |
| Bank balances and cash | 銀行結餘及現金 | 50,442 |
| Trade and other payables | 應付貿易及其他賬款 | (12,391) |
| Bank import loans | 銀行進口貸款 | (26,396) |
| | | |
| Total consideration satisfied by cash | 合共現金代價 | 404,200 |
| Net cash outflow arising on the acquisition of assets and liabilities through acquisition of subsidiaries: | 透過收購附屬公司引起的收購資產及負債現金淨流出： | |
| Cash consideration paid | 已付現金代價 | 164,150 |
| Less: bank balances and cash acquired | 減：收購銀行結餘及現金 | (50,442) |
| | | 113,708 |



33. ACQUISITION OF ASSETS AND LIABILITIES (CONTINUED)

As at 31 December 2014, HK\$240,050,000 of the consideration was not yet settled and was included in amounts due to substantial shareholders in the consolidated statement of financial position.

Included in the profit for the year is HK\$7,298,000 attributable to the tissue paper manufacturing business generated by Guang Kai. Revenue for the year includes HK\$74,413,000 generated by Guang Kai. Had the acquisition been completed on 1 January 2014, total group revenue for the year would have been the same and profit for the year would have been decreased by HK\$10,791,000. The directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

34. NON-CASH TRANSACTIONS

For the year ended 31 December 2014, the Group's acquisition of property, plant and equipment was settled through transfer of deposits paid in the prior years to the extent of HK\$115,964,000 (2013: HK\$115,781,000).

For the year ended 31 December 2014, the Group's acquisition of assets and liabilities was settled through current account with substantial shareholders to the extent of HK\$240,050,000 (2013: Nil).

33. 收購資產及負債(續)

於2014年12月31日，尚有240,050,000港元代價仍未支付及已包括在綜合財務狀況表內應付主要股東款項中。

年度盈利包括應佔衛生紙製造業務7,298,000港元乃由光凱產生。年內收入包括74,413,000港元由光凱產生。假設收購已於2014年1月1日完成，年度集團總收入將不變及年內盈利將減少10,791,000港元。本公司董事認為此等備考數字按年度基準呈示合併集團表現的概約計量，及為未來期間提供比較參考。

34. 非現金交易

於截至2014年12月31日止年度，本集團購置物業、廠房及設備之115,964,000港元(2013年：115,781,000港元)乃從過往年度的已付訂金轉撥。

於截至2014年12月31日止年度，本集團透過主要股東之往來賬收購資產及負債款項達240,050,000港元(2013年：無)。



35. RELATED AND CONNECTED PARTY DISCLOSURES

During the year, the Group had significant transactions with related parties, certain of which are also deemed to be connected parties pursuant to the Listing Rules. Significant transactions with these parties during the year are as follows:

(i) Related and connected party transactions

| Name of parties 關連人士名稱 | Nature of transactions 交易性質 | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|---|---|----------------------------------|----------------------------------|
| LMIML (as defined in note 20) 理文實業(定義見附註20) | Finished goods sold by the Group 集團出售製成品 | 46,351 | 53,716 |
| | Electricity and steam fee received by the Group 提供蒸氣及電力之收入 | 2,974 | 3,482 |
| | Raw materials purchased by the Group 集團購買原料 | 748 | 823 |
| | Other materials purchased by the Group 集團購買其他材料 | 6,985 | 14,947 |
| Lee & Man Paper Products Company Limited (note i) 理文紙品有限公司(附註i) | Licence fee expenses incurred by the Group 集團許可權費支出 | 1,825 | 1,811 |
| Jiangsu Chemical (as defined in note 20) 江蘇化工(定義見附註20) | Income from supply of steam and electricity 提供蒸氣及電力之收入 | 76,150 | 76,667 |
| | Raw materials purchased by the Group 集團購買原料 | 12,799 | 4,782 |
| | Rental income of office spaces 辦公室租金收入 | 1,919 | 1,994 |
| Jiangxi Lee & Man Chemical Limited (note ii) 江西理文化工有限公司(附註ii) | Electricity and steam fee paid by the Group 集團已付發電及蒸氣服務費 | 35,648 | 17,689 |
| Nippon Paper (as defined in note 20) 日本製紙(定義見附註20) | Technical assistance fee expenses incurred by the Group 集團技術顧問費支出 | 3,679 | 8,321 |

35. 相關及關連人士披露

年內，本集團與相關人士(若干人士亦同時根據上市規則被視作為關連人士)進行重大交易。年內與該等人士進行的重大交易如下：

(i) 相關及關連人士交易



35. RELATED AND CONNECTED PARTY DISCLOSURES (CONTINUED)

(i) Related and connected party transactions (Continued)

notes:

- (i) The company is indirectly wholly owned by the spouse of Mr Li King Wai Ross (a director of the Company) who is also a daughter of Mr Lee Wan Keung Patrick, the ultimate controlling shareholder of the Company.
- (ii) The company is beneficially owned and controlled by Mr Lee Wan Keung, Patrick, the ultimate controlling shareholder of the Company.

(ii) Related and connected party balances

Details of the Group's outstanding balances with related parties who are also the connected parties are set out in the consolidated statement of financial position and note 20.

(iii) Compensation of key management personnel

The remunerations of the directors and other members of key management during the year were as follows:

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|--------------------------|------|----------------------------------|----------------------------------|
| Short-term benefits | 短期福利 | 34,242 | 13,315 |
| Post-employment benefits | 退休福利 | 17 | 15 |
| | | 34,259 | 13,330 |

35. 相關及關連人士披露(續)

(i) 相關及關連人士交易(續)

附註:

- (i) 該公司為本公司董事李經緯之配偶亦為本公司最終控股股東李運強先生之女兒間接全資擁有。
- (ii) 該公司為本公司最終控股股東李運強先生實益擁有及控制。

(ii) 相關及關連人士結餘

本集團與相關人士同時亦為關連人士之未償還結餘詳情已載列於綜合財務狀況表及附註20。

(iii) 主要管理層成員薪酬

董事及其他主要管理層成員於年內之酬金如下:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

For the year ended 31 December 2014 截至2014年12月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES
OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2014 and 2013 are as follows:

36. 本公司主要附屬公司詳情

本公司主要附屬公司於2014年及2013年12月31日的詳情如下：

| Name of subsidiaries 附屬公司名稱 | Place of incorporation/ establishment/ registration and operations 註冊成立/成立/ 登記及營運地點 | Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本面值/ 註冊資本 | Proportion ownership interest held by the Company 本公司所持擁有權比例 | | | | Principal activities 主要業務 |
|---|---|--|--|---------------|------------------|---------------|---|
| | | | Directly 直接 | | Indirectly 間接 | | |
| | | | 2014 2014年 | 2013 2013年 | 2014 2014年 | 2013 2013年 | |
| Able Advance International Limited | British Virgin Islands (note i) 英屬處女群島(附註i) | Ordinary shares – US\$4 普通股 – 4美元 | 100% | 100% | — | — | Investment holding 投資控股 |
| Lee & Man Industries Company Limited | British Virgin Islands (note i) 英屬處女群島(附註i) | Ordinary share – US\$1 普通股 – 1美元 | — | — | 100% | 100% | Investment holding 投資控股 |
| Vantage Dragon Limited 利龍有限公司 | Hong Kong 香港 | Ordinary shares – HK\$2 普通股 – 2港元 | — | — | 100% | 100% | Investment holding 投資控股 |
| Lee Kwok (Macao Commercial Offshore) Trading Limited 利國(澳門離岸商業服務) 貿易有限公司 | Macau 澳門 | MOP100,000 澳門幣100,000元 | — | — | 100% | 100% | Procurement of raw materials 採購原料 |
| 東莞理文造紙廠有限公司 (「東莞理文」) (Dongguan Lee & Man Paper Factory Co Ltd) (“Dongguan Lee & Man”) | PRC (note ii) 中國(附註ii) | Registered capital – US\$156,480,000 註冊資本 – 156,480,000美元 | — | — | 100% | 100% | Manufacturing and trading of paper 原紙生產及貿易 |
| 廣東理文造紙有限公司 (「廣東理文」) (Guangdong Lee & Man Paper Manufacturing Limited)(“Guangdong Lee & Man”) | PRC (note ii) 中國(附註ii) | Registered capital – US\$680,000,000 註冊資本 – 680,000,000美元 | — | — | 100% | 100% | Manufacturing and trading of paper 原紙生產及貿易 |
| 江蘇理文造紙有限公司 (「江蘇理文」) (Jiangsu Lee & Man Paper Manufacturing Company Limited)(“Jiangsu Lee & Man”) | PRC (note ii) 中國(附註ii) | Registered capital – US\$393,000,000 註冊資本 – 393,000,000美元 | — | — | 100% | 100% | Manufacturing and trading of paper 原紙生產及貿易 |
| 重慶理文造紙有限公司 (「重慶造紙」) (Chongqing Lee & Man Paper Manufacturing Limited) (“Chongqing Paper”) | PRC (note ii) 中國(附註ii) | Registered capital – US\$420,260,000 註冊資本 – 420,260,000美元 | — | — | 100% | 100% | Manufacturing and trading of paper and pulp 原紙及木漿生產及貿易 |



For the year ended 31 December 2014 截至2014年12月31日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

36. 本公司主要附屬公司詳情(續)

| Name of subsidiaries 附屬公司名稱 | Place of incorporation/ establishment/ registration and operations 註冊成立/成立/ 登記及營運地點 | Nominal value of issued and fully paid share capital/ registered capital 已發行及繳足股本面值/ 註冊資本 | Proportion ownership interest held by the Company 本公司所持擁有權比例 | | | | Principal activities 主要業務 |
|---|---|--|--|---------------|------------------|---------------|--|
| | | | Directly 直接 | | Indirectly 間接 | | |
| | | | 2014 2014年 | 2013 2013年 | 2014 2014年 | 2013 2013年 | |
| 江西理文造紙有限公司 (Jiangxi Lee & Man Paper Manufacturing Limited) | PRC (note ii) 中國(附註ii) | Registered capital - US\$100,000,000 註冊資本 - 100,000,000美元 | — | — | 100% | 100% | Manufacturing and trading of paper 原紙生產及貿易 |
| 重慶理文衛生用紙製造有限公司 (「重慶衛生紙」) (Chongqing Lee & Man Tissue Manufacturing Limited) (“Chongqing Tissue”) | PRC (note ii) 中國(附註ii) | Registered capital - US\$30,000,000 註冊資本 - 30,000,000美元 | — | — | 100% | — | Manufacturing and trading of tissue products 衛生紙產品生產及貿易 |
| Vietnam Lee & Man Paper Manufacturing Limited | Vietnam 越南 | US\$64,478,874 64,478,874美元 | — | — | 100% | 100% | Manufacturing and trading of paper 原紙生產及貿易 |

notes:

- (i) These companies operate in Hong Kong.
- (ii) These companies are foreign investment enterprises established in the PRC.

附註：

- (i) 該等公司在香港運作。
- (ii) 該等公司為在中國成立之外商投資企業。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

上表列出據董事認為主要影響本集團業績或資產與負債的本公司附屬公司。董事認為，列出其他附屬公司的詳情會使本附註過於冗長。

於年末或年內任何時間，各附屬公司概無任何未償還的債務證券。



STATEMENT OF FINANCIAL POSITION OF THE COMPANY 本公司財務狀況表

A summarised statement of financial position of the Company as at 31 December 2014 and 2013 is as follows:

本公司於2014年及2013年12月31日之財務狀況表概述如下：

| | | 2014 2014年 HK\$'000 千港元 | 2013 2013年 HK\$'000 千港元 |
|-------------------------------|-------------|----------------------------------|----------------------------------|
| Investments in subsidiaries | 附屬公司投資 | 637,977 | 637,977 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 9,503,994 | 7,382,181 |
| Bank balances | 銀行結餘 | 4,868 | 3,098 |
| Total assets | 資產總值 | 10,146,839 | 8,023,256 |
| Other payables | 應付其他賬款 | 6,331 | 4,256 |
| Unsecured bank borrowings | 無抵押銀行借貸 | 4,966,879 | 2,783,238 |
| Total liabilities | 負債總值 | 4,973,210 | 2,787,494 |
| | | 5,173,629 | 5,235,762 |
| Share capital | 股本 | 116,750 | 117,402 |
| Reserves | 儲備 | 5,056,879 | 5,118,360 |
| Total equity | 總權益 | 5,173,629 | 5,235,762 |



STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)
本公司財務狀況表(續)

Note:

(i) Movement in reserves

附註：

(i) 儲備變動

| | | Share premium 股份溢價 HK\$'000 千港元 | Share options reserve 購股權儲備 HK\$'000 千港元 | Contributed surplus 實繳盈餘 HK\$'000 千港元 | Retained profits 留存盈利 HK\$'000 千港元 | Total equity 權益總值 HK\$'000 千港元 |
|---------------------------------------|-------------|---|---|---|--|--|
| At 1 January 2013 | 2013年1月1日 | 4,624,592 | 35,450 | 634,977 | 21,470 | 5,316,489 |
| Exercise of share options | 行使購股權 | 158,583 | (35,450) | — | — | 123,133 |
| Shares repurchased and cancelled | 股份購回及註銷 | (307,763) | — | — | — | (307,763) |
| Profit for the year | 年度盈利 | — | — | — | 564,697 | 564,697 |
| Dividends recognised as distributions | 確認為分派之股息 | — | — | — | (578,196) | (578,196) |
| At 31 December 2013 | 2013年12月31日 | 4,475,412 | — | 634,977 | 7,971 | 5,118,360 |
| Shares repurchased and cancelled | 股份購回及註銷 | (110,496) | — | — | — | (110,496) |
| Profit for the year | 年度盈利 | — | — | — | 708,562 | 708,562 |
| Dividends recognised as distributions | 確認為分派之股息 | — | — | — | (659,547) | (659,547) |
| At 31 December 2014 | 2014年12月31日 | 4,364,916 | — | 634,977 | 56,986 | 5,056,879 |

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in September 2003 and the nominal value of the Company's shares issued for the acquisition.

本公司之實繳盈餘乃本公司透過2003年9月之集團重組所收購之附屬公司之有形資產淨值總額與本公司就該收購而發行之股本面值之差額。



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