



# EMBRY HOLDINGS LIMITED

STRIVING FOR EXCELLENCE

ANNUAL REPORT 2012

安緒芬控股有限公司 二零一二年年報 追求卓越





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安莉芳控股有限公司 二零一二年年報 追求卓越

Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司 Stock Code 股份代號：1388

# Sales Network 銷售網絡

## An Extensive Network Capturing Growing Opportunities in China

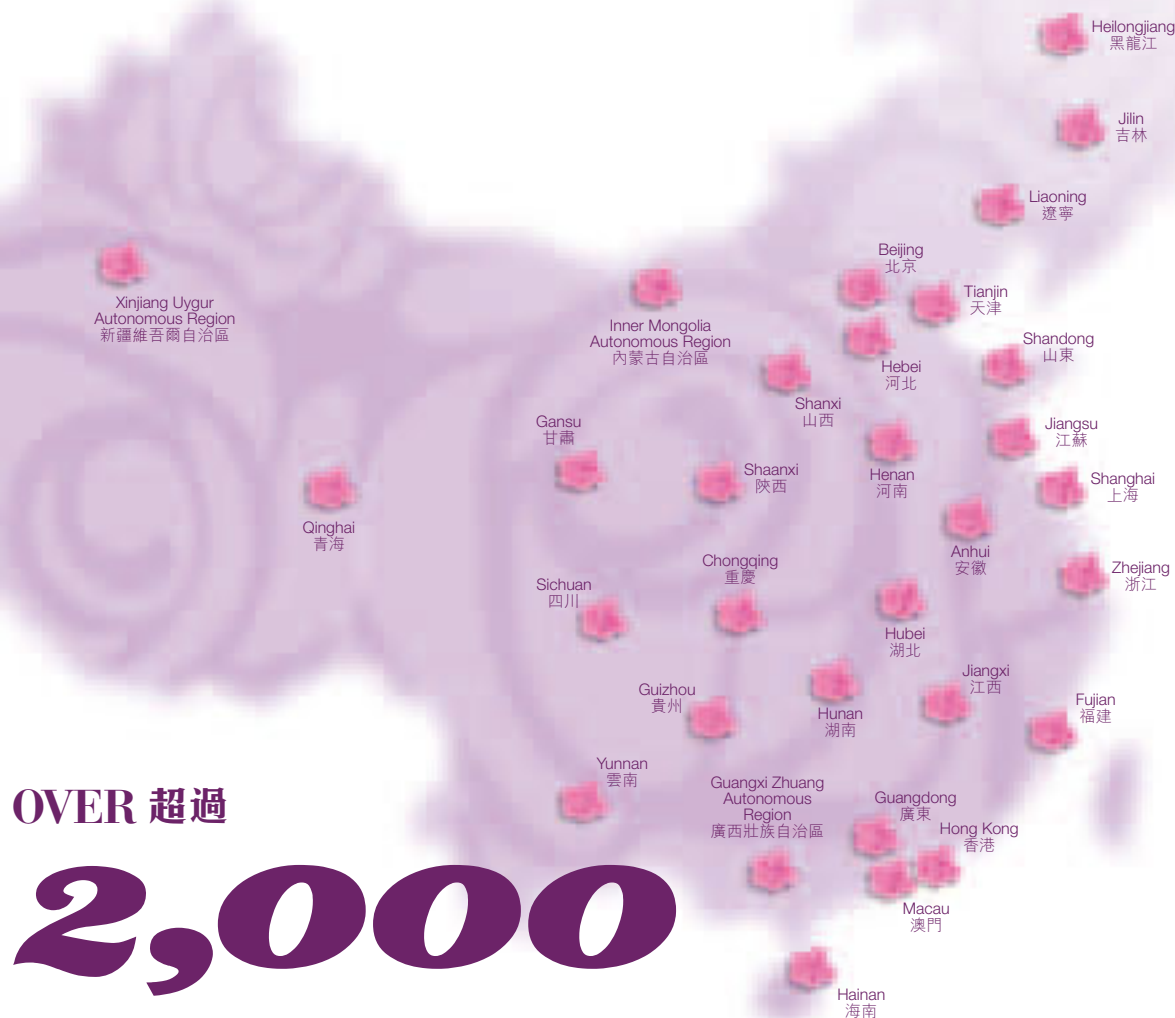
The Group's sales points span the whole nation, with footprints in all major cities such as Beijing, Shanghai, Chongqing, Tianjin, Guangzhou, Hong Kong and Macau. Such an extensive network enables the Group to efficiently respond to customer needs and deepen its market penetration in China.

As at 31 December 2012, the Group had a total of 2,121 retail outlets, comprising 1,932 concessionary counters and 189 retail shops in Mainland China, Hong Kong and Macau.

## 龐大網絡 中國市場潛力無限

本集團的銷售點遍佈全國各地，覆蓋所有主要城市，如北京、上海、重慶、天津、廣州、香港及澳門。透過這個龐大的銷售網絡，本集團能迅速有效地回應消費者需要，進一步滲透中國市場。

截至二零一二年十二月三十一日止，本集團共有2,121個零售點，包括在中國大陸、香港及澳門1,932個百貨公司專櫃及189個零售商舖。



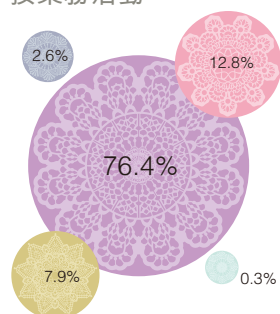
OVER 超過

# 2,000

RETAIL OUTLETS  
個零售點

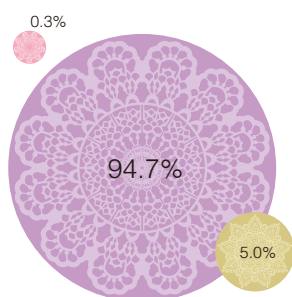
# Financial Highlights 財務摘要

## By Business Activities 按業務活動



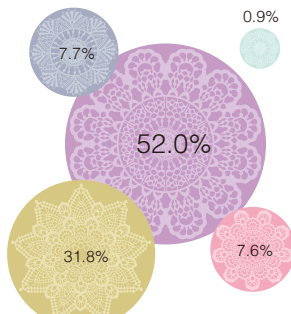
	2012	2011
Concessionary counters 銷售專櫃	<b>76.4%</b>	75.1%
Retail stores 零售店舖	<b>7.9%</b>	8.0%
Wholesale 批發	<b>12.8%</b>	14.5%
Internet 網上銷售	<b>2.6%</b>	1.6%
Original design manufacturer ("ODM") 原設計製造商 ("ODM")	<b>0.3%</b>	0.8%

## By Locations 按地區



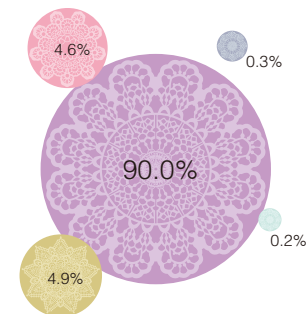
	2012	2011
Mainland China 中國大陸	<b>94.7%</b>	93.8%
Hong Kong 香港	<b>5.0%</b>	5.4%
Other 其他	<b>0.3%</b>	0.8%

## By Brands 按品牌



	2012	2011
Embry Form 安莉芳	<b>52.0%</b>	52.8%
Fandecie 芬狄詩	<b>31.8%</b>	34.3%
Comfit 芬狄詩	<b>7.6%</b>	5.3%
E-BRA 安莉芳	<b>7.7%</b>	6.4%
ODM products and others ODM 產品及其他	<b>0.9%</b>	1.2%

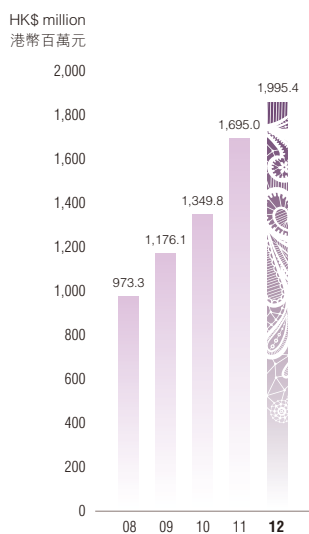
## By Products 按產品



	2012	2011
Lingerie 女性內衣	<b>90.0%</b>	88.1%
Sleepwear 睡衣	<b>4.9%</b>	5.4%
Swimwear 泳衣	<b>4.6%</b>	5.3%
ODM products ODM 產品	<b>0.3%</b>	0.8%
Other products 其他產品	<b>0.2%</b>	0.4%

## Revenue 收益

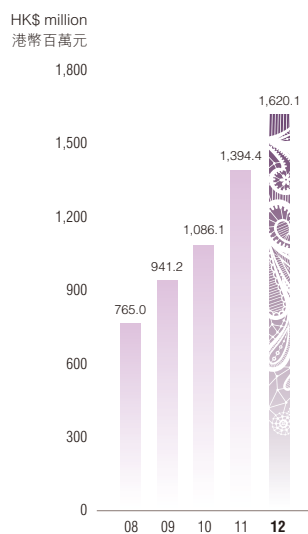
CAGR 19.7%  
複合年增長率



For the year ended December 31  
截至十二月三十一日止年度

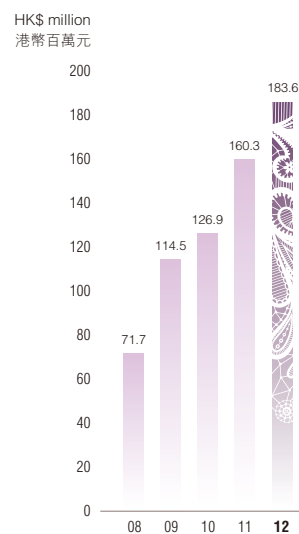
## Gross Profit 毛利

CAGR 20.6%  
複合年增長率



For the year ended December 31  
截至十二月三十一日止年度

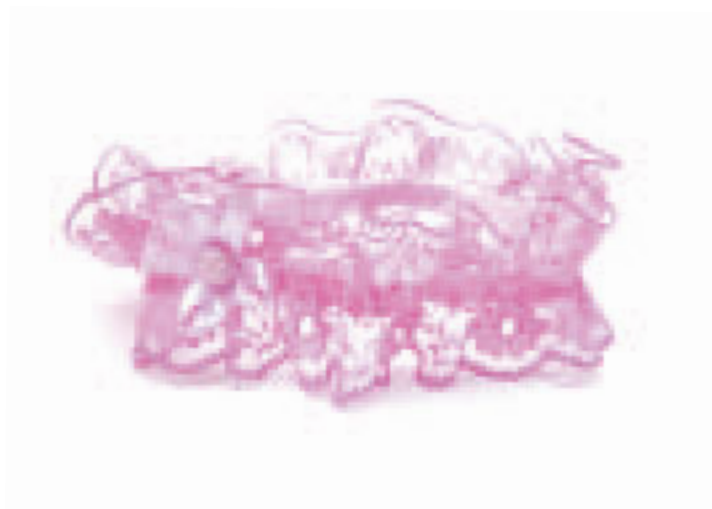
## Profit for the Year Attributable to Owners of the Company 本公司擁有人應佔年度溢利



For the year ended December 31 (Restated)  
截至十二月三十一日止年度(重列)

# C *ontents*

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# Corporate Information

## Directors and Board Committees

### Directors

#### Executive Directors

CHENG Man Tai (*Chairman*)

CHENG Pik Ho Liza

(*Chief Executive Officer*)

NGOK Ming Chu

#### Independent Non-Executive Directors

LAU Siu Ki (alias, Kevin Lau)

LEE Kwan Hung

LEE T. S. (alias, Lee Tien-sheng)

### Board Committees

#### Audit Committee

LAU Siu Ki (alias, Kevin Lau) (*Chairman*)

LEE Kwan Hung

LEE T. S. (alias, Lee Tien-sheng)

#### Remuneration Committee

LEE Kwan Hung (*Chairman*)

CHENG Pik Ho Liza

LAU Siu Ki (alias, Kevin Lau)

LEE T. S. (alias, Lee Tien-sheng)

#### Nomination Committee

LEE T. S. (alias, Lee Tien-sheng)

(*Chairman*)

CHENG Pik Ho Liza

LAU Siu Ki (alias, Kevin Lau)

LEE Kwan Hung

## Compliance Officer

CHENG Pik Ho Liza

## Company Secretary

SO Ka Man

## Registered Office

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## Head Office and Principal Place of Business

7th Floor, Wyler Centre II

200 Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

## Principal Bankers

Hang Seng Bank Limited

The Hongkong and Shanghai Banking

Corporation Limited

Nanyang Commercial Bank, Limited

Bank of China — Shenzhen Shangbu

Branch

China Construction Bank — Shenzhen

Buxin Branch

China Construction Bank — Shenzhen

Tianbei Branch

China Merchants Bank — Shenzhen

Dongmen Branch

China Merchants Bank — Shenzhen

Shekou Branch

## Legal Advisers

As to Hong Kong law:

Chiu & Partners

As to PRC law:

GFE Law Office

AllBright Law Offices

## Auditors

Ernst & Young

22nd Floor, CITIC Tower

1 Tim Mei Avenue, Central

Hong Kong

## Share Registrars

Principal Share Registrar and  
Transfer Office in the  
Cayman Islands

Royal Bank of Canada Trust Company  
(Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

Cayman Islands

Branch Share Registrar and  
Transfer Office in Hong Kong

Tricor Investor Services Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

## Investor Relations

iPR Ogilvy Limited

## Website

[www.embrygroup.com](http://www.embrygroup.com)

## Stock Code

1388





***The Group successfully demonstrated its resilience in responding to changes occurring in the market.***

# Chairman's Statement



**Mr. Cheng Man Tai**  
Chairman of the Group

To All Shareholders,

It is my great pleasure to present the audited annual results of Embry Holdings Limited for the year ended 31 December 2012 on behalf of the Board of Directors.

In 2012, the global economy endured numerous obstacles. The pace of recovery in developed economies slowed measurably, while growth in emerging economies also decelerated. In addition, China's economic development was affected by uncertainties arising from changes in the political landscape in Europe and North America, with the slowest growth recorded over the past 13 years. This resulted in inevitable impacts on the business environment.

On the back of a global economic slowdown, growth in China's domestic consumption also slowed. In 2012, the total retail sales of consumer goods increased by 14.3% year-on-year to RMB 20,716.7 billion, nonetheless 2.8 percentage points slower than the growth registered a year ago. In view of economic changes, consumers turned cautious about spending, exerting pressure on the retail sector. However, the continuous rise of income levels and the acceleration of urbanisation continued to lend support to China's domestic consumption, and therefore the retail sector was able to grow at a relatively fast pace.





## Chairman's Statement (continued)

As one of the leading lingerie retailers in China, Embry continued to achieve satisfactory performance and seized opportunities arising from the market crises by leveraging its brand awareness, proprietary product design, superior quality, flexible business strategies, and nationwide retail network.

In 2012, the Group's turnover recorded a double-digit growth for the sixth consecutive year since its listing. Net profit grew to HK\$183,562,000 in 2012 from HK\$160,283,000 recorded for the preceding year. To reward and thank our shareholders for their long-term support, the Board of Directors recommends the payment of a final dividend of HK7.00 cents per share and a special dividend of HK2.00 cents per share.

Both brand building and development serve as the key to the ongoing, healthy development of the Group. They also play an important role in helping the Group withstand external impacts and pursue its business goals. During the year, the Group made continuous efforts in promoting its brands. Besides consolidating its existing brand advantages, the Group also launched a new brand to meet the changing market needs. The Group also continued to actively upgrade its own branded products, flexibly formulate marketing and promotional plans, and strategically expand its retail network, with a view to further consolidating its top-notch niche in the domestic lingerie market.

Amid a fast-paced business environment, the Group successfully demonstrated its resilience in responding to changes occurring in the market. By optimising its brand resources, the Group's brand advantages became more apparent. **EMBRY FORM** and **FANDECIE**, the Group's two major brands, continued to be adored by consumers and recorded satisfactory sales, evidenced by its leading position in the brand ranking. **EMBRY FORM**, our flagship brand, was awarded "**The Best-Selling Lingerie Products in the Industry in China in terms of Volume, Sales, Market Share**" for the seventeenth consecutive year. **EMBRY FORM** has also retained the honour as both the "**Signature Brand of the Industry in China**" and the "**Hong Kong Top Brand**". Meanwhile, **FANDECIE** was awarded the "**Top 10 Best Sellers in the Industry in China**" for the seventh consecutive year.

In addition, **COMFIT**, **LIZA CHENG** and **E-BRA**, continued to meet consumers' growing demand across all market segments, recording a satisfactory performance during the year. Over the last two years of development, **E-BRA**, the fifth brand of the Group, has successfully established its market presence and brand image. By focusing on what consumers need, the Group will constantly adjust its development directions, marketing and brand building strategies and product design in order to cater for the taste of customers and support our business growth. We are also pleased to announce that the sixth brand **IADORE** was officially launched in December 2012, attracting a group of price-conscious consumers as well as capturing opportunities arising from the improvement in the purchasing power of second- and third-tier cities. We strongly believe that the development of new brands will drive the Group's long-term business growth.

In view of uncertainties clouding the market environment, the Group became more prudent about expanding its sales network. In addition to efforts to meet the rising market demand, the Group was also able to maintain its operational efficiency. During the year, the number of the Group's outlets recorded a net increase of 45. As at 31 December 2012, the total number of the Group's outlets was 2,121, with a network coverage stretching across more than 200 cities in China.

Looking into the future, given the debt issues plaguing European countries and the US, it will be difficult for the economic outlook to attain a significant improvement in short term. To cope with a number of market risks, the Group will prudently monitor and analyse market trends, step up risk management efforts, and formulate and put into practice development strategies in a pragmatic and cautious manner, so as to cope with the challenge posed by market changes and capture the valuable opportunities arising from the steady economic development in China.

In 2013, the Group will strengthen its multi-brand strategy. By exploring the potential value of the existing brands, the Group will strive for a greater market share. In consideration of the huge demand for affordable products from consumers, the Group has already unveiled **E-BRA** and **IADORE**, which will continue to be the development focus this year. Meanwhile, the Group adopts the one-step-at-a-time approach, and will launch a men's underwear brand **IVU** for the first time. As the seventh brand, we are confident that **IVU** will be the first important step before branching out into markets other than lingerie. In line with the promotion of new brands, the Group weighed the potential risks in the business environment, and decided to maintain a prudent approach in planning the development of its sales network. The Group plans to open approximately 150 outlets across the country, and continues to infiltrate into second- and third-tier cities, which will further explore markets with potential and increase the penetration rate of the nationwide sales network.

To put abovementioned strategies into practice, the Group will proactively engage in promotional campaigns in hopes of gaining the long-term support from its customers. The Group will also continue its efforts to seek for product innovations. With various exclusive patented technologies, the Group will develop more proprietary products in order to optimise its product mix and boosts the healthy development of its business. The Group is actively planning to increase its production capacity. Apart from getting prepared for the commencement of the second phase development works of Shandong plant within the year, the Group is also preparing for the construction of a new production plant in Changzhou in order to ensure an expanded production capacity that satisfies the growing demand from consumers.

I would like to take this opportunity to thank all of our employees for their contribution to the Group over the past year. Their contribution has helped Embry achieve fruitful results. I would also like to express my heartfelt gratitude to our shareholders for their enduring support to the Group and for their recognition of the Group's aspirations and strategy for its future development. To show appreciation to our shareholders for their trust, all of us will make unwavering efforts to enhance the performance of the Embry Group as a whole. We will closely collaborate with our shareholders, business partners and customers to build a brighter future.

**Cheng Man Tai**

*Chairman*

Hong Kong, 25 March 2013





*The Group closely monitors the market conditions, adopts flexible and healthy development strategies, and continues to capitalise on the advantages of its multi-brand strategy.*



# Management Discussion and Analysis



## Business and Operations Review

In 2012, the global economy and political landscape remained uncertain, continuing to overshadow the market outlook. Economic growth slowed down constantly in China, with uncertainties looming over the short-term outlook for the economy, these negative factors weighed on the retail sector and their impact was even stronger in the second half of the year. According to China's National Bureau of Statistics, the 2012 Gross Domestic Product (GDP) amounted to RMB51,932.2 billion, representing a year-on-year increase of 7.8%. Total retail sales grew a slower 14.3% year-on-year to reach RMB20,716.7 billion, 2.8 percentage points slower than the growth registered a year ago. It is evident that the slowdown in retail sales reflects a decline in consumer sentiment. Among various consumer goods categories, sales of daily consumer goods such as clothing exhibited a relatively fast growth.

The difficult business environment prompted retailers to promote and offer more discounts to stimulate purchase initiatives, which inevitably intensified competition across the retail sector in the second half year. Faced with an uncertain business environment, the Group moved forward into the second half of the year maintaining the due and cautious development strategy adopted in the first half of the year yet more vigilant with plans to solidify its business foundation. During the year, the Group flexibly adopted a multi-brand strategy and introduced a new brand **IADORE** at the end of the year. The new brand is positioned as affordable pricing, which has further broadened the



## Management Discussion and Analysis (continued)

Group's brand portfolio of which in return helped reach more customers. Meanwhile, the Group also consolidated and optimised its sales network to improve the performance of its stores, aiming to maintain a sustainable and healthy growth in the longer run. To cope with the challenges brought about by the market environment, the Group stepped up its efforts in promotions and advertising in order to mitigate the adverse effects on sales caused by the economic slowdown in the second half. With these measures in place, the Group's business continued to perform satisfactorily.

For the year ended 31 December 2012 (the "Current Year"), the Group's revenue grew by 17.72% over that of the year ended 31 December 2011 (the "Prior Year") to HK\$1,995,356,000. The increase in selling and distribution expenses during the year approximated that of revenue, up by 18.95%. Profit attributable to owners of the Company was HK\$183,562,000, which increased by 14.52% compared against that of the Prior Year. Earnings per share amounted to HK44.38 cents (2011: HK39.15 cents), representing an increase of 13.36%.

The Board of Directors of the Company resolved to declare a final dividend of HK7.00 cents per share (2011: HK7.00 cents) and a special dividend of HK2.00 cents per share (2011: HK2.00 cents) for the Current Year. Together with the interim dividend of HK4.00 cents per share (2011: HK3.00 cents) distributed, the dividend on an annual basis was HK13.00 cents per share, representing an increase of 8.33% over the Prior Year.





### Brand management

In 2012, on the back of slower economic growth, consumers became more cautious with their spendings, and more sensitive to product prices. However, in wake of the emerging urbanisation, income of China's residents in the second- and third-tier cities continued to increase which gradually released their purchasing power. To cope with the market changes, the Group continued to leverage its multi-brand strategy, made better use of its resources, and focused on promoting high-potential brands with low penetration rate, such as **COMFIT** and **E-BRA**. As a result of these efforts, both brands attained satisfactory growth during the year.

To seize the opportunities arising from the stronger purchasing power in the second- and third-tier cities, the Group officially launched a new brand **IADORE** in December 2012. The number of brands operated by the Group has increased to six: **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **IADORE** and **LIZA CHENG**. **IADORE** boasts a fresh and fashionable image that appeals to the customer group with increasing purchasing power. The debut of the brand has gained positive market response. The Group intends to further improve its brand portfolio through this new brand.



## Management Discussion and Analysis (continued)



Publicity and promotion are integral parts of brand management. During the year, the Group actively promoted and advertised its brands and products through various channels in attempts to enhance the brand equity. For instance, the Group organised a number of promotional and marketing campaigns during the year, including “EMBRY FORM’s Fashion Brings Transformation & Appreciation Salon” (「安莉芳時尚蛻變 • 感恩相約沙龍展」), “FANDECIE’s Magic Pioneer Party” (「芬狄詩魔力先鋒派對」), “COMFIT’s Revolutionary Body-Sculpting Lingerie City Tour” (「COMFIT 內衣美體新革命城市巡展」), and “E-BRA’s Beauty Hunting School Function” (「E-BRA 尋找都市麗人校園活動」). All these activities enabled us to enhance market penetration and brand awareness. It also strengthened the relationship between the Group and distributors as well as customers across the country, thus further boosting product sales.

### Sales network

The Group cautiously expanded its sales network during the year to optimise the risk-return balance amid a changing market environment. During the Current Year, the number of retail outlets of the Group registered a net increase of 45 to 2,121 retail outlets as at 31 December 2012. Among them were 1,932 and 189 concessionary counters and stores respectively.

### Product design and research and development

The Group continued to invest resources in design, research and development of new products. Through constant optimisation in the application of patented designs, the value of our products was enhanced and the need of the Group’s customers at different levels was satisfied. During the Current Year, the Group rolled out a variety of new collections, including **EMBRY FORM**’s “Couture Romance Collection” (「浪漫華裳系列」) and “Leopard Embroidery Series” (「刺繡豹紋系列」), **FANDECIE**’s “Party Princess Series” (「派對公主系列」) and “LUCIE Spring and Summer

Series” (「LUCIE 春夏系列」), **COMFIT**’s “Super Skin Comfort U3 Series” (「超舒膚 U3 系列」) and “CARE FOR MISS Series” (CARE FOR MISS 系列), and **E-BRA**’s “Paris’ Night Series” (「夜色巴黎系列」) and “Wonderful Florescence Series” (「曼妙花期系列」) and others.

As of 31 December 2012, the Group had 2 invention patents, 28 utility model patents, and 13 appearance design patents, which were registered in China and/or other parts of the world.

### Production capacity

Currently, the Group has three production bases located in Shenzhen, Jinan and Changzhou respectively. The Group closely monitors the changes in the demand of the consumer market. Through regular review of the capacity allocation and flexible deployment of workshop manpower and machine capacity, the Group actively responded to the impact of the instability of the global economic situation, so as to achieve better operational efficiency.

### Awards

In the Current Year, **EMBRY FORM** was honoured as the “**The Best-Selling Lingerie Products in the Industry in China in terms of Volume, Sales, Market Share**” by the China Industrial Information Issuing Centre (the “Issuing Centre”) (中國行業企業信息發佈中心). The Group has been awarded this honour for seventeen consecutive years. The Group was also awarded with the honour of “**The Most Trusted Consumer Brand in 2012**”. **FANDECIE**, another brand of the Group, was also awarded the “**Top 10 Best Sellers in the Industry in China**” for the seventh consecutive year by the Issuing Centre. In addition, **EMBRY FORM** was not only recognised by the China Brand Research Institute as the “**Signature Brand of the Industry in China**” (中國文胸行業標誌性品牌), but also was rated as the “**Hong Kong Top Brand**” by the Hong Kong Brand Development Council and the Chinese Manufacturers’ Association of Hong Kong for six consecutive years.



# Management Discussion and Analysis (continued)

## Human resources

The robust labour market in China has resulted in a continuous rise in wage pressures. Quality human resources are the core value of the Group. The Group endeavored to enhance staff loyalty through the organization of training courses and cultural activities and improvement in employee benefits. In order to further improve the overall production and operational efficiency, the Group fine-tuned its productivity plan and expanded the sales network. In line with this, the number of employees of the Group was slightly reduced to approximately 8,430 (2011: approximately 8,500). Total staff costs (including wages and basic salaries, commissions, bonuses, contributions to the retirement benefits scheme and equity-settled share option expense) for the Current Year was HK\$535,792,000 (2011: HK\$499,971,000).

## Financial Review

### Revenue

#### *By sales channel and region*

During the Current Year, revenue was HK\$1,995,356,000, representing growth of 17.72% when compared with the Prior Year. The growth in revenue was mainly attributable to the success of the Group's multi-brand strategy and the steady growth in the overall customer demand amid the volatile market conditions.

During the Current Year, revenue from the retail sales was HK\$1,681,051,000, accounting for 84.25% of the Group's total revenue and representing an increase of 19.29% over the Prior Year. This was in line with the conditions of the retail and consumer market in China. Revenue of the wholesale business increased by 3.96% from HK\$244,990,000 to HK\$254,694,000, accounting for 12.76% of the total revenue. The wholesale business's growth slowed down significantly, mainly reflecting the uncertainties over the economic outlook during the period. Wholesalers were more cautious when placing orders and the Group also prudently limited their shipment. Thus, the orders placed by wholesalers were affected. The export business for this year accounted for an insignificant proportion of the Group's total revenue with revenue amounted to HK\$6,755,000, accounting for 0.34% of the total revenue. During the Current Year, income derived from the Group's direct online sales channels recorded an increase, and generated a revenue contribution of HK\$52,856,000, representing growth of 93.51% as compared against the Prior Year. This reflected the better use of online sales by the Group as the sales platform.

The Mainland China market is the main source of income for the Group. During the Current Year, revenue from the Mainland China market amounted to HK\$1,888,591,000, accounting for 94.65% of the Group's total revenue and representing an increase of 18.76% over the Prior Year.

#### *By brand and product line*

At present, the Group operates six brands: **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **IADORE** and **LIZA CHENG** for customers of different age groups and purchasing power. During the Current Year, sales growth was attained for each of the six brands of the Group. **EMBRY FORM**, our signature brand, is the main source of income for the Group with a sales increase of 15.77% to HK\$1,036,824,000, accounting for 51.96% of the total revenue for the year. **FANDECIE** contributed to 9.14% growth, with revenue increasing to HK\$635,229,000, accounting for 31.83% of the total revenue for the year. **COMFIT** achieved better performance, revenue of which grew by 69.00% over the Prior Year to HK\$150,662,000, accounting for 7.55% of the total revenue for the year. **E-BRA** recorded revenue growth of 40.84% over the Prior Year to HK\$153,196,000, accounting for 7.68% of the total revenue for the year. In respect of **LIZA CHENG**, revenue for the Current Year increased by 104.35% to HK\$12,120,000. **IADORE**



remained at the infant stage, thus accounting for an insignificant proportion of the Group's total sales. All brands' respective proportion in the revenue mainly reflected the results from the adjusted development focus of all brands by the Group based on market development.

Lingerie has always been the core product line of the Group. During the Current Year, sales of lingerie were HK\$1,796,283,000, accounting for 90.02% of the Group's revenue and representing an increase of 20.25% over the Prior Year. Sleepwear recorded a growth of 7.29%, whereas sales of swimwear maintained stable level, with an increase of 0.26%. Sales of sleepwear and swimwear for the Current Year were HK\$97,261,000 and HK\$90,772,000 respectively, accounting for 4.87% and 4.55% of the Group's revenue respectively. The two product lines will help extend the development of the Group's product diversification.

### Gross profit

During the Current Year, the Group recorded a gross profit of approximately HK\$1,620,139,000, representing growth of about 16.19% over the Prior Year. Gross profit margin was approximately 81.20%, down modestly from the Prior Year. Despite rising labour costs which have led to increasing pressures on labour cost, the Group's business expansion has further enhanced economies of scale. Coupled with the enhancement of brand equity, the Group's gross profit margin remained at a stable level.

### Other income and gains

Other income decreased slightly by 0.41% to HK\$57,287,000 in the Current Year. Subsidy Income for the Current Year was about HK\$26,898,000. This income represented the subsidies received by the Group from the local municipal government. As property prices in Hong Kong and Mainland China surged, the Group recorded capital appreciation of HK\$11,177,000 from the changes in the fair value of its investment properties, representing an increase of HK\$261,000 over the Prior Year. In addition, exchange gains amounting to HK\$6,956,000 was also recorded for the Current Year. These gains were derived from the appreciation of Renminbi arising from business operations in the Mainland China. The Group's interest income increased by 199.77% to HK\$2,557,000 during the Current Year. The increase was due to increase in cash balances at banks arising from the operating income for the Current Year.

### Operating expenses

During the Current Year, selling and distribution expenses increased by 18.95% to HK\$1,209,822,000 (2011: HK\$1,017,100,000), representing 60.63% (2011: 60.01%) of the Group's revenue.

Selling and distribution expenses generally increased at the same pace as revenue, and the ongoing increases in contingent rents of the retail outlets and staff costs as well as increasing expenses incurred from the advertising and counter decoration continued to exert upward pressure on operating costs. Contingent rents of the retail outlets rose by 19.31% to HK\$492,312,000, accounting for 24.67% (2011: 24.34%) of the Group's revenue.

Administrative expenses decreased by 0.66% to HK\$193,786,000, accounting for 9.71% of the Group's revenue, compared with 11.51% in the Prior Year.

### Tax

The Group's effective tax rate was 29.57% in the Current Year, compared to 30.69% in the Prior Year.

## Management Discussion and Analysis (continued)

### Net profit

Profit attributable to owners of the Company was HK\$183,562,000 in the Current Year, representing an increase of 14.52% over the Prior Year. Increase in profit attributable to owners of the Company was mainly attributable to the sustained growth in revenue, which was partially offset by the increased operating costs. Net profit margin decreased slightly from 9.46% in the Prior Year to 9.20%.

### Liquidity and financial resources

The Group generally finances its operations with internally generated cash flows. Financial position of the Group remained sound and healthy during the Current Year. As at 31 December 2012, the Group's cash and cash equivalents amounted to approximately HK\$382,796,000 (2011: HK\$179,607,000). As at 31 December 2012, the Group's borrowings amounted to HK\$178,500,000 (2011: HK\$211,500,000). During the Current Year, the Group did not pledge any assets to secure bank loans. Gearing ratio of the Group was approximately 12.42% as at 31 December 2012 (2011: 16.61%).

### Capital structure

As at 31 December 2012, the total issued share capital of the Company was HK\$4,166,000 (2011: HK\$4,113,000), comprising 416,661,000 (2011: 411,324,000) ordinary shares of HK\$0.01 each. The increase in the number of issued shares was due to the exercise of the share options granted under the share option scheme by certain directors and employees of the Group.

Details of the above are set out in note 31 to the financial statements.

### Significant investment held, material acquisitions and disposals of subsidiaries and associated companies

During the Current Year, the Group was neither involved in any significant investment, nor any material acquisitions or disposals of any subsidiaries or associated companies.

### Capital expenditure

The capital expenditure of the Group during the Current Year amounted to HK\$25,613,000 (2011: HK\$53,259,000).

### Charge on the Group's assets

As at 31 December 2012, the Group did not pledge any assets.

### Foreign currency exposure

The Group carries out its trading transactions mainly in Hong Kong dollars and Renminbi. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of the business.

### Contingent liabilities

A subsidiary of the Company was enquired by certain government bodies regarding the compliance of relevant foreign exchange rules in the PRC in relation to the remittance and use of funds in the course of purchase of the Embry Tower in Shanghai in 2009 and 2010. In the opinion of the directors, based on the legal advice from the Group's legal counsels, since the enquiry process is not yet concluded, whether or not the relevant company will be subject to any punishment and, if so, the amount of the ultimate liabilities (if any) cannot be measured with sufficient reliability, therefore no provision has been made at this time.



Save as disclosed above, the Group has no other significant contingent liabilities, nor any litigation or arbitration of material importance.

### Event after the reporting period

Subsequent to the end of the reporting period, on 20 February 2013, the Group entered into a construction contract with an independent third party (the “Contractor”), pursuant to which the Contractor is to provide certain construction services to the Group for Shandong Factory Phase II development at the consideration of RMB83,000,000 (equivalent to approximately HK\$103,750,000). Further details of this construction contract were disclosed in the Company’s announcement dated 20 February 2013.

### Prospect

Looking into 2013, global economic outlook remains uncertain, and there are many uncertain factors hovering over the macroeconomic environment. In addition, the debt crisis in Europe, the sluggish US economy, as well as the continued slowdown in China’s economy, will likely paint a bleak picture, which may dampen consumer confidence and therefore bring more challenges to the retail market.

As the market leader in the lingerie industry in China, the Group constantly maintains a prudent but positive attitude over its business development. Meanwhile, the Group closely monitors the market conditions and adopts flexible and healthy development strategies. Faced with the complicated market environment, the Group will continue to capitalise on the advantages of its multi-brand strategy, and proactively cater to the consumer needs in the markets. While fostering new brands, the Group continues to sharpen the competitive edges of its core brands. In the second half year, the Group plans to roll out men’s underwear brand **IVU** as the first step to tap into the men’s underwear market.

In view of the currently affected market environment, the Group will exercise precaution over the expansion and optimisation of its sales network. Striking a balance between speed and efficiency of network expansion, the Group plans to increase additional retail outlets of approximately 150 for 2013, while vigorously enhancing the performance of its stores. To cope with the business expansion and the development of new brands, the Group will inject additional capital to scale up its production capacity this year. In 2013, the Group will initiate the second phase development of Shandong plant with its preliminary stage expected to be in operation by the end of 2013. Also, the Group will commence the preparation for construction of a new production plant in Changzhou.

Despite a changing business environment, the persistent economic growth in China as well as the continued urbanisation will keep elevating national income and living standards of consumers in China. As a result, the Group believes there remains to be enormous potential in the underwear market in China. The Group will leverage its powerful multi-brand edges as well as sound and pragmatic development strategies, and constantly optimise its sales network and develop an enriched diversity of innovative product portfolio in order to fortify the Group’s leading position in the retail market, thereby fostering long-term and steady business growth and creating satisfactory returns for our shareholders.

# Awards

*These awards illustrated that the Group has carved out a leading niche and a notable reputation in the market.*



# Awards in 2012



- **EMBRY FORM** was accredited as **The 2012 Best-Selling Lingerie Products in the Industry in China** by the China Industrial Information Issuing Centre. It has been the seventeenth consecutive year for **EMBRY FORM** to rank **the first in volume, sales and market share**
- **EMBRY FORM** was also named as **The Most Trusted Consumer Brand in 2012** by the China Industrial Information Issuing Centre
- **FANDECIE** was accredited as the **Top 10 Best Sellers in the Industry in China** from 2006 to 2012 by the China Industrial Information Issuing Centre
- **EMBRY FORM** received the **Hong Kong Top Brand (2007–2012)** award from the Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong
- **EMBRY FORM** was awarded the **Quality Tourism Services Scheme Certification Mark (2012)** by the Hong Kong Tourism Board
- **Emby (China) Garments Ltd.** received the **Chinese Women Charity Award – Contribution Award** from the All-China Women's Federation and China Women's Development Foundation and was named as a **Role Model of Women's Charitable Causes in China** by the China Women's Development Foundation
- **EMBRY FORM** received the **Achievement Award for the Underwear Industry (2011–2012)** in the 2012 China International Underwear Culture Week
- **EMBRY FORM** was accredited by the China Brand Research Institute as the **Signature Brand of the Industry in China**
- **Emby (China) Garments Ltd.** was awarded a certificate of **Top 10 Enterprises in the Knitting Industry in China in terms of Competitiveness for the year 2011/2012** by the Department of Statistics of the Federation of China Textile Industry and the China Knitting Industrial Association
- **Emby Holdings Limited** was honoured as **The Listed Company with the Best Brand Value** at the Golden Bauhinia Awards Presentation which was organized by Ta Kung Pao together with key securities institutions in Hong Kong and Mainland China

# Corporate Social Responsibility



As a leading lingerie brand and retail enterprise in China, Embry always adheres to the integrated values of maintaining a balance among social, economic and environmental development. The Group has been upholding this principle when fulfilling its social responsibility for more than 30 years. In 2012, the Group continued to contribute to society by working for the causes of women's affairs, the common good and environmental protection under the theme "Love and Care".

## Care for Women

Embry spares no effort to commit itself to the charitable causes for women. In 2012, the Group organized a charity sales event named "Let's Fight against Breast Cancer" with the Hong Kong Breast Cancer Foundation to promote breast care again in Hong Kong. Embry donated part of the proceeds from customers' purchase between the first and the thirtieth day of November at its Hong Kong stores to Hong Kong Breast Cancer Foundation.

During the year, the Group jointly organized the "Love in Full Bloom" charitable donation activity with the China Women's Development Foundation for the sixth time. Embry made a donation of RMB7.04 million in kind to the Foundation to help women of ethnic minorities in remote areas in the Mainland and promote care for women's well-being. In November, Embry's lingerie specialists teamed up with the staff of All-China Women's Federation and China Women's Development Foundation and visited Qinghai and Inner Mongolia to promote knowledge about women's health and help women to foster a sense of self-confidence by way of holding health seminars and making donations in kind. Embry has been committed to charitable causes for women in the country for many years, and its outstanding contribution won it an award of "Role Model of Women's Charitable Causes in China" from the China Women's Development Foundation in 2012.



## Employee Participation

The “Walk for a Million” is a popular annual large-scale fund-raising event of The Community Chest of Hong Kong which has drawn huge support and attention from the public over the years. This year, Embry participated in this meaningful fund-raising event again and its staff in Hong Kong also got involved in the “Love Teeth Day” event enthusiastically. Their concerted efforts in contributing to charity work and the good of society echoed the theme of “Love and Care”.

## Concern for Environmental Protection

As a responsible enterprise, Embry has been actively allocating resources to projects that prevent environmental pollution and restore the environment for years in order to strike a balance between corporate development and environmental protection.

Both of Embry’s products and production processes comply with the highest national environmental standards. Back in 2002, Embry pioneered a green lingerie production chain by utilising environmental-friendly production techniques. Embry was the first lingerie enterprise in the industry which was awarded the “Ten-Ring Certification” (「十環標誌」). The accreditation proved that its products met the highest green and eco standards. Integrating the use of ecologically authenticated textiles in its products with its own patented technologies, Embry brings intimate comfort and health protection for women.

In addition, the Group’s eco-industrial park in Shandong has been carrying out a green project in the name of “Beauty Project” (「美麗工程」) where environmental-friendly construction facilities such as renewable energy technology of geothermal heat pumps, energy-saving insulation walls and natural lighting in the production areas are utilised. These facilities help to achieve energy-saving and lower carbon emission, in order to promote sustainable development in the eco-industrial park, thus further reducing the impact on the environment caused by production processes.



# Directors and Senior Management

## Executive Directors

**Mr. Cheng Man Tai**, aged 83, is the Chairman and founder of the Group, and an Executive Director of the Company. He is also a director of certain subsidiaries of the Company. Mr. Cheng is in charge of the Group's corporate strategy. He has over 37 years of experience in the lingerie industry. Mr. Cheng graduated from Beijing Agricultural Engineering University (now known as China Agricultural University) with a Bachelor's degree. He is an Honorary Professor of China Agricultural University. Mr. Cheng obtained the World Outstanding Chinese Award and Honorary Doctorate of Business Management from Armstrong University in July 2006. He was awarded Honorary Fellowship and admitted as Honorary Professor by Canadian Chartered Institute of Business Administration and Lincoln University respectively in September 2009. He was also awarded Senior Fellowship by the Asian College of Knowledge Management in January 2013. Mr. Cheng is also a shareholder and director of Harmonious World Limited (a substantial shareholder of the Company), the spouse of Madam Ngok Ming Chu and the father of Ms. Cheng Pik Ho Liza.

**Madam Ngok Ming Chu**, aged 76, is an Executive Director and a director of certain subsidiaries of the Company. Madam Ngok is in charge of the Group's business planning. She joined the Group in 1980 and has over 32 years of experience in the lingerie industry. Madam Ngok graduated from and is currently an Honorary Professor of Beijing Agricultural Engineering University (now known as China Agricultural University). She is also a shareholder and director of Harmonious World Limited (a substantial shareholder of the Company), the spouse of Mr. Cheng Man Tai and the mother of Ms. Cheng Pik Ho Liza.

**Ms. Cheng Pik Ho Liza**, aged 50, is the Chief Executive Officer of the Group, an Executive Director and a member of both the Remuneration Committee and Nomination Committee of the Company. She is also a director of certain subsidiaries of the Company. Ms. Cheng is responsible for the day-to-day management of the businesses of the Group. Ms. Cheng joined the Group in 1993 and has over 20 years of experience in the lingerie industry. She obtained a Bachelor's degree in Business Administration from the University of Southern California and a Master of Business Administration (Executive) degree from the City University of Hong Kong. Ms. Cheng was awarded the prize for Young Industrialist in Hong Kong in 1999 and was appointed as Vice Chairman of Shanghai Garment Trade Association in 2008. She obtained the World Outstanding Chinese Award and Honorary Doctorate of Business Administration from International American University in March 2009, and was awarded Fellowship and admitted as Visiting Professor by Canadian Chartered Institute of Business Administration and Lincoln University respectively in September 2009. Furthermore, Ms. Cheng was elected the first President of Shenzhen Underwear Association in August 2012. She is currently a member of the Jinan Committee of the Chinese People's Political Consultative Conference in Shandong, a member of the Yangpu Committee of the Chinese People's Political Consultative Conference in Shanghai, a member of the China Trade Advisory Committee of Hong Kong Trade Development Council, the Vice Chairman of China Knitting Industrial Association and the Vice Chairman of The Hong Kong General Chamber of Textiles Limited. Ms. Cheng is also a director of Harmonious World Limited (a substantial shareholder of the Company), and the daughter of Mr. Cheng Man Tai and Madam Ngok Ming Chu.

## Independent Non-Executive Directors

**Mr. Lau Siu Ki, alias, Kevin Lau**, aged 54, is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company. Mr. Lau is currently running his own management consultancy firm, Hin Yan Consultants Limited. Mr. Lau has previously worked at an international accounting firm for over 15 years. He graduated from the Hong Kong Polytechnic in 1981. Mr. Lau is a member of both the Association of Chartered Certified Accountants ("ACCA") and the Hong Kong Institute of Certified Public Accountants. He was a member of the worldwide Council of ACCA from May 2002 to September 2011. Mr. Lau is currently the company secretary of Yeebo (International Holdings) Limited and an independent non-executive director of Binhai Investment Company Limited, COL Capital Limited, Comba Telecom Systems Holdings Limited, Foxconn International Holdings Limited, Samson Holding Ltd. and TCL Communication Technology Holdings Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He had been an independent non-executive director of Greenfield Chemical Holdings Limited, Proview International Holdings Limited and Carry Wealth Holdings Limited, the shares of which are listed on the Stock Exchange, until his resignation on 11 June 2010, 24 August 2010 and 13 July 2011 respectively. In addition, he had been the Company Secretary of Times Ltd., the shares of which were formerly listed on the Stock Exchange. Mr. Lau joined the Company in November 2006.

**Mr. Lee Kwan Hung**, aged 47, is an Independent Non-Executive Director, the Chairman of the Remuneration Committee and a member of both the Audit Committee and Nomination Committee of the Company. Mr. Lee received his LL.B (Honours) degree and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and the United Kingdom in 1997 and is a practising lawyer. Mr. Lee is currently an independent non-executive director of Yuexiu REIT Asset Management Limited (the manager of Yuexiu Real Estate Investment Trust), NetDragon Websoft Inc., Asia Cassava Resources Holdings Limited, Futong Technology Development Holdings Limited, Walker Group Holdings Limited, Newton Resources Ltd, Tenfu (Cayman) Holdings Company Limited, Far East Holdings International Limited and China BlueChemical Ltd., the shares of these companies and the units of the said trust are listed on the Stock Exchange. He had been an independent non-executive director of New Universe International Group Limited, the shares of which are listed on the Stock Exchange, until his resignation on 18 July 2012. Mr. Lee joined the Company in November 2006.

**Prof. Lee T. S., alias, Lee Tien-sheng**, aged 64, is an Independent Non-Executive Director, the Chairman of the Nomination Committee and a member of both the Audit Committee and Remuneration Committee of the Company. Prof. Lee is currently a Professor and the Vice-President (Academic and Research) of Hang Seng Management College. He was the Dean of the Faculty of Business Administration of The Chinese University of Hong Kong from 2002 to 2008. Prof. Lee obtained his PhD in Business Administration and Master's degree in Business Administration from the University of Missouri-Columbia, the US in 1982 and 1978 respectively. He also holds a Master's degree in Management Science and a Bachelor's degree in Electronic Engineering from the National Chiao Tung University of Taiwan. Prof. Lee's research and teaching interests include supply chain management, quality management and business process reengineering. He has published his research in many academic journals. Prof. Lee joined the Company in November 2006.

## Senior Management

**Ms. Fung Kam Lai Katie**, aged 46, is the Group's Chief Financial Officer. Ms. Fung is responsible for the supervision and management of the Group's overall financial matters and investor relations. She joined the Group in March 2007 as the Internal Audit Director and was appointed to the present position in July 2010. Ms. Fung obtained a Master's degree in Business Administration (Executive) from the City University of Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. Ms. Fung has over 23 years of experience in auditing, financial accounting, corporate investment and financing, as well as management.

**Ms. Lu Qun**, aged 59, is the Assistant General Manager (Strategic Management) of Embry (China) Garments Ltd. and also a director of a subsidiary of the Company. She is responsible for the functions of strategic management and project management in Mainland China. Ms. Lu obtained a Master's degree in Business Administration from Beijing University of Aeronautics and Astronautics in 2001. She also obtained an undergraduate diploma in international trade from University of International Business and Economics in 1992. Ms. Lu obtained the International Project Management Professional Certification in 2002 and has over 33 years of experience in management and administration. She joined the Group in April 2003.

**Mr. Ma Rui**, aged 42, is the Assistant General Manager (Marketing) of Embry (China) Garments Ltd. He is responsible for the functions of sales planning and marketing management in Mainland China. Mr. Ma graduated from Changsha University with a diploma in applied computer science in 1992, and is at present studying a master of business administration programme offered by the Shanghai University of Finance and Economics. Mr. Ma has been engaged in various posts in sales and marketing since joining the Group in October 1998. He possesses over 19 years of practical experience in sales and marketing management.

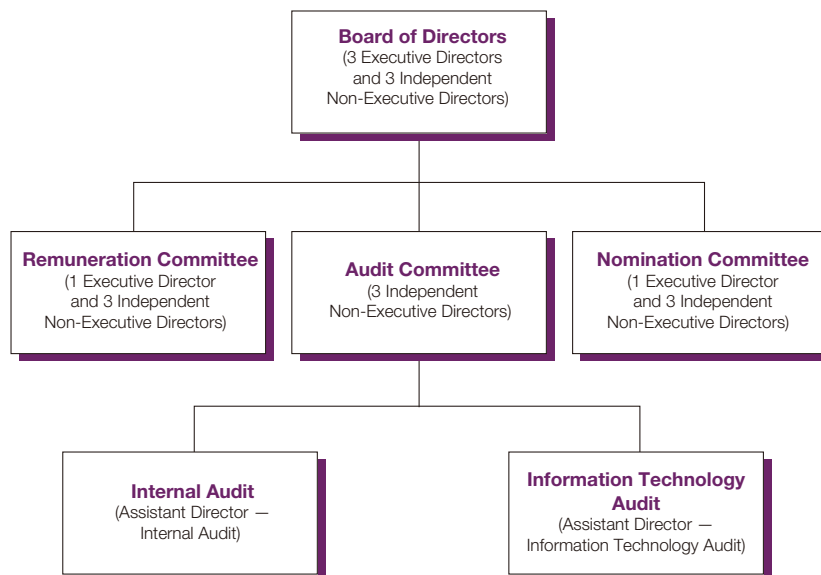
# Corporate Governance Report

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing shareholders' value.

The Company has adopted the Corporate Governance Code (the "CG Code") (formerly the "Code on Corporate Governance Practice") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of corporate governance practices.

The Company complied with the code provisions under the CG Code so far as they are applicable and a majority of the recommended best practices under the CG Code throughout the year ended 31 December 2012 (the "Review Period").

## GOVERNANCE STRUCTURE



## Directors

### Board Composition

The Directors place great emphasis on the fiduciary nature of the Board's responsibilities and strive to be accountable to the shareholders of the Company as a whole.

The Board currently comprises three Executive Directors, namely Mr. Cheng Man Tai (Chairman), Ms. Cheng Pik Ho Liza (Chief Executive Officer) and Madam Ngok Ming Chu; and three Independent Non-Executive Directors, namely Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S. The number of Independent Non-Executive Directors represents more than one third of the Board. The biographical details of and relationships among the members of the Board are disclosed under the section headed "Directors and Senior Management" on pages 20 to 21 of this annual report.

The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership as all the Executive Directors possess extensive experience in management and the design, production and marketing of lingerie products while the three Independent Non-Executive Directors possess professional knowledge and broad experience in finance, law and management respectively. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the shareholders and the Company.



## Appointment, Re-election and Removal of Directors

Article 108 (A) of the articles of association of the Company provides that one-third of the Directors for the time being, or, if their number is not three or multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years at the Company's annual general meeting and shall be eligible for re-election. Under Article 105, the office of a Director of the Company is liable to be vacated in certain circumstances and the Company may remove any Director of the Company by an ordinary resolution at a general meeting as prescribed in Article 114.

The appointment of new Directors and nomination of Directors for re-election at annual general meetings are first considered by the Nomination Committee. The recommendations of the Nomination Committee will then be put to the Board for decision. New Directors appointed by the Board are subject to re-election by shareholders at the next following annual general meeting pursuant to the articles of association of the Company. In considering the appointment of new Directors, the Nomination Committee will assess the candidate according to the criteria set out in Rules 3.08 and 3.09 of the Listing Rules. In the case of a candidate for an Independent Non-Executive Director, he/she should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

## Executive Directors

Each of the Executive Directors has respectively entered into a service agreement with the Company for a fixed term of three years with effect from 1 December 2012. Each Executive Director is entitled to a basic salary plus a guaranteed year-end bonus equivalent to the amount of the then monthly salary of the Executive Director at the time of payment of such bonus. In addition, each Executive Director is entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the Executive Directors for any financial year of the Company shall not exceed 8% of the audited combined or consolidated audited net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) for that financial year of the Company. An Executive Director shall not vote on any resolution of the Directors regarding the amount of the management bonus payable to him/her.

## Independent Non-Executive Directors

Each of the Independent Non-Executive Directors was appointed for an initial term of two years commencing from 25 November 2006 with a formal letter of appointment setting out the key terms and conditions of his appointment. All of them were re-appointed for a further term of two years commencing from 25 November 2012 after the expiry of the third term.

Save for the directors' fees and the share options granted under the Share Option Scheme (as defined on page 38 of this annual report) to each of them, none of the Independent Non-Executive Directors is expected to receive any other remuneration for holding his office as an Independent Non-Executive Director.

The Company annually assesses the independence of each Independent Non-Executive Director during his term of appointment. In February and March 2013, the Company received from each of the Independent Non-Executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations, the Company considers that all the Independent Non-Executive Directors are independent.

## Proceedings of Board Meetings and Board Committee Meetings

The Board considers that all meetings should be legally and properly convened. With the assistance of the Company Secretary, the Chairman of the Board takes the lead to ensure that Board meetings and Board committee meetings are convened in accordance with the requirements set out in the articles of association of the Company, the terms of reference of the respective Board committees and the Listing Rules.

In convening Board meetings, the Chairman is responsible for drawing up and approving the agenda for each meeting after consultation with all the Directors and the Company Secretary. Prior notice of each regular Board meeting is given to all the Directors at least 14 days in advance and the Directors are invited to include matters for discussion in the agenda. Agenda and accompanying Board papers are sent to all the Directors at least 3 days (or such other period as agreed) prior to meetings.

## Corporate Governance Report (continued)

Board meetings are held at least four times a year. In addition, special Board meetings are held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of all the Directors.

Dates of regular Board meetings are scheduled in advance to provide sufficient notice to give all the Directors an opportunity to attend. For special Board meetings, reasonable notice is given.

The Directors have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed.

The minutes of Board meetings record in sufficient detail the matters considered by the Board, including all concerns raised by the Directors and dissenting views expressed. The minutes of all Board meetings and Board committee meetings are available for inspection by any Director, auditors or any relevant eligible parties who can have access to such minutes.

### Directors' Attendance Records

The record of attendance of individual Directors at the Board meetings, Board committee meetings and annual general meeting held during 2012 is set out in the following table:

Directors	Number of Meetings Attended/Held				Annual General Meeting
	Board	Audit Committee	Nomination Committee	Remuneration Committee	
<b>Executive Directors</b>					
Cheng Man Tai ( <i>Chairman</i> )	5/5	N/A	N/A	N/A	1/1
Cheng Pik Ho Liza ( <i>Chief Executive Officer</i> )	5/5	N/A	1/1	3/3	1/1
Ngok Ming Chu	5/5	N/A	N/A	N/A	1/1
<b>Independent Non-Executive Directors</b>					
Lau Siu Ki	5/5	3/3	1/1	3/3	1/1
Lee Kwan Hung	5/5	3/3	1/1	3/3	1/1
Lee T. S.	5/5	3/3	1/1	3/3	1/1
<b>Average Attendance Rate</b>	100%	100%	100%	100%	100%

In addition, the Chairman met once with all the Independent Non-Executive Directors without the presence of the Executive Directors during the Review Period.

### Directors' and Officers' Liability Insurance

The Company has subscribed an insurance policy since December 2006 with an aim to indemnify its Directors and senior executives from any losses, claims, damages, liabilities and expenses arising from, including but not limited to, any proceedings brought against them during the performance of their duties pursuant to their respective service agreements entered into with the Company.

### Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") (with certain modifications but on terms no less exacting than the required standard set out in the Model Code) as set out in Appendix 10 to the Listing Rules as its own code ("Securities Dealing Code") to regulate the securities dealings by all the Directors and relevant employees of the Group.

The Company made specific enquiry of all the Directors who confirmed that they complied with the Securities Dealing Code during the Review Period.

### Continuous Professional Development

Relevant materials on legislative and regulatory updates were circulated to all Directors during the Review Period as to keep them abreast of any changes to the regulations and disclosure obligations. Ms. Cheng Pik Ho Liza, Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S. also attended relevant training courses on management, duties and responsibilities of a director and/or other topics organized by external professional bodies during the Review Period to develop and refresh their knowledge and skills.

### Procedure for Seeking Independent Professional Advice by Directors

There is a written procedure agreed by the Board to enable Directors, upon reasonable request, to seek and be provided with independent professional advice in appropriate circumstances, at the Company's expense in order to assist them to discharge their duties to the Company.

## Functions of the Board

### Distinctive Roles of the Chairman and the Chief Executive Officer

To avoid concentration of power in any one individual, a clear division of responsibilities between the Chairman and the Chief Executive Officer is crucial to the effective running of the Board and the day-to-day management of the Group's businesses. The positions of the Chairman and the Chief Executive Officer of the Company are held by two different Executive Directors, namely Mr. Cheng Man Tai and Ms. Cheng Pik Ho Liza respectively. Their roles and duties are segregated, with a clear division of responsibilities. Mr. Cheng Man Tai, the Chairman, is to provide leadership for the Board and ensure that the Board works effectively while Ms. Cheng Pik Ho Liza, the Chief Executive Officer, is answerable to the Board for the operations of the Group. Mr. Cheng is the father of Ms. Cheng.

### Distinctive Roles of the Board and the Management

While at all times the Board retains full responsibility for guiding and monitoring the operations of the Group, in discharging its duties, certain responsibilities are delegated to:

- the standing Board committees of the Company namely: the Audit Committee, the Nomination Committee and the Remuneration Committee. Each committee's constitution, powers and duties are clearly defined by its terms of reference, and the committees are accountable to the Board. Ad hoc Board committees may also be established as required from time to time by the Board;
- the Chief Executive Officer, being delegated with the day-to-day management of the businesses of the Group, is accountable to the Board; and
- the senior management team of the Group, being delegated with the responsibilities to deal with daily operational functions, is answerable to the Executive Directors.

The Board believes that effective delegation of authority can ensure that the Board is provided with sufficient and timely information of the Group's businesses which is, in particular, relevant to the Group's performance, financial position and operating results, in order that the Board is able to make an informed assessment of matters put before the Board for approval. During the Review Period, each Executive Director had frequent meetings with operational managers in order to maintain an effective feedback system and enable the Company to react to changes or problems quickly and effectively.



## Corporate Governance Report (continued)

The functions reserved to the Board are formalized in writing and include:

- any matters relating to the formulation of the Company's strategy and direction;
- any matters relating to financial controls, compliance and risk management;
- any changes in corporate structure such as the changes relating to the Company's capital structure, including reduction of share capital, share buy-back or issue of new securities;
- major appointments such as appointments to the Board, after taking into account the recommendations of the Nomination Committee; the appointment of the Chairman and the Chief Executive Officer; recommendations to the shareholders on the appointment or removal of external auditors after taking into consideration the recommendations of the Audit Committee; and the appointment or removal of the Chief Financial Officer and the Company Secretary;
- any matters determined by the Board to be material, including dividend policy, significant changes in accounting policies, material contracts, major financing arrangements and major investments; and
- the corporate governance functions set out in code provision D.3.1 of the CG Code.

With respect to the corporate governance functions, the Board has reviewed and monitored the Company's corporate governance policies and practices, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

The Board regularly reviews its arrangement for delegation of authority to ensure that such delegation is appropriate in view of the Company's prevailing circumstances and that appropriate reporting systems are in place.

### Board Committees

A total of three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, have been formed, each of which is delegated with specific roles and responsibilities by the Board. All the Board committees follow the same principles and procedures as those of the Board. The Board receives the minutes of each committee meeting on a regular basis, including their decisions and recommendations.

#### Audit Committee

The Company has established an Audit Committee with written terms of reference. At present, the Audit Committee consists of three Independent Non-Executive Directors, namely:

Mr. Lau Siu Ki (*Chairman*)

Mr. Lee Kwan Hung

Prof. Lee T. S.

Members of the Audit Committee are appointed by the Board amongst the Independent Non-Executive Directors only and the committee consists of not less than three members. The Board considers that each Audit Committee member has broad commercial experience and together form a suitable mix of expertise in the legal and accounting fields and that the composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules. The Board, after consultation with the chairman of the Audit Committee, provides sufficient resources to the Audit Committee to enable it to discharge its duties.

The Audit Committee has the responsibilities and powers set forth in its terms of reference. To maintain its independence, the Audit Committee is required to have at least one meeting with the external auditors without the presence of Executive Directors within a financial year. The function of the committee is to provide assistance to the Board in fulfilling its oversight responsibilities to shareholders, potential shareholders, the investment community and other stakeholders relating to:

- the integrity of accounts and financial reporting process of the Company;
- the assessment of the external auditors' qualifications and independence; and
- the performance of the Company's internal audit function and the performance of the external auditors.

The terms of reference of the Audit Committee are available for inspection on the Company's website and the Stock Exchange's website.

During 2012, the Audit Committee held three meetings including one meeting with the external auditors without the presence of the Executive Directors and the management. The record of attendance of individual Directors at the committee meetings is set out on page 24 of this annual report.

The following is a summary of the work performed by the Audit Committee during the Review Period:

- (i) review of the annual report and results announcement of the Company for the year ended 31 December 2011, with a recommendation to the Board for approval;
- (ii) review of the external auditors' independence and their report, with a recommendation to the Board for the re-appointment of the external auditors by the shareholders of the Company at its 2012 annual general meeting;
- (iii) review of continuing connected transactions;
- (iv) review of the interim report and results announcement of the Company for the six months ended 30 June 2012, with a recommendation to the Board for approval;
- (v) review of quarterly financial reports of the Company prepared by the Finance and Accounts Department;
- (vi) consideration of audit and non-audit services provided by the external auditors;
- (vii) review of the effectiveness of the system of internal control of the Company and its subsidiaries;
- (viii) review of periodic reports prepared by the Internal Audit Department and the Information Technology Audit Department;
- (ix) review of the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- (x) review of the revised terms of reference of the Audit Committee, with a recommendation to the Board for approval;
- (xi) review of a whistleblowing policy whereby employees of the Company can raise concerns about the possible improprieties in financial reporting, internal control or other matters, with a recommendation to the Board for approval; and
- (xii) review of the audit fees payable to the external auditors for the year ended 31 December 2012, with a recommendation to the Board for approval.

## Corporate Governance Report (continued)

### Auditors' Remuneration

The Audit Committee has reviewed the remuneration paid/payable to Messrs. Ernst & Young, the external auditors of the Company, for the following services provided during the Review Period:

<b>Services Rendered</b>	<b>Remuneration Paid/Payable</b>
Audit services	HK\$2,700,000
Non-audit services	HK\$595,000
Total:	HK\$3,295,000

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditors is reasonable. There has been no major disagreement between the external auditors and the management of the Company during the Review Period.

### Nomination Committee

The Company has established a Nomination Committee with written terms of reference. At present, the Nomination Committee has four members comprising one Executive Director and three Independent Non-Executive Directors, namely:

Prof. Lee T. S. (*Chairman*)\*

Ms. Cheng Pik Ho Liza\*

Mr. Lau Siu Ki

Mr. Lee Kwan Hung

\* In compliance with the new requirement under code provision A.5.1 of the CG Code, Prof. Lee T. S. has been appointed as the Chairman of the Nomination Committee in place of Ms. Cheng Pik Ho Liza with effect from 1 March 2012. Ms. Cheng remains as a member of the Nomination Committee.

The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become Directors, and to assess the independence of the Independent Non-Executive Directors. After considering the independence and qualifications of nominees, the Nomination Committee makes recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning of Directors, in particular the Chairman and the Chief Executive Officer. The Board, after consultation with the chairman of the Nomination Committee, provides sufficient resources to the Nomination Committee to enable it to discharge its duties.

The Nomination Committee met once in 2012. The record of attendance of individual Directors at the committee meeting is set out on page 24 of this annual report.

The following is a summary of the work performed by the Nomination Committee during the Review Period:

- (i) review of the revised terms of reference of the Nomination Committee, with a recommendation to the Board for approval;
- (ii) recommendation to the Board on the appointment of the new Chairman of the Nomination Committee;
- (iii) assessment of the independence of the Independent Non-Executive Directors;



- (iv) recommendation to the Board on the re-election of Directors; and
- (v) review of the existing structure, size and composition of the Board.

As a good corporate governance practice, Nomination Committee member (being also the Independent Non-Executive Director) abstained from assessing his own independence.

The terms of reference of the Nomination Committee are available for inspection on the Company's website and the Stock Exchange's website.

### Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference. The Board has delegated authority to the Remuneration Committee to review and recommend to the Board the compensation scheme of the Company's Directors and senior management.

The Remuneration Committee at present has four members comprising one Executive Director and three Independent Non-Executive Directors, namely:

Mr. Lee Kwan Hung (*Chairman*)\*  
Ms. Cheng Pik Ho Liza\*  
Mr. Lau Siu Ki  
Prof. Lee T. S.

\* In compliance with the new requirement under Rule 3.25 of the Listing Rules, Mr. Lee Kwan Hung has been appointed as the Chairman of the Remuneration Committee in place of Ms. Cheng Pik Ho Liza with effect from 1 March 2012. Ms. Cheng remains as a member of the Remuneration Committee.

The main functions of the Remuneration Committee are to assist the Board in establishing a formal and transparent procedure for setting policy on Directors' and senior management's remuneration and to make recommendation to the Board on the packages (which include benefits in kind, pension rights and compensation payments) of individual Executive Directors and senior management (i.e. the model described in code provision B.1.2(c)(ii) was adopted) as well as on the remuneration of Non-Executive Directors. The Board, after consultation with the chairman of the Remuneration Committee, provides sufficient resources to the Remuneration Committee to enable it to discharge its duties.

In recommending the remuneration of the Directors, the Remuneration Committee makes reference to companies of comparable business or scale, and the nature and volume of work in order to compensate the Directors reasonably for their time and efforts spent. The Remuneration Committee regularly reviews and makes recommendations to the Board on the remuneration of Directors and senior management.

The Remuneration Committee held three meetings in 2012. The record of attendance of individual Directors at the committee meetings is set out on page 24 of this annual report.

The following is a summary of the work performed by the Remuneration Committee during the Review Period:

- (i) review of the salary increment for 2012 of Executive Directors, and staff in Mainland China and Hong Kong, with a recommendation to the Board for approval;
- (ii) consideration of the payment of bonuses to the senior management staff in Mainland China and Hong Kong, with a recommendation to the Board for approval;

## Corporate Governance Report (continued)

- (iii) recommendation to the Board on the vesting of share options under the Share Option Scheme to selected employees;
- (iv) consideration of the payment of discretionary bonuses to Executive Directors and the senior management in respect of the final results of the Company for the year ended 31 December 2011 and the interim results of the Company for the six months ended 30 June 2012, with a recommendation to the Board for approval;
- (v) review of the revised terms of reference of the Remuneration Committee, with a recommendation to the Board for approval;
- (vi) recommendation to the Board on the appointment of the new Chairman of the Remuneration Committee;
- (vii) review of the new service agreements between the Company and the Executive Directors, with a recommendation to the Board for approval;
- (viii) review of the letters of re-appointment of the Independent Non-Executive Directors, with a recommendation to the Board for approval; and
- (ix) review of the remuneration package of the former Company Secretary & Legal Counsel with a recommendation to the Board for approval.

The terms of reference of the Remuneration Committee are available for inspection on the Company's website and the Stock Exchange's website.

Pursuant to code provision B.1.5 of the CG Code, details of the annual remuneration of the members of the senior management by band for the year ended 31 December 2012 is as follows:

	<b>Number of employees</b>
HK\$1,500,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$2,500,000	1
HK\$2,500,001 to HK\$3,000,000	1
	<hr/> 3 <hr/>

Details of the remuneration of each director for the year ended 31 December 2012 are set out in note 10 to the financial statements.

## Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements for each financial period, which shall give a true and fair view of the state of affairs of the Company. During the Review Period, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

All the Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2012.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 83 to 84 of this annual report.

The Company announces its interim and annual results as soon as reasonably practicable after the end of the relevant financial period and the financial year respectively pursuant to the requirements of the Listing Rules, disclosing all such information as would enable the Company's shareholders to assess the performance, financial position and prospects of the Company.

## **Internal Control**

The Board is responsible for the internal controls of the Group and reviewing their effectiveness. The Board acknowledges that the objectives of internal control are to safeguard the Company's assets against unauthorised use or disposition and to ensure that the Company's accounting records are properly maintained and all the financial information is accurate and reliable.

The Internal Audit Department and the Information Technology Audit Department of the Group conduct reviews of the effectiveness of the Group's internal control system. They carry out the financial, operational, and information security control reviews according to the yearly plan reviewed and endorsed by the Audit Committee. In addition to the agreed schedule of work, the departments conduct other reviews and work as and when required. The findings and recommendations have been reviewed by the members of the Audit Committee and the Board who are of the view that the internal control system of the Group has been effective without the occurrence of any significant failure.

The Internal Audit Department and the Information Technology Audit Department of the Group continued to provide independent assurance to the Board and management on the adequacy and effectiveness of internal controls for the Group during the Review Period. The Assistant Director — Internal Audit and the Assistant Director — Information Technology Audit report functionally to the Audit Committee and administratively to the Chief Executive Officer.

The Board undertakes to periodically review the internal control and risk management systems of the Group to ensure their effectiveness and efficiency.

The Board reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget during the Review Period and considered that the Group had adequate staff resources with the competence, qualifications and experience necessary for the effective performance of its accounting and financial reporting function.

## **Company Secretary**

Ms. So Ka Man of Tricor Services Limited, external service provider, has been engaged by the Company as its Company Secretary. The primary contact person at the Company, whom Ms. So can contact, is Ms. Fung Kam Lai Katie, the Chief Financial Officer of the Company.

During the year ended 31 December 2012, Ms. So has taken no less than 15 hours of relevant professional trainings to update her skills and knowledge.



## Corporate Governance Report (continued)

### Investor Relations and Communication with Shareholders

Since 2006, the Company has engaged a professional public relations consultancy company to organise various investor relations programs (including regular briefing meetings with the media and analysts) aiming at increasing the transparency of the Company, enhancing communication with shareholders and investors, increasing their understanding of and confidence in the Group's businesses and promoting market recognition of and support to the Company.

The Company recognises the importance of maintaining on-going communications with its shareholders and encourages them to attend shareholders' meetings to stay informed of the Group's businesses and convey any concerns they may have to the Directors and senior management.

### Shareholders' Rights

#### Convening an Extraordinary General Meeting of the Company by Shareholders

In accordance with Article 64 of the articles of association of the Company, an extraordinary general meeting can be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition.

#### Procedures for Sending Enquiries to the Board

Enquiries by shareholders to be put to the Board can be sent in writing to the Company's Company Secretarial Department at the principal place of business in Hong Kong.

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the Company's registered shareholders can contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited. For other enquires or requests, the Company's investors can contact iPR Ogilvy Limited, the Company's public relations consultancy company. Detailed contact information is available on the Company's website at [www.embrygroup.com](http://www.embrygroup.com).

#### Procedures for Making Proposals at Shareholders' Meetings

If a shareholder of the Company wishes to nominate a person to stand for election as a Director, the following documents must be validly sent to the Company's principal place of business in Hong Kong or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, namely (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice executed by the nominated candidate of the candidate's willingness to be appointed. The period for lodgment of the notices of (i) and (ii) above will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven days prior to the date of such meeting.

To put forward proposals other than the above at a general meeting, shareholders of the Company should submit a written notice of those proposals with their detailed contact information to the Company Secretary at the Company's principal place of business in Hong Kong. The notice period to be given to all the shareholders for consideration of the proposal raised by the shareholders concerned at general meetings varies according to the nature of the proposal.

During the Review Period, the Company has not made any changes to the articles of association of the Company. An up-to-date version of the articles of association of the Company is available on the websites of the Company and the Stock Exchange. Shareholders may refer to the articles of association of the Company for further details of the rights of shareholders.

# Report of the Directors

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2012.

## Principal Activities

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 23 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

## Results and Dividends

The Group's profit for the year ended 31 December 2012 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 85 to 182.

An interim dividend of HK4 cents per ordinary share was paid on 3 October 2012. The directors recommend the payment of a final dividend of HK7 cents and a special dividend of HK2 cents per ordinary share in respect of the year, to shareholders on the register of members on 29 May 2013. Details are set out in note 15 to the financial statements.

## Summary Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated as appropriate, is set out below. The amounts for each year in the five year financial summary have been adjusted for the effects of the retrospective changes in the accounting policy affecting deferred tax on investment properties, as detailed in note 2.2 to the financial statements.

### Results

	<b>2012</b> <i>HK\$'000</i>	<b>Year ended 31 December</b>			
		2011 <i>HK\$'000</i> (Restated)	2010 <i>HK\$'000</i> (Restated)	2009 <i>HK\$'000</i> (Restated)	2008 <i>HK\$'000</i> (Restated)
REVENUE	<b>1,995,356</b>	1,694,987	1,349,846	1,176,089	973,342
PROFIT BEFORE TAX	<b>260,614</b>	231,268	185,684	167,709	95,103
INCOME TAX EXPENSE	<b>(77,052)</b>	(70,985)	(58,814)	(53,191)	(23,375)
PROFIT FOR THE YEAR	<b>183,562</b>	160,283	126,870	114,518	71,728
Attributable to:					
Owners of the Company	<b>183,562</b>	160,283	126,870	114,518	71,728

## Report of the Directors (continued)

### Summary Financial Information (continued)

#### Assets and Liabilities

	<b>2012</b> <b>HK\$'000</b>	<b>As at 31 December</b>			
		2011 HK\$'000 (Restated)	2010 HK\$'000 (Restated)	2009 HK\$'000 (Restated)	2008 HK\$'000 (Restated)
TOTAL ASSETS	<b>1,901,395</b>	1,757,214	1,539,245	1,186,274	1,029,173
TOTAL LIABILITIES	<b>(464,159)</b>	(483,988)	(427,242)	(190,387)	(119,423)
	<b>1,437,236</b>	1,273,226	1,112,003	995,887	909,750

The above summary does not form a part of the audited financial statements.

### Property, Plant and Equipment and Investment Properties

Details of movements in the property, plant and equipment, and the investment properties of the Group during the year are set out in notes 17 and 18 to the financial statements, respectively.

### Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year are set out in notes 30 and 31 to the financial statements, respectively.

### Pre-emptive Rights

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

### Purchase, Redemption or Sale of Listed Securities of the Company

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

### Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 32(b) to the financial statements and in the consolidated statement of changes in equity, respectively.



## Distributable Reserves

At 31 December 2012, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to HK\$653,224,000, of which HK\$37,499,000 has been proposed as final and special dividends for the year after the reporting period. The amount of HK\$653,224,000 includes the Company's share premium account and contributed surplus of HK\$750,892,000 in aggregate at 31 December 2012, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

## Charitable Contributions

During the year, the Group made charitable contributions totalling HK\$8,707,000.

## Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers and purchases from the five largest suppliers accounted for less than 30% of the total sales and purchases for the year, respectively.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

## Directors

The directors of the Company during the year were:

### Executive Directors

Mr. Cheng Man Tai (*Chairman*)

Ms. Cheng Pik Ho Liza (*Chief Executive Officer*)

Madam Ngok Ming Chu

### Independent Non-Executive Directors

Mr. Lau Siu Ki

Mr. Lee Kwan Hung

Prof. Lee T. S.

In accordance with article 108(A) of the Company's articles of association, Mr. Lau Siu Ki and Mr. Lee Kwan Hung will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S. pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), and as at the date of this report, still considers them to be independent.

## Report of the Directors (continued)

### Directors' and Senior Management's Biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 20 to 21 of the annual report.

### Directors' Service Contracts

Each of the executive directors has entered into a service agreement with the Company for an initial term of three years commencing on 1 December 2006 and the service agreements have been renewed for a further term of three years commencing on 1 December 2012 after the expiry of the second term. Each of the independent non-executive directors has been re-appointed for an initial term of two years commencing on 25 November 2006, and they have been re-appointed for a further term of two years commencing on 25 November 2012 after the expiry of the third term.

Under the service agreement, after each complete year of service, the remuneration payable to each of the executive directors may, subject to the discretion of the Company's board of directors, be increased by not more than 10% and the executive directors are entitled to a discretionary management bonus provided that the total amount of bonuses payable to all the directors for that year shall not exceed 8% of the audited consolidated profit after tax of the Group.

Apart from the foregoing, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### Emolument Policy and Directors' Remuneration

The Group's emolument policy is formulated based on the performance of individual employees and is reviewed regularly. Subject to the Group's profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the emolument policy with regard to the remuneration packages of the Group's executive directors is to enable the Group to retain and motivate executive directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group's remuneration packages include basic salaries, discretionary bonuses and housing benefits.

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

### Directors' Interests in Contracts

Save for transactions as disclosed in note 13 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

## Directors' Interests and Short Positions in Shares and Underlying Shares

At 31 December 2012, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name	Capacity and nature of interest	Shares/equity derivatives	Number of shares/equity derivatives held	Percentage of the Company's issued share capital
Mr. Cheng Man Tai	Interest of controlled corporations	Ordinary shares (Note 1)	276,679,557	66.40
	Beneficial owner	Ordinary shares	4,431,000	1.06
	Beneficial owner	Share options (Note 2)	35,000	0.01
Ms. Cheng Pik Ho Liza	Beneficial owner	Ordinary shares	20,685,848	4.96
	Beneficial owner	Share options (Note 2)	1,460,000	0.35
Madam Ngok Ming Chu	Interest of controlled corporations	Ordinary shares (Note 1)	276,679,557	66.40
	Beneficial owner	Ordinary shares	2,302,000	0.55
	Beneficial owner	Share options (Note 2)	60,000	0.01
Mr. Lau Siu Ki	Beneficial owner	Ordinary shares	768,000	0.18
	Beneficial owner	Share options (Note 2)	100,000	0.02
Mr. Lee Kwan Hung	Beneficial owner	Ordinary shares	618,000	0.15
	Beneficial owner	Share options (Note 2)	100,000	0.02
Prof. Lee T. S.	Beneficial owner	Ordinary shares	648,000	0.16
	Beneficial owner	Share options (Note 2)	100,000	0.02



## Report of the Directors (continued)

### Directors' Interests and Short Positions in Shares and Underlying Shares

(continued)

Long positions in shares of an associated corporation:

Name	Name of associated corporation	Relationship with the Company	Shares/equity derivatives	Number of shares	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Cheng Man Tai	Harmonious World Limited ("Harmonious World")	Ultimate holding company	Ordinary shares	57.91 shares of US\$1 each	Directly beneficially owned	59.09
Madam Ngok Ming Chu	Harmonious World	Ultimate holding company	Ordinary shares	40.09 shares of US\$1 each	Directly beneficially owned	40.91

Notes:

1. These shares are held as to 275,408,367 shares by Harmonious World and as to 1,271,190 shares by Fairmout Investments Limited ("Fairmout Investments"). Harmonious World is owned as to 59.09% by Mr. Cheng Man Tai and as to 40.91% by Madam Ngok Ming Chu. Fairmout Investments is owned as to 50% by Mr. Cheng Man Tai and as to 50% by Madam Ngok Ming Chu.
2. These represent the number of shares which will be allotted and issued to the respective directors upon the exercise of the share options granted to each of them under the share option scheme adopted on 18 December 2006 (the "Share Option Scheme").

Save as disclosed above, as at 31 December 2012, none of the directors had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Directors' Rights to Acquire Shares or Debentures

Save as disclosed in the section "Directors' interests and short positions in shares and underlying shares" above and in the section "Share option scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### Share Option Scheme

The Company adopted a share option scheme on 18 December 2006. Details of the scheme are set out in note 31 to the financial statements.

Details of the share option movements during the year are separately disclosed in note 31 to the financial statements.

## Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

At 31 December 2012, the following interests of 5% or more of the issued share capital of the Company (other than the interests of the directors of the Company as disclosed above) were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Capacity and nature of interest (Note)	Number of ordinary shares held	Percentage of the Company's issued share capital
Harmonious World	Directly beneficially owned	275,408,367	66.10
FIL Limited (formerly known as "Fidelity International Limited")	Investment manager	25,011,000	6.00

Note: The relationship between Harmonious World and Mr. Cheng Man Tai and Madam Ngok Ming Chu is disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above.

Save as disclosed above, as at 31 December 2012, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

## Continuing Connected Transactions

During the year, the Group had the following continuing connected transactions, details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

### (1) Purchase of furniture

The Company and certain subsidiaries of the Group had entered into a services agreement with related companies controlled by a son of a director of the Company, pursuant to which the Company and these subsidiaries agreed to purchase furniture and provide services of decoration for their counters and shops as well as different type of moulds from the related companies. The services agreement expired on 31 December 2011 and the Company therefore entered into a new services agreement (the "2012 Agreement") with the related companies on 21 December 2011. Under the 2012 Agreement, the Group agreed to purchase furniture, services of decoration and different type of moulds from the related companies for a period of three years starting from 1 January 2012. The continuing connected transactions contemplated under the 2012 Agreement would only be subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

## Report of the Directors (continued)

### Continuing Connected Transactions *(continued)*

#### (2) Lease of industrial complex

On 27 November 2007, a subsidiary of the Company had entered into a tenancy agreement with the related company controlled by a director of the Company and two sons of a director of the Company in relation to the lease of an industrial complex in Changzhou for a period of three years starting from 1 January 2008. The tenancy agreement has been renewed for a term of three years commencing on 1 January 2011. The continuing connected transaction under the new tenancy agreement constitutes a de minimis transaction under the Listing Rules and is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

#### (3) Lease of warehouse

A subsidiary of the Company has been leasing a warehouse in Hong Kong from a director of the Company. The continuing connected transaction under the tenancy agreement also constitutes a de minimis transaction under the Listing Rules.

Details of these continuing connected transactions of the Group are set out in notes 13(a)(i), (ii) and (iii) to the financial statements.

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive directors have reviewed the continuing connected transactions disclosed in (1) above and confirmed that these continuing connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The total amount in respect of the continuing connected transactions disclosed in (1) above during the year under review has not exceeded the annual cap for the transactions.

In respect of the continuing connected transactions disclosed above, the directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year under review.

## **Continuing Connected Transactions** *(continued)*

The Company has also received a letter from Ernst & Young, the Company's auditors, 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. Ernst & Young have issued the letter containing their findings and conclusions in respect of the continuing connected transactions disclosed in (1) above by the Group in accordance with Rule 14A.38 of the Listing Rules and stating that:

- (i) the transactions have received the approval of the Company's board of directors;
- (ii) the transactions have been entered into and conducted in accordance with the relevant agreement governing the transactions; and
- (iii) the total amount of the transactions for the year under review has not exceeded the cap disclosed in the announcement of the Company dated 21 December 2011.

## **Event after the Reporting Period**

Details of the significant event of the Group after the reporting period are set out in note 39 to the financial statements.

## **Auditors**

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Cheng Man Tai**

*Chairman*

Hong Kong, 25 March 2013



# Independent Auditors' Report

## 獨立核數師報告



**To the shareholders of Embry Holdings Limited**  
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Embry Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 85 to 182, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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.

### Auditors' Responsibility

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

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

**致：安莉芳控股有限公司全體股東**  
(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核載列於第85頁至第182頁安莉芳控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一二年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會所頒佈的《香港財務報告準則》及按照香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必須的內部控制，以使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。

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅為全體股東編製，除此之外，我們的報告不可用作其他用途，我們概不就本報告的內容，向任何其他人士負責或承擔任何責任。

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

### Auditors' Responsibility (continued)

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 auditors' 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 auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### Ernst & Young

Certified Public Accountants  
22/F CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

25 March 2013

### 核數師的責任(續)

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。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，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審核程序，但目的並非對公司內部控制的有效性發表意見。審核亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證能充足和適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴公司及 貴集團於二零一二年十二月三十一日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

#### 安永會計師事務所

執業會計師  
香港  
中環添美道1號  
中信大廈22樓

二零一三年三月二十五日

# Consolidated Income Statement

## 綜合收益表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
<b>REVENUE</b>	收益	5	<b>1,995,356</b>	1,694,987
Cost of sales	銷售成本		<b>(375,217)</b>	(300,615)
Gross profit	毛利		<b>1,620,139</b>	1,394,372
Other income and gains	其他收入及收益	6	<b>57,287</b>	57,520
Selling and distribution expenses	銷售及分銷開支		<b>(1,209,822)</b>	(1,017,100)
Administrative expenses	行政開支		<b>(193,786)</b>	(195,077)
Other expenses	其他開支	7	<b>(9,298)</b>	(6,205)
Finance costs	融資成本	8	<b>(3,906)</b>	(2,242)
<b>PROFIT BEFORE TAX</b>	除稅前溢利	9	<b>260,614</b>	231,268
Income tax expense	所得稅開支	12	<b>(77,052)</b>	(70,985)
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	本公司擁有人應佔 年度溢利	14	<b>183,562</b>	160,283
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	本公司擁有人應佔 每股盈利	16		
— Basic (HK cents)	— 基本 (港仙)		<b>44.38</b>	39.15
— Diluted (HK cents)	— 攤薄 (港仙)		<b>44.17</b>	38.64

Details of the dividends are disclosed in note 15 to the financial statements.

股息的詳情載於財務報表附註15。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
Profit for the year	年度溢利	<b>183,562</b>	160,283
Other comprehensive income:	其他全面收入：		
Revaluation surplus	重估盈餘	<b>1,063</b>	-
Deferred tax debited to asset revaluation reserve	於資產重估儲備扣除之遞延稅項	<b>(266)</b>	-
Exchange differences arising on translation of foreign operations	折算境外營運所產生之匯兌差額	<b>11,038</b>	23,564
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	本公司擁有人應佔年度全面收入總額	<b>195,397</b>	183,847



# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2012 二零一二年十二月三十一日

			<b>31 December 2012 二零一二年 十二月三十一日 HK\$'000 千港元</b>	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Restated) (重列)	1 January 2011 二零一一年 一月一日 HK\$'000 千港元 (Restated) (重列)
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>				
Property, plant and equipment	物業、廠房及設備	17	<b>502,435</b>	541,260	518,923
Investment properties	投資物業	18	<b>296,321</b>	249,805	217,224
Prepaid land lease payments	預付土地租賃款項	19	<b>39,784</b>	35,521	35,020
Deferred tax assets	遞延稅項資產	29	<b>27,512</b>	23,586	11,197
Deposits	按金	22	<b>5,869</b>	6,826	5,497
Total non-current assets	非流動資產總值		<b>871,921</b>	856,998	787,861
<b>CURRENT ASSETS</b>	<b>流動資產</b>				
Inventories	存貨	20	<b>522,172</b>	601,293	441,617
Trade receivables	應收貿易賬款	21	<b>79,898</b>	62,675	64,838
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	<b>44,608</b>	56,641	49,839
Cash and cash equivalents	現金及現金等價物	24	<b>382,796</b>	179,607	195,090
Total current assets	流動資產總值		<b>1,029,474</b>	900,216	751,384
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>				
Trade and bills payables	應付貿易賬款及應付票據	25	<b>39,019</b>	44,087	63,955
Interest-bearing bank borrowings	計息銀行借款	26	<b>56,750</b>	48,000	20,000
Tax payable	應付稅項		<b>13,398</b>	18,148	11,105
Other payables and accruals	其他應付款項及應計款項	27	<b>175,009</b>	149,591	223,306
Total current liabilities	流動負債總值		<b>284,176</b>	259,826	318,366
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>745,298</b>	640,390	433,018
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>1,617,219</b>	1,497,388	1,220,879
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>				
Interest-bearing bank borrowings	計息銀行借款	26	<b>121,750</b>	163,500	65,000
Deferred liabilities	遞延負債	28	<b>4,037</b>	4,234	3,471
Deferred tax liabilities	遞延稅項負債	29	<b>31,233</b>	33,745	18,523
Other payables	其他應付款項	27	<b>22,963</b>	22,683	21,882
Total non-current liabilities	非流動負債總值		<b>179,983</b>	224,162	108,876
Net assets	資產淨值		<b>1,437,236</b>	1,273,226	1,112,003

# Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

31 December 2012 二零一二年十二月三十一日

			<b>31 December 2012 二零一二年 十二月三十一日 HK\$'000 千港元</b>	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Restated) (重列)	1 January 2011 二零一一年 一月一日 HK\$'000 千港元 (Restated) (重列)
<b>EQUITY</b>	<b>權益</b>				
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人 應佔權益</b>				
Issued capital	已發行股本	30	<b>4,166</b>	4,113	4,067
Reserves	儲備	32(a)	<b>1,433,070</b>	1,269,113	1,107,936
Total equity	總權益		<b>1,437,236</b>	1,273,226	1,112,003

**Cheng Man Tai**  
鄭敏泰  
Director  
董事

**Cheng Pik Ho Liza**  
鄭碧浩  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔									
		Reserves 儲備									Total 總權益
		Enterprise expansion and statutory reserve funds									Total 總權益
		Share premium account 溢價賬 股本	Contributed surplus 實繳盈餘 (note 32(a)) (附註 32(a))	Asset revaluation reserve 資產重估 儲備 HK\$'000 千港元	statutory reserve funds 法定儲備金 (note 32(a)) (附註 32(a))	Exchange fluctuation reserve 匯兌波動 儲備 千港元	Goodwill reserve 商譽儲備 (note 32(a)) (附註 32(a))	Share option reserve 購股權 儲備 千港元	Retained profits 保留溢利 千港元	Total reserves 總儲備 千港元	Total equity 總權益 千港元
Notes 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	At 1 January 2012										
	As previously reported	4,113	359,070	122,610	2,539	33,765	95,609	(3,168)	17,416	637,972	1,265,813
2.2	Effect of changes in accounting policy	-	-	-	-	-	-	-	-	3,300	3,300
	As restated	4,113	359,070	122,610	2,539	33,765	95,609	(3,168)	17,416	641,272	1,269,113
17	Revaluation surplus	-	-	-	1,063	-	-	-	-	-	1,063
29	Deferred tax debited to asset revaluation reserve	-	-	-	(266)	-	-	-	-	-	(266)
	Profit for the year	-	-	-	-	-	-	-	-	183,562	183,562
	Exchange differences arising on translation of foreign operations	-	-	-	-	-	11,038	-	-	-	11,038
	Total comprehensive income for the year	-	-	-	797	-	11,038	-	-	183,562	195,397
30(b)	Issue of shares	53	10,574	-	-	-	-	-	(2,888)	-	7,685
31	Equity-settled share option arrangements	-	-	-	-	-	-	-	14,690	-	14,690
	Share options lapsed	-	-	-	-	-	-	-	(458)	458	-
15	2011 final and special dividends declared and paid	-	-	-	-	-	-	-	-	(37,240)	(37,240)
15	2012 interim dividend	-	-	-	-	-	-	-	-	(16,575)	(16,575)
	Transfer from retained profits	-	-	-	-	18,433	-	-	-	(18,433)	-
	At 31 December 2012	4,166	369,644	122,610	3,336	52,198	106,647	(3,168)	28,759	753,044	1,433,070

# Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Reserves 儲備										Total 總權益
		Enterprise expansion and and										Total 總權益
		Share Issued capital 已發行 股本	premium 溢價 賬	Contributed surplus 實繳盈餘	Asset revaluation reserve 資產重估 儲備	statutory reserve funds 法定儲備金	Exchange fluctuation reserve 匯兌波動 儲備	Goodwill reserve 商譽儲備	Share option reserve 購股權 儲備	Retained profits 保留溢利	Total reserves 總儲備	Total equity 總權益
Notes 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note 32(a)) (附註32(a))	HK\$'000 千港元	HK\$'000 千港元 (note 32(a)) (附註32(a))	HK\$'000 千港元	HK\$'000 千港元 (note 32(a)) (附註32(a))	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日											
As previously reported	過往呈報	4,067	346,713	122,610	2,539	20,606	72,045	(3,168)	7,556	536,704	1,105,605	1,109,672
Effect of changes in accounting policy	會計政策改變之影響	2.2	-	-	-	-	-	-	-	2,331	2,331	2,331
As restated	重列	4,067	346,713	122,610	2,539	20,606	72,045	(3,168)	7,556	539,035	1,107,936	1,112,003
Profit for the year (as restated)	年度溢利(重列)	-	-	-	-	-	-	-	-	160,283	160,283	160,283
Exchange differences arising on translation of foreign operations	折算境外營運所產生之匯兌差額	-	-	-	-	-	23,564	-	-	-	23,564	23,564
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	23,564	-	-	160,283	183,847	183,847
Issue of shares	發行股份	30(a)	46	12,357	-	-	-	-	(5,102)	-	7,255	7,301
Equity-settled share option arrangements	以權益支付之購股權安排	31	-	-	-	-	-	-	15,183	-	15,183	15,183
Share options lapsed	購股權失效	-	-	-	-	-	-	-	(221)	221	-	-
2010 final and special dividends declared and paid	宣派及支付二零一零年末期及特別股息	15	-	-	-	-	-	-	-	(32,803)	(32,803)	(32,803)
2011 interim dividend	二零一一年中期股息	15	-	-	-	-	-	-	-	(12,305)	(12,305)	(12,305)
Transfer from retained profits	轉自保留溢利	-	-	-	-	13,159	-	-	-	(13,159)	-	-
At 31 December 2011	於二零一一年十二月三十一日	4,113	359,070	122,610	2,539	33,765	95,609	(3,168)	17,416	641,272	1,269,113	1,273,226



# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES 經營業務之現金流量</b>			
<b>ACTIVITIES</b>			
Profit before tax	除稅前溢利	<b>260,614</b>	231,268
Adjustments for:	調整：		
Finance costs	融資成本	8	2,242
Bank interest income	銀行利息收入	6	(853)
Depreciation	折舊	9	34,285
Amortisation of prepaid land lease payments	預付土地租賃款項之攤銷	9	770
Loss on disposal/write-off of items of property, plant and equipment	出售／撇銷物業、廠房及設備項目之虧損	9	6
Impairment/(write-back of impairment allowance) of trade receivables	應收貿易賬款減值／(減值撥備撥回)	9	448
Provision/(write-back of provision) for obsolete inventories, net	陳舊存貨撥備／(撥備撥回)淨額	9	(5,720)
Changes in fair value of investment properties	投資物業公平值變動	9	(10,916)
Equity-settled share option expenses	以股權支付之購股權開支	31	15,183
		<b>331,507</b>	266,713
Decrease/(increase) in inventories	存貨減少／(增加)	<b>52,629</b>	(153,956)
Decrease/(increase) in trade receivables	應收貿易賬款減少／(增加)	<b>(17,044)</b>	1,715
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少／(增加)	<b>13,090</b>	(8,103)
Decrease in trade and bills payables	應付貿易賬款及應付票據減少	<b>(5,068)</b>	(19,868)
Increase in other payables and accruals	其他應付款項及應計款項增加	<b>25,418</b>	28,582
Increase/(decrease) in deferred liabilities	遞延負債增加／(減少)	<b>(197)</b>	763
Cash generated from operations	經營所得現金	<b>400,335</b>	115,846
Hong Kong profits tax refunded/(paid)	退回／(已付)香港利得稅	<b>(551)</b>	391
Overseas tax paid	已付海外稅項	<b>(88,032)</b>	(62,789)
Net cash flows from operating activities	經營業務之現金流入淨額	<b>311,752</b>	53,448

## Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動之現金流量</b>		
Interest received	已收利息	2,557	853
Purchases of items of property, plant and equipment other than a property in Shanghai	購置物業、廠房及設備項目 (上海物業除外)	17, 33	(23,605)
Payment for acquisition of a property in Shanghai	收購上海物業之款項	33	(131,951)
Additions to prepaid land lease payments — land use rights in Changzhou	增加預付土地租賃款項 — 常州土地使用權		(4,705)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目 之所得款項	72	29
Increase in a non-pledged time deposit with original maturity of more than three months when acquired	於購入時原到期日為多於三個月 之無抵押定期存款增加		(3,704)
Net cash flows used in investing activities	投資活動之現金流出淨額	(31,393)	(154,674)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動之現金流量</b>		
Proceeds from issue of shares	股份發行所得款項	30	7,301
New bank borrowings	新增銀行借款	26	160,000
Repayment of bank borrowings	償還銀行借款	26	(33,500)
Dividends paid	已付股息	15	(45,108)
Interest paid	已付利息		(3,906)
Net cash flows from/(used in) financing activities	融資活動之現金流入/(流出)淨額	(82,983)	86,451
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物 之增加/(減少)淨額</b>	<b>197,376</b>	<b>(14,775)</b>
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	179,607	195,090
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額	2,109	(708)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末之現金及現金等價物</b>	<b>379,092</b>	<b>179,607</b>

## Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

Year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘之分析</b>			
Cash and bank balances	現金及銀行結餘	24	<b>379,092</b>	179,607
Time deposit	定期存款	24	<b>3,704</b>	–
Cash and cash equivalents as stated in the consolidated statement of financial position	於綜合財務狀況表所列之現金及 現金等價物		<b>382,796</b>	179,607
Less: Non-pledged time deposit with original maturity of more than three months when acquired	減：於購入時原到期日為多於 三個月之無抵押定期存款		<b>(3,704)</b>	–
Cash and cash equivalents as stated in the consolidated statement of cash flows	於綜合現金流量表所列之現金及 現金等價物		<b>379,092</b>	179,607

# Statement of Financial Position

## 財務狀況表

31 December 2012 二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之權益	23	<b>689,670</b>	739,912
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	<b>43</b>	237
Cash and cash equivalents	現金及現金等價物	24	<b>2,024</b>	792
Total current assets	流動資產總值		<b>2,067</b>	1,029
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及應計款項	27	<b>5,588</b>	7,036
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨值</b>		<b>(3,521)</b>	(6,007)
Net assets	資產淨值		<b>686,149</b>	733,905
<b>EQUITY</b>	<b>權益</b>			
Issued capital	已發行股本	30	<b>4,166</b>	4,113
Reserves	儲備	32(b)	<b>681,983</b>	729,792
Total equity	總權益		<b>686,149</b>	733,905

**Cheng Man Tai**  
鄭敏泰  
Director  
董事

**Cheng Pik Ho Liza**  
鄭碧浩  
Director  
董事



# Notes to Financial Statements

## 財務報表附註

31 December 2012 二零一二年十二月三十一日

### 1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 August 2006 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company is located at 7th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 23 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

The Company is a subsidiary of Harmonious World Limited ("Harmonious World"), a company incorporated in the British Virgin Islands (the "BVI"), which is considered by the directors as the Company's ultimate holding company.

### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except where otherwise indicated.

### 1. 公司資料

本公司於二零零六年八月二十九日根據開曼群島第22章公司法(一九六一年法例三，經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands，而本公司的主要營業地點為香港新界葵涌大連排道200號偉倫中心二期7樓。

本公司的主要業務為投資控股。有關附屬公司的主要業務詳情載於財務報表附註23。年內本集團的主要業務性質並無重大變動。

本公司為Harmonious World Limited(「Harmonious World」)的附屬公司，Harmonious World於英屬處女群島(「英屬處女群島」)註冊成立，董事認為Harmonious World為本公司的最終控股公司。

### 2.1 呈列基準

該等財務報表根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例披露規定編製。該等財務報表根據歷史成本法編製，惟投資物業按其公平值計量。除另有指明外，該等財務報表以港元呈列，所有價值均調整至最接近千元(千港元)。

## 2.1 Basis of Preparation (continued)

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in consolidated income statement. The Group's share of components previously recognised in other comprehensive income is reclassified to consolidated income statement or retained profits, as appropriate.

## 2.1 呈列基準(續)

### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一二年十二月三十一日止年度的財務報表。附屬公司於相同申報期間的財務報表採用與本公司一致的會計政策編製。附屬公司的業績自收購日期(即本集團取得控制權當日)起綜合計算,直至該等控制權失效為止。集團內公司間交易產生的一切集團內公司間結餘、交易、未實現盈虧及股息,於綜合賬目時全數對銷。

即使將招致虧絀結餘,附屬公司之全面收入總額仍歸於非控股權益。

於附屬公司擁有權權益之變動(並無失去控制權)於入賬時列作權益交易。

倘本集團失去附屬公司的控制權,會於綜合收益表終止確認(i)附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)計入權益的累計匯兌差額;並確認(i)收取代價的公平價值、(ii)任何保留投資的公平價值及(iii)任何由此產生的盈餘或虧損。本集團早前於其他綜合收入確認的應佔部份會適當地重新歸類於綜合收益表或保留溢利。

## 2.2 Changes in Accounting Policy and Disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>

Other than as further explained below regarding the impact of amendments to HKAS 12, the adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

The HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. Prior to the adoption of the amendments, deferred tax with respect to the Group's investment properties was provided on the basis that the carrying amount will be recovered through use, and accordingly the profits tax rate had been applied to the calculation of deferred tax arising on the revaluation of the Group's investment properties. Upon the adoption of HKAS 12 Amendments, deferred tax in respect of the Group's investment property in Hong Kong is provided on the presumption that the carrying amount will be recovered through sale.

## 2.2 會計政策變動及披露

本集團於本年度財務報表首次採納以下經修訂之香港財務報告準則。

香港財務報告準則 第1號修訂	香港財務報告準則第1號修訂 首次採納香港財務報告準則 — 嚴重高通貨膨脹及剔除首次 採納者的固定日期
香港財務報告準則 第7號修訂	香港財務報告準則第7號修訂 金融工具：披露 — 轉讓金融資產
香港會計準則 第12號修訂	香港會計準則第12號修訂 所得稅 – 遞延稅項： 相關資產的收回

除下文進一步說明有關香港會計準則第12號修訂，採用此等經修訂香港財務報告準則對財務報表並無產生重大財務影響。

香港會計準則第12號修訂闡明以公平價值計量之投資物業之遞延稅項的釐定及引入可推翻推定，即以公平價值計量之投資物業之遞延稅項，應以其賬面值藉出售而可收回之基礎而釐定。此外，該等修訂納入以往在香港(常務詮釋委員會) – 詮釋第21號 *所得稅 – 重估非折舊資產的收回* 之規定，即採用香港會計準則第16號之重估模式計量之非折舊資產之遞延稅項，應以出售基礎計量。於採用修訂前，本集團投資物業之遞延稅項乃按有關面值將透過使用收回為基準予以撥備，因此計量重估本集團投資物業而產生之遞延稅項時已應用利得稅稅率計算。經採納香港會計準則第12號修訂本後，本集團香港投資物業之遞延稅項乃按面值將透過使用收回之假設予以撥備。

## 2.2 Changes in Accounting Policy and Disclosures (continued)

The effects of the above changes to the deferred tax in respect of the Group's investment property in Hong Kong are summarised below:

### Consolidated income statement

		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 <b>HK\$'000</b> 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Decrease in income tax expense	所得稅開支減少	<b>1,650</b>	969
Increase in profit attributable to owners of the Company	本公司擁有人應佔溢利增加	<b>1,650</b>	969
Increase in basic earnings per share (HK cent)	每股基本盈利增加(港仙)	<b>0.40</b>	0.24
Increase in diluted earnings per share (HK cent)	每股攤薄盈利增加(港仙)	<b>0.40</b>	0.23

### Consolidated statement of financial position

		<b>31 December</b> <b>2012</b> 二零一二年 十二月三十一日 <b>HK\$'000</b> 千港元	31 December 2011 二零一一年 十二月三十一日 <b>HK\$'000</b> 千港元	1 January 2011 二零一一年 一月一日 <b>HK\$'000</b> 千港元
Decrease in deferred tax liabilities	遞延稅項負債減少	<b>4,950</b>	3,300	2,331
Increase in retained profits	保留溢利增加	<b>4,950</b>	3,300	2,331

In Mainland China, the tax consequences of a sale of the investment property or of the entity owning the investment property may be different. The Group's business model is that the entity owning the investment property will recover the value through use and on this basis the presumption of sale has been rebutted. Consequently, the Group has continued to recognise deferred taxes on the basis that the values of its investment properties in Mainland China are recovered through use.

## 2.2 會計政策變動及披露(續)

上述本集團香港投資物業之遞延稅項變動影響概述如下：

### 綜合收益表

		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 <b>HK\$'000</b> 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Decrease in income tax expense	所得稅開支減少	<b>1,650</b>	969
Increase in profit attributable to owners of the Company	本公司擁有人應佔溢利增加	<b>1,650</b>	969
Increase in basic earnings per share (HK cent)	每股基本盈利增加(港仙)	<b>0.40</b>	0.24
Increase in diluted earnings per share (HK cent)	每股攤薄盈利增加(港仙)	<b>0.40</b>	0.23

### 綜合財務狀況表

		<b>31 December</b> <b>2012</b> 二零一二年 十二月三十一日 <b>HK\$'000</b> 千港元	31 December 2011 二零一一年 十二月三十一日 <b>HK\$'000</b> 千港元	1 January 2011 二零一一年 一月一日 <b>HK\$'000</b> 千港元
Decrease in deferred tax liabilities	遞延稅項負債減少	<b>4,950</b>	3,300	2,331
Increase in retained profits	保留溢利增加	<b>4,950</b>	3,300	2,331

於中國內地，出售投資物業及出售擁有投資物業實體之稅務影響或有不同之處。根據本集團之業務模式，擁有投資物業之實體可透過使用並基於出售推定已被推翻收回價值。因此，本集團繼續按照中國內地投資物業可透過使用收回價值之基準確認遞延稅項。



## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i> <sup>2</sup>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> <sup>2</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>4</sup>
HKFRS 10	<i>Consolidated Financial Statements</i> <sup>2</sup>
HKFRS 11	<i>Joint Arrangements</i> <sup>2</sup>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> <sup>2</sup>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i> <sup>2</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> <sup>3</sup>

### 2.3 已頒佈但尚未生效的香港財務報告準則

本集團並未在財務報表應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第1號修訂	香港財務報告準則第1號修訂 首次採納香港財務報告準則 – 政府貸款 <sup>2</sup>
香港財務報告準則第7號修訂	香港財務報告準則第7號修訂 金融工具：披露 – 抵銷金融資產及金融負債 <sup>2</sup>
香港財務報告準則第9號	金融工具 <sup>4</sup>
香港財務報告準則第10號	綜合財務報表 <sup>2</sup>
香港財務報告準則第11號	合營安排 <sup>2</sup>
香港財務報告準則第12號	披露其他實體權益 <sup>2</sup>
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號修訂	香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號修訂 – 過渡指引 <sup>2</sup>
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(2011)修訂	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(2011)修訂 – 投資實體 <sup>3</sup>

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(continued)

HKFRS 13	<i>Fair Value Measurement</i> <sup>2</sup>
HKAS 1 Amendments	<i>Amendments to HKAS 1 Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income</i> <sup>1</sup>
HKAS 19 (2011)	<i>Employee Benefits</i> <sup>2</sup>
HKAS 27 (2011)	<i>Separate Financial Statements</i> <sup>2</sup>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> <sup>2</sup>
HKAS 32 Amendments	<i>Amendments to HKAS 32 Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities</i> <sup>3</sup>
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> <sup>2</sup>
<i>Annual Improvements 2009 — 2011 Cycle</i>	<i>Amendments to a number of HKFRSs issued in June 2012</i> <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 July 2012
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2013
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2014
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2015

### 2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第13號	公平價值計量 <sup>2</sup>
香港會計準則第1號修訂	香港會計準則第1號修訂 財務報表的呈列 — 其他全面 收益項目的呈列 <sup>1</sup>
香港會計準則第19號 (2011)	僱員福利 <sup>2</sup>
香港會計準則第27號 (2011)	獨立財務報表 <sup>2</sup>
香港會計準則第28號 (2011)	於聯營公司及合營公司的投資 <sup>2</sup>
香港會計準則 第32號修訂	香港會計準則第32號修訂 金融工具：呈列 — 抵銷 金融資產及金融負債 <sup>3</sup>
香港(國際財務報告 詮釋委員會) — 詮釋第20號	露天礦生產階段的剝採成本 <sup>2</sup>
二零零九年 至二零一一年週期的 年度改進	修訂多項於二零一二年六月頒佈的 香港財務報告準則 <sup>2</sup>

- <sup>1</sup> 於二零一二年七月一日或以後開始的年度期間生效
- <sup>2</sup> 於二零一三年一月一日或以後開始的年度期間生效
- <sup>3</sup> 於二零一四年一月一日或以後開始的年度期間生效
- <sup>4</sup> 於二零一五年一月一日或以後開始的年度期間生效

## 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(continued)

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The HKFRS 7 Amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with HKAS 32. The Group expects to adopt the amendments from 1 January 2013.

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

## 2.3 已頒佈但尚未生效的香港財務報告準則(續)

有關該等預期將適用於本集團之香港財務報告準則之進一步資料如下：

香港財務報告準則第7號修訂規定，實體須披露有關抵銷權及相關安排(例如抵押品協議)的資料。該等披露將為使用者提供評估淨額結算安排對實體財務狀況影響的有用資料。所有根據香港會計準則第32號金融工具：呈列抵銷的已確認金融工具須作出該等新披露。該等披露亦適用於受限於可執行的總淨額結算安排或類似協議的已確認金融工具，不論其是否根據香港會計準則第32號抵銷。本集團預期自二零一三年一月一日起採納該等修訂。

於二零零九年十一月頒佈之香港財務報告準則第9號為完全取代香港會計準則第39號金融工具：確認及計量的全面計劃之第一階段第一部分。此階段針對金融資產之分類及計量。實體須根據該實體管理金融資產之業務模式及金融資產之合約現金流特性，將金融資產分類為其後按攤銷成本或公平價值計量，而非將金融資產分為四類，旨在改善及簡化香港會計準則第39號規定之金融資產分類及計量方法。

## 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(continued)

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the “Additions”) and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option (“FVO”). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income (“OCI”). The remainder of the change in fair value is presented in the income statement, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in the income statement. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 *Consolidated and Separate Financial Statements* and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 that addresses the accounting for consolidated financial statements. It also addresses the issues raised in HK(SIC)-Int 12. Based on the preliminary analyses performed, HKFRS 10 is not expected to have any impact on the currently held investments of the Group.

## 2.3 已頒佈但尚未生效的香港財務報告準則(續)

於二零一零年十一月，香港會計師公會就金融負債頒佈香港財務報告準則第9號之新增規定(「新增規定」)，並將香港會計準則第39號金融工具之現有取消確認原則納入香港財務報告準則第9號內，大多新增規定與香港會計準則第39號一致，而指定為按公平值計入損益之金融負債計量將透過公平值選擇(「公平值選擇」)計算。就該等公平值選擇負債而言，由信貸風險變動而產生之負債公平值變動金額，必須於其他全面收益(「其他全面收益」)中呈列。除非於其他全面收益中就負債之信貸風險呈列公平值變動，會於收益表中產生或擴大會計差異，否則其餘公平值變動金額於收益表呈列。然而，新增規定並不涵蓋按公平值選擇納入之貸款承擔及財務擔保合約。

香港財務報告準則第9號旨在全面取代香港會計準則第39號。於全面取代前，香港會計準則第39號於對沖會計及金融資產之減值方面之指引繼續適用。本集團預期自二零一五年一月一日起採納香港財務報告準則第9號。於頒佈涵蓋所有階段的最終標準時，本集團將連同其他階段量化其影響。

香港財務報告準則第10號建立一項適用於所有實體(包括特殊目的實體或結構性實體)的單一控制模式。該準則包括控制的新定義，用於確定須綜合的實體。與香港會計準則第27號綜合及獨立財務報表及香港(常務詮釋委員會)–詮釋第12號綜合–特殊目的實體的規定相比，香港財務報告準則第10號引入的變動規定本集團管理層須作出重大判斷，以確定哪些實體受到控制。香港財務報告準則第10號取代香港會計準則第27號指明綜合財務報表入賬的部份，當中亦包括香港(常務詮釋委員會)–詮釋第12號提出的事項。基於已作出的初步分析，預期香港財務報告準則第10號不會對本集團現時持有的投資構成任何影響。



## 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(continued)

HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

In July 2012, the HKICPA issued amendments to HKFRS 10, HKFRS 11 and HKFRS 12 which clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

The amendments to HKFRS 10 issued in December 2012 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

## 2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第12號包括附屬公司、合營安排、聯營公司及結構性實體之披露規定，該等規定以往包括在香港會計準則第27號綜合及獨立財務報表、香港會計準則第31號於合營公司的權益及香港會計準則第28號於聯營公司的投資之內。該準則亦引入該等實體之多項新披露規定。

二零一二年七月，香港會計師公會已頒佈香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂以釐清香港財務報告準則第10號的過渡指引，提供進一步寬免，免除該等準則的完全追溯應用，以及限定僅就上個比較期間提供經調整比較資料。該等修訂釐清，倘於香港財務報告準則第10號首次獲應用的年度期間開始時，香港財務報告準則第10號及香港會計準則第27號或香港(常務詮釋委員會)－詮釋第12號有關本集團所控制實體的綜合結論有所不同，方須進行追溯調整。此外，就有關未經綜合結構性實體的披露而言，該等修訂將移除首次應用香港財務報告準則第12號前之期間須呈列比較資料的規定。

二零一二年十二月頒佈的香港財務報告準則第10號修訂包括投資實體的定義，並為符合投資實體定義的實體提供豁免綜合入賬的規定。根據香港財務報告準則第9號，投資實體須按附屬公司公平價值計入損益入賬，而並非予以綜合。香港財務報告準則第12號及香港會計準則第27號(2011)已作出後續修訂。香港財務報告準則第12號修訂亦載列投資實體的披露規定。由於本公司並非香港財務報告準則第10號中所界定的投資實體，所以本集團預期該等修訂將不會對本集團構成任何影響。

## 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(continued)

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (2011), HKAS 28 (2011), and the subsequent amendments to these standards issued in July and December 2012 from 1 January 2013.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 January 2013.

The HKAS 1 Amendments change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to the income statement at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments will affect presentation only and have no impact on the financial position or performance. The Group expects to adopt the amendments from 1 January 2013.

The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to setoff" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2014.

## 2.3 已頒佈但尚未生效的香港財務報告準則(續)

由於頒佈香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號，已對香港會計準則第27號及香港會計準則第28號作其後修訂。本集團預期自二零一三年一月一日起採納香港財務報告準則第10號、香港財務報告準則第11號、香港財務報告準則第12號、香港會計準則第27號(2011)、香港會計準則第28號(2011)，以及於二零一二年七月及十二月頒佈之後續修訂。

香港財務報告準則第13號提供了公平價值之精確定義，公平價值計量的單一來源及在香港財務報告準則範圍內使用的披露規定。該準則並不改變本集團需要使用公平價值之情況，但為在其他香港財務報告準則已規定或允許使用公平價值之情況下，應如何應用公平價值提供了指引。本集團預期自二零一三年一月一日起採用該準則。

香港會計準則第1號修訂改變在其他全面收益呈列的項目分組。在未來某個時間可重新分類至損益(或於損益重新使用)的項目(例如對沖投資淨額的收益淨額、換算境外業務的匯兌差額、現金流量對沖的變動淨額及可供出售金融資產的淨虧損或收益)將與不得重新分類的項目(例如有關界定福利計劃及重估土地及樓宇的精算收益及虧損)分開呈列。該等修訂僅影響呈列，並不會對財務狀況或表現構成影響。本集團預期自二零一三年一月一日起採納該等修訂。

香港會計準則第32號修訂為抵銷金融資產及金融負債釐清「目前具有合法可行使執行抵銷權利」的釋義。該等修訂亦釐清香港會計準則第32號的抵銷標準應應用於結算系統(例如中央結算所系統)，而該系統乃採用非同步的總額結算機制。本集團將自二零一四年一月一日起採納該等修訂，而該等修訂將不會對本集團的財務狀況或表現構成任何影響。

## 2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

(continued)

The *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 January 2013. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

- (a) *HKAS 1 Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- (b) *HKAS 32 Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. The Group is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

## 2.3 已頒佈但尚未生效的香港財務報告準則(續)

二零一二年六月頒佈的二零零九年至二零一一年週期的年度改進載列多項對香港財務報告準則的修訂。本集團預期自二零一三年一月一日起採納該等修訂。各項準則均設有過渡性條文。雖然採納部份修訂可能導致會計政策變動，但預期該等修訂概不會對本集團構成重大財務影響。該等預計將對集團的政策有重大影響的修訂如下：

- (a) 香港會計準則第1號財務報表的呈列：釐清自願性額外比較資料與最低規定比較資料之間的差異。一般而言，最低規定比較期間為上個期間。當實體自願提供上個期間以外的比較資料時，其須於財務報表的相關附註中載入比較資料。額外比較資料毋須包含完整財務報表。

此外，該修訂釐清，當實體變更其會計政策、作出追溯重列或進行重新分類，而有關變動對財務狀況表構成重大影響，則須呈列上個期間開始時的期初財務狀況表。然而，上個期間開始時的期初財務狀況表的相關附註則毋須呈列。

- (b) 香港會計準則第32號金融工具：呈列：釐清向權益持有人作出分派所產生的所得稅須按香港會計準則第12號所得稅入賬。該修訂移除香港會計準則第32號的現有所得稅規定，並要求實體就向權益持有人作出分派所產生的任何所得稅須應用香港會計準則第12號的規定。

本集團對有關首次應用新訂及經修訂香港財務報告準則的影響進行評估。本集團尚未能確定該等新訂及經修訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。



## 2.4 Summary of Significant Accounting Policies

### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement.

## 2.4 主要會計政策概要

### 附屬公司

附屬公司指本公司直接或間接控制其財務及營運政策，藉以從其業務獲益之實體。

附屬公司之業績按已收及應收股息計入本公司之收益表。本公司於附屬公司之權益按成本減任何減值虧損入賬。

### 業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公平價值計算，該公平價值為本集團轉讓的資產於收購日期的公平價值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇以公平價值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有人權益的非控股權益，並賦予擁有人權利，於清盤時按比例分佔實體的淨資產。非控制權益之一切其他成分乃按公平價值計量。收購成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段進行，先前持有的股權按收購日期的公平價值重新計量，而任何收益或虧損於損益中確認。



## 2.4 Summary of Significant Accounting Policies (continued)

### Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or a liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in the income statement or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the income statement as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

## 2.4 主要會計政策概要(續)

### 業務合併及商譽(續)

由收購方將予轉讓的任何或然代價將於收購日期按公平價值確認。分類為金融工具且在香港會計準則第39號範疇內一項資產或負債的或然代價根據公平價值的變動按公平價值計量，並確認於損益或作為其他全面收益的變動。倘或然代價並非在香港會計準則第39號範疇內，則按合適的香港財務報告準則計量。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前由持有的被收購方股權的公平價值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如總代價及其他項目低於所收購資產淨值的公平價值，於評估後其差額將於收益表內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於未來期間撥回。

## 2.4 Summary of Significant Accounting Policies (continued)

### Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;

## 2.4 主要會計政策概要(續)

### 業務合併及商譽(續)

倘商譽已分配予現金產生單位(或現金產生單位組別)的部份而該單位的部份業務已出售,則在釐定所出售業務的收益或虧損時,與所出售業務相關的商譽會計入該業務的賬面值。在該情況下出售的商譽,乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

### 關連人士

在下列情況下,關連人士將被視為與本集團有關連:

- (a) 有關人士為該名人士家族的人士或直系親屬,而該名人士
  - (i) 控制或共同控制本集團;
  - (ii) 對本集團發揮重大影響力;或
  - (iii) 為本集團或本集團母公司的主要管理層成員;

或

- (b) 倘符合下列任何條件,有關人士即屬實體:
  - (i) 該實體與本集團屬同一集團之成員公司;
  - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體的母公司、附屬公司或同系附屬公司之旗下);
  - (iii) 該實體及本集團均為同一第三方的合營企業;

## 2.4 Summary of Significant Accounting Policies (continued)

### Related parties (continued)

- (b) the party is an entity where any of the following conditions applies: (continued)
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

## 2.4 主要會計政策概要(續)

### 關連人士(續)

- (b) 倘符合下列任何條件，有關人士即屬實體：(續)
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
  - (v) 該實體為本集團僱員或屬於本集團關連人士之實體之僱員福利而設之離職後福利計劃；
  - (vi) 該實體由(a)項所述人士控制或共同控制；及
  - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員。

### 非金融資產減值

倘有跡象顯示資產出現減值，或須對資產進行年度減值測試(存貨、金融資產、投資物業及商譽除外)，則會估計該項資產之可收回金額。資產之可收回金額為資產或創現單位之使用價值或其公平值減出售成本之較高者，並就個別資產釐定，惟該項資產並無產生大部分獨立於其他資產或其他組別資產之現金流入則除外，在此情況，就該項資產所屬之創現單位釐定可收回金額。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值之估計及該項資產之特有風險之除稅前折現率折減至現值。減值虧損於產生期間自收益表扣除，惟倘該資產按重估金額列賬，則減值虧損會根據該重估資產之有關會計政策列賬。

## 2.4 Summary of Significant Accounting Policies (continued)

### Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

## 2.4 主要會計政策概要(續)

### 非金融資產減值(續)

於各報告期間結算日，均會評估是否有跡象顯示過往已確認之減值虧損不再存在或可能減少。倘出現該跡象，則會估計可收回金額。過往確認之資產減值虧損(商譽及金融資產除外)僅於用於釐定該項資產之可收回金額所採用之估計出現變化時撥回，但有關金額不得超逾假設過往年度並無就該項資產確認減值虧損而應有之賬面值(已扣除任何折舊／攤銷)。撥回減值虧損於產生期間計入收益表，惟倘該資產按重估金額列賬，則減值虧損撥回會根據該重估資產之有關會計政策列賬。

### 物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損入賬。

一項物業、廠房及設備之成本包括購買價及任何將資產達致其運作狀況與地點作擬定用途之直接成本。各項物業、廠房及設備投入運作後產生之開支(如維修及保養)一般於產生期間自收益表扣除。倘符合確認標準，一項主要視察之開支以替代方式於資產帳面值中資本化列賬。倘物業、廠房及設備之重要部分須不時替代，本集團確認該等部分為個別資產，具特別使用年限及折舊。



## 2.4 Summary of Significant Accounting Policies (continued)

### Property, plant and equipment and depreciation (continued)

Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	Over the lease terms
Leasehold improvements	4.5% to 20%
Plant and machinery	10% to 20%
Furniture, fixtures and office equipment	10% to 20%
Motor vehicles	20% to 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備以及折舊(續)

物業、廠房及設備之價值變動作為資產重估儲備之變動處理。倘若按每項資產為基準，儲備總額不足以彌補虧絀時，則多出之虧絀於收益表扣除。其後之重估盈餘乃計入收益表，惟以先前扣除之虧絀為限。出售重估資產時，資產重估儲備中就以往估值實現之部份乃轉入保留溢利，作為儲備之變動。

折舊按各項物業、廠房及設備之估計可使用年期以直線法計算，以撇銷成本至其剩餘價值。就此而言，所採用之主要年率如下：

租賃土地及樓宇	按租期
租賃物業裝修	4.5%–20%
廠房及機器	10%–20%
傢俬、裝置及辦公室設備	10%–20%
汽車	20%–25%

倘某項物業、廠房及設備項目各部分之使用年限各有不同，該項目之成本乃按合理基準在各部分之間進行分配，而每部分則各自計算折舊。剩餘價值、使用年限及折舊方法至少會於各財政年度年末進行檢討及調整(如適用)。

初步確認之物業、廠房及設備項目包括任何重要部分於出售時或預期日後不會因使用或出售而帶來經濟利益時停止確認。在停止確認該項資產之同一年度於收益表確認之出售或報廢之任何盈虧，為有關資產出售所得款項淨額與其賬面值之差額。

## 2.4 Summary of Significant Accounting Policies (continued)

### Property, plant and equipment and depreciation (continued)

Construction in progress represents a building and equipment under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

Gains or losses arising from changes in the fair value of an investment property are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備以及折舊(續)

在建工程指興建中之樓宇及設備，並以成本值減任何減值虧損列帳，且不予折舊。成本值包括建築期間之直接建築成本。在建工程於完成及投入服務時重新分類為合適類別之物業、廠房及設備。

### 投資物業

投資物業乃土地及樓宇之權益。持有投資物業是為賺取租金收入及／或資本增值，而非用以生產或提供貨物或服務或作行政用途又或於日常業務中出售。如本集團以業主佔用物業形式而佔用之物業轉變為投資物業，本集團對該物業入賬時須根據於「物業、廠房及設備以及折舊」所述之政策計至更改用途之日，而於當日有關該物業之賬面值及公平值之差額作為重估，須根據於上文「物業、廠房及設備以及折舊」所述之政策入賬。

投資物業公平值變更所帶來之溢利或虧損於產生年度計入收益表。

報廢或出售投資物業之任何溢利或虧損於報廢或出售之年度在收益表確認。

## 2.4 Summary of Significant Accounting Policies (continued)

### Investments and other financial assets

#### Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the income statement. The loss arising from impairment is recognised in the income statement in finance costs for loans and in other expenses for receivables.

## 2.4 主要會計政策概要(續)

### 投資及其他金融資產

#### 初步確認及計量

根據香港會計準則第39號所界定的金融資產分類為以公平值按損益列賬的金融資產、貸款及應收款項及可供出售金融投資，或分類為指定為有效對沖之對沖工具之衍生工具(視情況而定)。本集團將在初步認定後決定金融資產的分類。對於並非屬於以公平值按損益列賬的金融資產，在初始確認時以公平值加上交易成本計量。

以正常方式購買及銷售金融資產均在交易日(即本集團承諾購買或出售資產當日)確認。以正常方式購買或銷售資產是指須按照市場規定或慣例通常訂立的期限內交付資產。

#### 後續計量

金融資產的後續計量取決於其分類，如下：

#### 貸款及應收款項

貸款及應收款項指具有固定或可釐定付款額且非於活躍市場報價之非衍生金融資產。於首次計量後，該等資產採用實際利息法按攤銷成本計量，並扣除任何減值撥備。計算攤銷成本時亦會計及收購所產生之任何折讓或溢價，並包括作為實際利率之不可或缺之費用或成本。實際利率攤銷包含於收益表之其他收入及收益。因減值而產生之虧損於收益表內確認為貸款之融資成本及應收賬款之其他開支。

## 2.4 Summary of Significant Accounting Policies (continued)

### Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

## 2.4 主要會計政策概要(續)

### 金融工具之公平值

於活躍市場進行買賣之金融工具於結算日營業時間結束時之公平值，乃經參考所報市場價格或交易商報價(好倉之出價及淡倉之賣價)釐定，且未就交易成本作任何扣減。至於並無活躍市場之金融工具，其公平值則會使用適當之估值方法釐定。該等方法包括使用近期經公平磋商之交易；參考另一項大致相同之工具之目前市值；貼現現金流量分析；及期權定價模式。

### 解除確認金融資產

於下列情況時，金融資產(或(如適用)金融資產之一部分或一組類似金融資產之一部分)將解除確認：

- 自資產收取現金流量之權利已屆滿；或
- 本集團已轉讓自資產取得現金流量之權利或已根據「轉付」安排承擔於無重大延誤之情況下向第三方全額支付已收取現金流量之責任；且(a)本集團已轉讓該資產之大部分風險及回報，或(b)本集團並無轉讓或保留該等資產之大部分風險及回報，惟已轉讓該資產之控制權。

當本集團已轉讓自一項資產收取現金流量的權利或已訂立「轉付」安排，會評估其有否保留該項資產擁有權的風險及回報，以及其程度。當本集團並無轉讓或保留該資產之大部分風險及回報，亦無轉讓該資產之控制權，則該資產將按本集團繼續參與有關資產之程度確認。於此情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反應本集團已保留權利及責任之基準計量。



## 2.4 Summary of Significant Accounting Policies (continued)

### Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

## 2.4 主要會計政策概要(續)

### 解除確認金融資產(續)

形式為就已轉讓資產作出之繼續參與，乃按該資產之原賬面值及本集團或須償還之代價金額上限(以較低者為準)計量。

### 金融資產之減值

本集團於各報告期間結算日評估是否有客觀證據顯示一項金融資產或一組金融資產出現減值。倘，且僅倘，有客觀證據顯示由於資產首次確認之後發生之一件或多件事項(已發生之「虧損事項」)而出現減值，且虧損事項已對金融資產或一組金融資產的估計未來現金流造成可合理估計之影響，則金融資產或一組金融資產被視為減值。減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

#### *按攤銷成本列賬之金融資產*

就按攤銷成本列賬之金融資產而言，本集團首先對具個別重要性之金融資產進行個別評估，評估個別資產是否存在可觀減值證據，或對非具個別重要性之金融資產進行共同評估。倘本集團釐定經個別評估之金融資產(無論具有重要性與否)並無存在可觀減值證據，則會將該資產歸入一組具有類似信貸風險特性之金融資產內，然後共同評估減值。個別評估減值及為其確認或繼續確認減值虧損之資產，在共同評估減值時不會包括在內。

## 2.4 Summary of Significant Accounting Policies (continued)

### Impairment of financial assets (continued)

#### Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the income statement.

## 2.4 主要會計政策概要(續)

### 金融資產之減值(續)

#### 按攤銷成本列賬之金融資產(續)

倘有客觀證件顯示已出現減值虧損，則虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計量。估計未來現金流量之現值乃按金融資產之原實際利率貼現(即按初步確認計算之實際利率)。倘為浮息貸款，則計量任何減值虧損之貼現率為現時之實際利率。

資產之賬面值通過採用撥備賬項減少，虧損金額在收益表中確認。利息收入按減少後賬面值持續產生，且採用計量減值虧損時用以貼現未來現金流量之利率累計。倘預期並無日後可收回金額，且所有抵押已變現或轉撥至本集團，則借貸及應收款項連同相關撥備予以撇銷。

以後期間，倘若由於減值確認後發生一個事件估計減值虧損之數額增加或減少，則先前確認之減值虧損透過調整撥備賬項予以增加或減少。倘攤銷隨後可收回，收回款項計入收益表之其他開支。

## 2.4 Summary of Significant Accounting Policies (continued)

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

#### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

## 2.4 主要會計政策概要(續)

### 金融負債

#### 初步確認及計量

屬於香港會計準則第39號範圍之金融負債按適用情況分類為透過損益賬以公平值列賬之金融負債、貸款及借貸，或分類為指定為有效對沖之對沖工具之衍生工具(按適用情況)。本集團於初步確認時釐定其金融負債之分類。

所有財務負債初始時按公平值確認，惟貸款及借款則加上淨直接應佔交易成本確認。

#### 後續計量

財務負債的後續計量取決於其分類，如下：

#### 貸款及借款

於初始確認後，計息貸款及借款隨後以實際利率法按攤銷成本計量，倘折現的影響並不重大，則按成本列賬。當撤銷確認負債及在實際利率攤銷過程中，收益及虧損會於收益表確認。

攤銷成本計入於購買時產生的任何折現或溢價及作為構成有效利率整體部分的費用或成本。有效利率攤銷計入收益表中的融資成本。

#### 撤銷確認金融負債

當負債項下之責任被解除或取消或屆滿，金融負債將被撤銷確認。

如現有金融負債由同一放債人明顯不同的條款大致上相異之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值之差額於收益表確認。

## 2.4 Summary of Significant Accounting Policies (continued)

### Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowances for obsolete or slow moving items. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

## 2.4 主要會計政策概要(續)

### 存貨

存貨按成本與可變現淨值之較低者入賬，並就陳舊或滯銷項目作適當撥備。成本按加權平均法計算，如屬在製品及製成品，則包括直接物料、直接工資及適當比例之間接成本。可變現淨值按估計售價減任何估計完成及出售所需之成本計算。

### 租賃

將資產擁有權(法定業權除外)之大部分報酬與風險轉讓至本集團之租賃均列為融資租賃。融資租賃生效時，租賃資產之原值均按最低租賃款項之現值撥作資本，並連同債務(不計利息)入賬，以反映購入及融資情況。資本化融資租賃持有之資產(包括融資租賃項下土地租賃款項預付)均列入物業、廠房及設備，並按資產租賃年期或估計可使用年期(以較短者為準)攤銷。該等租賃之融資成本乃於租賃年內按固定比率於收益表內扣除。

由出租人承受資產擁有權之絕大部分回報與風險之租賃均列為經營租賃。倘本集團是出租人，則本集團根據經營租約出租之資產均計入非流動資產，而經營租約之應收租金則以直線法在租賃期內計入收益表。倘本集團是承租人，則經營租約之應付租金以直線法在租賃期內自收益表扣除。

經營租賃的預付土地租賃款項初步按成本列賬，其後在租賃期內以直線法確認。當租賃款項無法可靠地在土地和樓宇兩部份進行分配時，則整個租賃款項會計入土地和樓宇之成本中，列作物業、廠房及設備之融資租賃。



## 2.4 Summary of Significant Accounting Policies (continued)

### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings spending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

## 2.4 主要會計政策概要(續)

### 現金及現金等價物

為編製綜合現金流量表，現金及現金等價物包括手頭現金及活期存款，以及短期高流動性投資(須易於轉換能確定金額的現金、低價值變動風險及具較短期限(一般購入後不多於三個月))，減去按要求還款的銀行透支，並構成本集團的現金管理主要部分。

為編製財務狀況表，現金及現金等價物包括手頭現金及銀行存款，包括用途不受限制的定期存款。

### 借款成本

因收購、建設或生產合資格資產等(即需要一段頗長時間準備方可作其擬定用途或出售的資產)所直接產生的借貸成本，乃予以資本化作為該等資產成本之一部分。倘若該等資產已大致能夠用作擬定用途或出售，其借貸成本不再予以資本化。個別借貸因尚未用於合資格資產而用作暫時性投資，所賺取的投資收入應從已資本化的借貸成本中扣除。所有其他借貸成本於產生期內支銷。借貸成本包括實體在借入資金時所產生的利息及其他成本。

### 撥備

當由於過往事件導致現時須承擔法律或推定責任而未來可能須流失資源以履行責任，且能可靠估計責任之數額，則會確認撥備。

倘若貼現影響重大，則所確認之撥備數額為預計履行責任所需之未來開支在報告期間結算日之現值。隨時間流逝使貼現值增加之款項計入收益表之融資成本。

## 2.4 Summary of Significant Accounting Policies (continued)

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 2.4 主要會計政策概要(續)

### 所得稅

所得稅包括即期及遞延稅項。與於損益表以外確認之項目有關之所得稅或確認為其他全面收益亦或直接確認為權益。

現時及過往期間的即期稅項資產及負債，按預期可從稅務機構收回或支付予稅務機構之金額、以報告期間結算日之前已實施或實質已實施之稅率(及稅法)、經考慮本集團業務所在國家現行之詮釋及慣例而計量。

遞延稅項於呈報期末按負債法就資產及負債的稅基與財務報告所示賬面值的所有暫時差額計提撥備。

遞延稅項負債就所有應課稅暫時差額確認，惟下列情況除外：

- 因業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之遞延稅項負債；及
- 對附屬公司之投資相關之應課稅暫時差額而言，如暫時差額之撥回時間可予控制，且暫時差額不大可能在可預見將來撥回。

## 2.4 Summary of Significant Accounting Policies (continued)

### Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 2.4 主要會計政策概要(續)

### 所得稅(續)

遞延稅項資產乃於可能取得應課稅溢利而可動用可扣稅暫時差額，以及未動用稅項抵免及任何未動用稅項虧損。遞延稅項資產就所有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損結轉確認，惟下列情況除外：

- 遞延稅項資產涉及業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之可扣稅暫時差額；及
- 對附屬公司之投資相關之可扣稅暫時差異，遞延稅項資產僅於暫時差異於可預見將來可能出現逆轉及有應課稅溢利以供暫時差額抵銷的情況下確認。

於各報告期間結算日會檢討遞延稅項資產之賬面值，倘不再可能取得足夠應課稅溢利以運用全部或部分遞延稅項資產扣稅，則會作出相應調減。尚未確認之遞延稅項資產，則會於各報告期間結算日重新評估，並於有可能取得足夠應課稅溢利以收回全部或部分遞延稅項資產扣稅時確認。

遞延稅項資產及負債乃根據預期於變現資產或清償債務期間適用之稅率計算，而該稅率乃基於報告期間結算日正式實施或實質採用之稅率(及稅法)釐定。

當存在可依法執行之權利，可將即期稅項資產抵銷即期稅項負債，而遞延稅項涉及同一應課稅實體及同一稅務機關時，遞延稅項資產及遞延稅項負債方可互相抵銷。

## 2.4 Summary of Significant Accounting Policies (continued)

### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

### Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

## 2.4 主要會計政策概要(續)

### 收益確認

當經濟利益有可能流入本集團和當收入能可靠地計量時，收益會按下列基準確認：

- (a) 銷售貨品所得之收益，於所有權之重大風險和回報已轉移至買方時確認，惟本集團對所售貨品必須不再享有通常與所有權相關之管理權，亦不得再有實際控制權；
- (b) 租金收入在租賃期內按時間比例確認；
- (c) 利息收入以應計基準以實際利率法將金融工具的估計年期或較短期間(如適用)內的未來估計現金收入折現至金融資產的賬面淨值；及
- (d) 股息收入於確立股東收款權利時確認。

### 研究及開發成本

所有研究成本均於產生時自收益表扣除。

開發新產品之項目開支將撥充資本，並僅於以下情況延遲入賬：本集團能表現出完成該無形資產之技術可行性，以供使用或銷售；表現其有意完成該項資產及其使用或出售該項資產之能力；顯示該項資產如何產生日後經濟利益；顯示其能夠提供完成有關項目之資源；及顯示其有能力於開發期間可靠計量開支。不符合上述標準之產品開發開支於產生時支銷。



## 2.4 Summary of Significant Accounting Policies (continued)

### Government grants

Government grants, including a subsidy for the expenditure incurred in the construction cost of infrastructure projects, are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

### Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

## 2.4 主要會計政策概要(續)

### 政府補助

政府補助(包括有關基建項目建築成本所招致開支之補助)於可合理地確定將會收取補助及將符合所有附帶條件時按公平值確認。倘補助涉及開支項目,則會於相關期間確認為收入,使該補助有系統地對應其擬補助之成本入賬。倘補助與資產有關,其公平值從資產之賬面值中扣減並透過扣減之折舊開支而轉撥至收益表。

### 股份支付

本公司訂立購股權計劃,以向為本集團成功營運作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員(包括董事)以股份支付的形式收取酬金,據此僱員提供服務作為權益工具的代價(「以股份支付的交易」)。

僱員於二零零二年十一月七日後授予的以股份支付交易的成本乃參照該權益工具於授予日期的公平值計量。公平值由外聘估值師採用二項式模型釐定,有關詳情載於財務報表附註31。

權益支付交易的成本於表現及/或服務條件履行期間確認,同時相應增加權益。在歸屬日期之前於各報告期間結算日於權益支付交易所確認的累計開支反映歸屬期屆滿的程度及本集團認為對最終歸屬的權益工具數量的最佳估計。於期內綜合收益表扣除或計入的金額指於期初及期終確認的累計開支變動。

## 2.4 Summary of Significant Accounting Policies (continued)

### Share-based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as an additional share dilution in the computation of earnings per share.

### Other employee benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

## 2.4 主要會計政策概要(續)

### 股份支付(續)

除須視乎市場有條件歸屬或非歸屬條件的權益支付交易外，對於最終未予歸屬的回報，則不確認任何開支。而對於須視乎市場或非歸屬條件歸屬的回報，在其他所有表現及／或服務條件都符合情況下，不管市場條件是否達到要求，都視作已歸屬。

於修訂權益支付回報的條款時，將會至少確認開支，猶如倘最初回報條款均得到滿足，有關條款並無作出修訂。此外，亦會就任何修訂確認開支增加股份付款安排交易的總公平值，或於修訂當日計算時對僱員有利。

倘若註銷權益支付的回報，則會視作已於註銷當日歸屬，而任何未就回報確認的開支將立即確認。該報酬包括當非歸屬條件在本集團或僱員的控制下未能得到滿足時的報酬。然而，倘以新回報取代所註銷的回報，並於授出當日列作取代回報，則所註銷及新授出的回報將視作原有回報的修訂，有關詳情載於上段。

尚未行使購股權的攤薄影響列作計算每股盈利的額外股份攤薄。

### 其他僱員福利

本集團根據香港強制性公積金計劃條例為所有僱員設立定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃按僱員基本薪金之某百分比計算，並根據強積金計劃之規則於應付時在收益表扣除。強積金計劃資產與本集團資產分開存放，由獨立管理之基金持有。本集團一經向強積金計劃供款，有關僱主供款即全數歸僱員所有。

## 2.4 Summary of Significant Accounting Policies (continued)

### Other employee benefits (continued)

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or income statement is also recognised in other comprehensive income or income statement, respectively).

## 2.4 主要會計政策概要(續)

### 其他僱員福利(續)

本集團於中國大陸經營之附屬公司之僱員須參與地方市政府管理之中央退休金計劃。該等附屬公司須按其薪酬成本之若干百分比向中央退休金計劃供款。供款於根據中央退休金計劃之規則應付時於收益表扣除。

### 外幣

該等財務報表以港元(本公司之功能及呈列貨幣)呈列。本集團屬下各實體自行決定功能貨幣,而各實體財務報表內之項目均以該功能貨幣計算。外幣交易首先按交易日期本集團屬下各實體以其功能貨幣匯率入賬。於結算日以外幣為單位之貨幣資產與負債按報告期間結算日適用之功能貨幣匯率換算。因貨幣項目結算或匯兌產生的差額於收益表確認。根據外幣歷史成本計算之非貨幣項目按首次交易日期之匯率換算。根據外幣公平值計算之非貨幣項目按釐定公平值當日之匯率換算。換算非貨幣項目而產生的收益或虧損,按確認該項目公平價值變動的收益或虧損一致的方法處理(即其他全面收益或收益表已確認的項目公平價值收益或虧損,其換算差額亦分別於其他全面收益或收益表確認)。

## 2.4 Summary of Significant Accounting Policies (continued)

### Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates prevailing at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

## 3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

## 2.4 主要會計政策概要(續)

### 外幣(續)

若干海外附屬公司之功能貨幣並非港元。於報告期間結算日，該等實體之資產及負債均按報告期間結算日之匯率換算為本公司之呈列貨幣，而該等公司之收益表按年內之加權平均匯率換算為港元。因此而產生之匯兌差額計入其他全面收入及於匯兌波動儲備累積。於出售境外營運時，就特定海外實體在其他全面收入的組成部分將於收益表確認。

就編製綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期現行之匯率換算為港元。海外附屬公司在年內產生之經常性現金流量會按該年度之加權平均匯率換算為港元。

## 3. 主要會計判斷及估計

於編製本集團之財務報表時，管理層需對收入、支出、資產及負債之申報數額及其附帶披露、以及或然負債之披露事項作出判斷、估計及假設。該等假設及估計之不明朗因素可能導致需就日後受影響資產或負債之賬面值作出重大調整。

### 判斷

管理層於應用本集團之會計政策時已作出以下判斷(不包括涉及估計者)，對財務報表內確認之款項構成最重要影響者如下：



### 3. Significant Accounting Judgements and Estimates (continued)

#### Judgements (continued)

##### Operating lease commitments — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

##### Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

#### Estimation uncertainty

##### Estimation of fair value of investment properties

As described in note 18 to the financial statements, the investment properties were revalued at the end of the reporting period on an open market, existing use basis by independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

### 3. 主要會計判斷及估計(續)

#### 判斷(續)

##### 經營租約承擔—本集團作為出租人

本集團已就旗下之投資物業組合訂立商業物業租約。本集團已根據各安排之條款及條件之評估確定其保留經營租約出租之物業之擁有權的所有重大風險及回報。

##### 投資物業與業主佔用物業分類

本集團釐定一項物業是否符合為投資物業，並已制訂標準以作出有關判斷。投資物業乃為賺取租金或／及資本增值而持有之物業。故此，本集團考慮物業是否明顯地獨立於本集團持有的其他資產而產生現金流量。某些物業包括一部分為賺取租金或資本增值而持有，而另一部分則為生產或供應貨物或服務或行政用途而持有。倘有關部分可根據融資租賃單獨出售或出租，本集團則單獨計入該部分。倘有關部份不能單獨出售，物業只會用在於生產或供應貨物或服務或行政用途所佔比例極少的情況下計入投資物業。本集團基於物業的個別情況而作出判斷，以確定配套服務是否非常重要，致使該物業不符合為投資物業。

#### 估計之不明朗因素

##### 投資物業公平值之估計

如財務報表附註18所述，投資物業已由獨立專業合資格估值師於報告期間結算日按在公開市場及目前使用狀況下重新估值。有關估值乃根據若干假設進行，故當中有不明確因素且或會與實際結果有重大差異。於作出判斷時，本集團考慮活躍市場中類似物業之當前市價資料，並運用主要根據各報告期間結算日存在之市況作出之假設。

### 3. Significant Accounting Judgements and Estimates (continued)

#### Estimation uncertainty (continued)

##### Valuation of share options

The fair value of options granted under the share option scheme is determined using the binomial model. The significant inputs into the model were the weighted average share price at the grant date, exercise price, risk-free interest rate, dividend yield, expected volatility, expected life of options, and exit rate of directors and staff. When the actual results of the inputs differ from the management's estimate, it will have impact on share option expenses and the related share option reserve of the Company.

### 4. Segment Information

The Group's primary operating segment is the manufacture and sale of ladies' brassieres, panties, swimwear and sleepwear. Since this is the only operating segment of the Group, no further analysis thereof is presented. In determining the Group's geographical information, the revenue information is based on the locations of the customers, and the total non-current assets information, other than deferred tax assets, is based on the locations of the assets.

### 3. 主要會計判斷及估計(續)

#### 估計之不明朗因素(續)

##### 購股權之估值

根據購股權計劃授出之購股權公平值採用二項式模型釐定，模型所採用之重大計算數據為授出日期之加權平均股價、行使價、無風險利率、派息率、預期波幅、購股權預期有效期及董事與員工之流失率。倘計算數據之實際結果與管理層之估計不同，則會對本公司之購股權開支及相關購股權儲備構成影響。

### 4. 分部資料

本集團之主要經營分部是女仕胸圍、內褲、泳衣及睡衣之製造及銷售。由於此為本集團之唯一經營分部，故並無呈列進一步之分析。決定本集團之地區資料時，收益資料乃按客戶所在地為基礎，總非流動資產(遞延稅項資產除外)資料按資產所在地為基礎。

		Mainland China 中國大陸		Hong Kong 香港		Others 其他		Total 合併	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Revenue from external customers	外界客戶之收益	1,888,591	1,590,288	100,010	91,189	6,755	13,510	1,995,356	1,694,987
Non-current assets	非流動資產	771,139	770,063	73,270	63,349	-	-	844,409	833,412
Capital expenditure incurred during the year	年內資本開支	24,460	52,983	1,153	276	-	-	25,613	53,259

For the years ended 31 December 2012 and 2011, as no revenue from sales to a customer of the Group has individually accounted for over 10% of the Group's total revenue, no information about major customers is presented under HKFRS 8.

截至二零一二年及二零一一年十二月三十一日止年度，由於本集團並無客戶之銷售收益個別佔本集團總收益10%以上，故並未根據香港財務報告準則第8號呈報主要客戶的資料。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 5. Revenue

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

### 6. Other Income and Gains

### 5. 收益

收益，即本集團之營業額，指扣除退貨及交易折扣款額後售出貨品之發票淨值。

### 6. 其他收入及收益

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
<b>Other income</b>	<b>其他收入</b>		
Subsidy income*	補貼收入*	<b>26,898</b>	13,405
Gross rental income	租金收入總額	<b>6,336</b>	4,241
Bank interest income	銀行利息收入	<b>2,557</b>	853
Royalty income	專利權收入	<b>324</b>	367
Others	其他	<b>3,039</b>	4,988
		<b>39,154</b>	23,854
<b>Gains</b>	<b>收益</b>		
Foreign exchange differences, net	匯兌差異，淨額	<b>6,956</b>	22,750
Changes in fair value of investment properties (note 18)	投資物業公平值變動(附註18)	<b>11,177</b>	10,916
		<b>18,133</b>	33,666
		<b>57,287</b>	57,520

\* There are no unfulfilled conditions or contingencies relating to this income.

\* 此收入並無涉及任何未達成之條件或然事項。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 7. Other Expenses

### 7. 其他開支

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Charitable donation	慈善捐款	8,707	6,199
Loss on disposal/write-off of items of property, plant and equipment	出售/撤銷物業、廠房及設備項目之虧損	591	6
		<b>9,298</b>	6,205

### 8. Finance Costs

### 8. 融資成本

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Total interest on bank loans wholly repayable within five years	須於五年內悉數償還之總銀行借款利息	3,906	2,242



## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 9. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

### 9. 除稅前溢利

本集團之除稅前溢利已扣除/(計入)：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	<b>375,217</b>	300,615
Depreciation	折舊	<b>38,338</b>	34,285
Amortisation of prepaid land lease payments	預付土地租賃款項之攤銷	<b>789</b>	770
Minimum lease payments under operating leases in respect of:	有關以下各項經營租約之最低租賃款項：		
Land and buildings	土地及樓宇	<b>69,638</b>	63,196
Contingent rents of retail outlets in department stores	百貨公司內零售點的或然租金	<b>492,312</b>	412,634
Employee benefit expenses (excluding directors' and chief executive's remuneration — note 10):	僱員福利開支(不包括董事及行政總裁薪酬 — 附註 10)：		
Wages and salaries	工資及薪金	<b>481,312</b>	446,707
Provision/(write-back of provision) for long service payments	長期服務金撥備/(撥備撥回)	<b>(176)</b>	763
Retirement benefit scheme contributions	退休福利計劃供款	<b>41,553</b>	39,082
Equity-settled share option expense	以股權支付購股權開支	<b>13,103</b>	13,419
		<b>535,792</b>	499,971
Auditors' remuneration	核數師酬金	<b>2,700</b>	2,590
Advertising and counter decoration expenses	廣告及櫃位裝飾開支	<b>137,985</b>	108,696
Provision/(write-back of provision) for obsolete inventories, net*	陳舊存貨撥備/(撥備撥回)·淨額*	<b>26,492</b>	(5,720)
Impairment/(write-back of impairment allowance) of trade receivables	應收貿易賬款減值/(減值撥備撥回)	<b>(179)</b>	448
Research and development expenditure	研究及開發開支	<b>2,090</b>	3,421
Loss on disposal/write-off of items of property, plant and equipment	出售/撇銷物業、廠房及設備項目之虧損	<b>591</b>	6
Gross and net rental income	租金收入總額及淨額	<b>(6,336)</b>	(4,241)
Changes in fair value of investment properties	投資物業公平值變動	<b>(11,177)</b>	(10,916)
Foreign exchange differences, net	匯兌差異·淨額	<b>(6,956)</b>	(22,750)
Bank interest income	銀行利息收入	<b>(2,557)</b>	(853)

\* The provision/(write-back of provision) for obsolete inventories, net is included in "Cost of sales" on the face of the consolidated income statement.

\* 陳舊存貨撥備/(撥備撥回)·淨額已計入綜合收益表的「銷售成本」內。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 10. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

Fees	袍金
Other emoluments:	其他酬金：
Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Bonuses*	花紅*
Equity-settled share option expense	以股權支付之購股權開支
Retirement benefit scheme contributions	退休福利計劃供款

\* Executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

The fair value of these share options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

### 10. 董事及行政總裁薪酬

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)及香港公司條例第161節披露的年內董事及行政總裁薪酬如下：

Group 本集團	
2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
798	792
7,079	7,933
6,153	2,330
1,587	1,764
42	42
15,659	12,861

\* 本公司執行董事有權獲派發花紅，而花紅金額則按本集團除稅後溢利的一定百分比釐定。

就於歸屬期內在收益表確認的購股權，其公平值於授出日期釐定，計入本年度財務報表的金額載入上述董事及行政總裁薪酬披露事項內。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 10. Directors' and Chief Executive's Remuneration (continued)

2012

### 10. 董事及行政總裁薪酬(續)

二零一二年

		Salaries, allowances and benefits	Bonuses	Equity- settled share option expenses	Retirement benefit scheme contributions	Total remuneration
	Fees	in kind		以股權 支付之 購股權 開支	退休福利 計劃供款	總薪酬
	袍金	薪金、 津貼及 實物利益	花紅			
	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
<i>Executive directors:</i>	<i>執行董事：</i>					
Mr. Cheng Man Tai	-	2,513	2,198	30	14	4,755
Ms. Cheng Pik Ho Liza (note (i))	-	2,411	2,041	1,248	14	5,714
Madam Ngok Ming Chu	-	2,155	1,914	51	14	4,134
	-	7,079	6,153	1,329	42	14,603
<i>Independent non-executive directors:</i>	<i>獨立非執行 董事：</i>					
Mr. Lau Siu Ki	266	-	-	86	-	352
Mr. Lee Kwan Hung	266	-	-	86	-	352
Prof. Lee T. S.	266	-	-	86	-	352
	798	-	-	258	-	1,056
	798	7,079	6,153	1,587	42	15,659

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 10. Directors' and Chief Executive's Remuneration (continued)

2011

	Fees	Salaries, allowances and benefits in kind	Bonuses	Equity-settled share option expenses	Retirement benefit scheme contributions	Total remuneration
	袍金 HK\$'000 千港元	薪金、津貼及實物利益 HK\$'000 千港元	花紅 HK\$'000 千港元	以股權支付之購股權開支 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	總薪酬 HK\$'000 千港元
<i>Executive directors:</i>						
Mr. Cheng Man Tai	–	2,647	840	87	12	3,586
Ms. Cheng Pik Ho Liza (note (i))	–	2,257	774	1,207	12	4,250
Madam Ngok Ming Chu	–	2,105	716	107	12	2,940
Mr. Hung Hin Kit (note (ii))	–	924	–	–	6	930
	–	7,933	2,330	1,401	42	11,706
<i>Independent non-executive directors:</i>						
Mr. Lau Siu Ki	264	–	–	121	–	385
Mr. Lee Kwan Hung	264	–	–	121	–	385
Prof. Lee T. S.	264	–	–	121	–	385
	792	–	–	363	–	1,155
	792	7,933	2,330	1,764	42	12,861

Notes:

- (i) Ms. Cheng Pik Ho Liza, a director of the Company, is also a chief executive officer of the Company.
- (ii) Mr. Hung Hin Kit resigned as a director of the Company with effect from 1 July 2011.

There were no arrangements under which a director or the chief executive waived or agreed to waive any remuneration during the year.

### 10. 董事及行政總裁薪酬(續)

二零一一年

	Fees	Salaries, allowances and benefits in kind	Bonuses	Equity-settled share option expenses	Retirement benefit scheme contributions	Total remuneration
	袍金 HK\$'000 千港元	薪金、津貼及實物利益 HK\$'000 千港元	花紅 HK\$'000 千港元	以股權支付之購股權開支 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	總薪酬 HK\$'000 千港元
<i>Executive directors:</i>						
Mr. Cheng Man Tai	–	2,647	840	87	12	3,586
Ms. Cheng Pik Ho Liza (note (i))	–	2,257	774	1,207	12	4,250
Madam Ngok Ming Chu	–	2,105	716	107	12	2,940
Mr. Hung Hin Kit (note (ii))	–	924	–	–	6	930
	–	7,933	2,330	1,401	42	11,706
<i>Independent non-executive directors:</i>						
Mr. Lau Siu Ki	264	–	–	121	–	385
Mr. Lee Kwan Hung	264	–	–	121	–	385
Prof. Lee T. S.	264	–	–	121	–	385
	792	–	–	363	–	1,155
	792	7,933	2,330	1,764	42	12,861

附註:

- (i) 本公司董事鄭碧浩女士亦擔任本公司之行政總裁。
- (ii) 孔憲傑先生已辭任本公司董事之職，由二零一一年七月一日起生效。

有關期間內並無董事或行政總裁免收或同意免收任何薪酬之安排。



## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 11. Five Highest Paid Individuals

The five highest paid employees during the year included three (2011: three) directors, details of whose remuneration are set out in note 10 to the financial statements above. Details of the remuneration for the year of the remaining two (2011: two) highest paid employees who are neither directors nor chief executive of the Company are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Bonuses	花紅
Equity-settled share option expense	以股權支付購股權開支
Retirement benefit scheme contributions	退休福利計劃供款

The number of non-director and non-chief executive, highest paid employees whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零至 1,000,000 港元
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元

The fair value of these share options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive, highest paid employees' remuneration disclosures.

### 11. 五名最高薪人士

年內五名最高薪人士包括三名董事(二零一一年:三名),其薪酬詳情已於上文財務報表附註10載述。年內其餘兩名(二零一一年:兩名)非本公司董事或行政總裁之最高薪僱員之薪酬詳情如下:

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		<b>2,383</b>	2,853
		<b>1,496</b>	214
		<b>827</b>	774
		<b>56</b>	12
		<b>4,762</b>	3,853

薪酬屬於以下組別之非董事及非行政總裁最高薪僱員人數如下:

		Number of employees 僱員人數	
		2012 二零一二年	2011 二零一一年
		-	-
		-	1
		-	-
		<b>1</b>	1
		<b>1</b>	-
		<b>2</b>	2

就於歸屬期內在收益表確認的購股權,其公平值於授出日期釐定,計入本年度財務報表的金額載入上述非董事及非行政總裁最高薪僱員酬金披露事項內。

## 12. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China ("PRC") being effective on 1 January 2008 (the "New PRC Tax Law"), the PRC income tax rate is unified to 25% for all enterprises. Under an implementation guidance note of the New PRC Tax Law, enterprises established before the publication of the New PRC Tax Law were entitled to preferential treatments of a reduced corporate income tax rate (the "CIT rate") granted by the relevant tax authorities. The new CIT rate would be gradually increased from the preferential rate to 25% within five years after the effective date of the New PRC Tax Law on 1 January 2008. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term prior to the New PRC Tax Law became effective continue to enjoy such treatment until the fixed term expires.

In addition, taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

## 12. 所得稅

香港利得稅乃根據年內估計在香港產生之應課稅溢利，按16.5%（二零一一年：16.5%）之稅率作出撥備。

根據於二零零八年一月一日開始生效之中華人民共和國（「中國」）企業所得稅法（「新中國所得稅法」），中國所得稅稅率對於所有企業統一為25%。根據新中國所得稅法之實施指引，於公佈新中國所得稅法前成立之企業有權享有相關稅務機構授予減免企業所得稅率（「企業所得稅率」）之優惠待遇。新企業所得稅率可於二零零八年一月一日新中國所得稅法生效日期後五年內逐漸由優惠稅率增加至25%。現時於新中國所得稅法生效前固定期限內可享有標準所得稅稅率豁免或減免之企業可繼續享有此待遇，直至該固定期限屆滿為止。

此外，其他地方應課稅溢利之稅項已按本集團經營業務國家之目前稅率計算。

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
Group:	本集團：		
Current — Hong Kong	即期稅項—香港		
Charge for the year	年內稅項	584	518
Overprovision in prior years	過往年度之超額撥備	(12)	(349)
Current — Mainland China	即期稅項—中國大陸		
Charge for the year	年內稅項	75,178	69,271
Underprovision in prior years	過往年度之少提撥備	-	1
Deferred (note 29)	遞延(附註29)	1,302	1,544
Total tax charge for the year	年度之總稅項支出	<b>77,052</b>	70,985

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 12. Income Tax (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the regions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

### 12. 所得稅(續)

以本公司及其大部份附屬公司註冊地區之法定稅率及除稅前溢利計算之稅項開支，與使用實際稅率計算之稅項開支的對賬如下：

		<b>Group</b> 本集團	
		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
Profit before tax	除稅前溢利	<b>260,614</b>	231,268
Tax at the applicable rates to profits in the countries concerned	按有關國家適用於溢利之稅率計算之稅項	<b>66,079</b>	58,537
Lower tax rate for specific provinces in Mainland China	中國大陸特定省份之較低稅率	-	(543)
Lower tax rate due to tax holiday	因稅務優惠而下調之稅率	<b>(1,843)</b>	(3,304)
Overprovision in prior years	過往年度之超額撥備	<b>(12)</b>	(348)
Income not subject to tax	毋須課稅之收入	<b>(3,035)</b>	(3,605)
Expenses not deductible for tax	不可扣稅之開支	<b>8,654</b>	6,238
Effect of withholding tax at 5% and 10% on the distributable profits of the Group's PRC subsidiaries	對本集團之中國附屬公司可供分派溢利徵收5%及10%預扣稅之影響	<b>3,397</b>	10,986
Tax losses not recognised	未確認稅項虧損	<b>3,812</b>	3,024
Tax charge at the Group's effective rate	按本集團之實際稅率計算之稅項支出	<b>77,052</b>	70,985

## 13. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

			2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		Notes 附註		
<i>Continuing transactions</i>	<i>持續交易</i>			
Purchases of furniture and decoration services for counters and shops as well as different types of moulds from related companies	向關連公司購買櫃位及店舖之傢俬及裝修服務以及各類型模具	(i)	<b>14,839</b>	19,378
Rental expenses for a property charged by a related company	關連公司收取物業之租金開支	(ii)	<b>2,800</b>	2,733
Rental expenses for a warehouse charged by a director of the Company	本公司董事收取倉庫之租金開支	(iii)	<b>159</b>	144

Notes:

- (i) The purchases of furniture and decoration services for counters and shops as well as different types of moulds from related companies controlled by a son of a director of the Company were made according to the terms similar to those offered by the Group's independent suppliers. The balances owed to related companies as at 31 December 2012 were HK\$5,906,000 (2011: HK\$6,537,000) and were unsecured, interest-free and repayable in accordance with normal trading terms. The amounts have been included in other payables and accruals as at the end of the reporting period.
- (ii) The rental expenses charged by a related company, which was controlled by a director of the Company and two sons of a director of the Company, were determined with reference to the then prevailing market conditions.
- (iii) The rental expenses were determined with reference to the then prevailing market conditions.

## 13. 有關連人士交易

- (a) 除該等財務報表其他部份所述之交易外，本集團於年內與有關連人士進行之重大交易如下：

附註：

- (i) 向本公司一名董事的兒子控制之關連公司購買櫃位及店舖之傢俬及裝修服務以及各類型模具條款與本集團獨立供應商所提供之條款相若。於二零一二年十二月三十一日欠付關連公司之結餘5,906,000港元（二零一一年：6,537,000港元）乃無抵押、免息及需按一般買賣條款償還。該等款額已於報告期間結算日列作其他應付款項及應計款項。
- (ii) 本公司董事及董事之兩名兒子所控制之關連公司收取之租金開支乃參考當時之市況釐定。
- (iii) 租金開支乃參考當時之市況釐定。



**13. Related Party Transactions (continued)****(a) (continued)**

The above continuing transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

**(b) Compensation of key management personnel of the Group**

Short term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity-settled share option expense	以股權支付之購股權開支
Total compensation paid to key management personnel	支付予主要管理人員之總薪酬

Further details of directors' and chief executive's remuneration are included in note 10 to the financial statements.

**13. 有關連人士交易(續)****(a) (續)**

根據上市規則第14A章，以上持續交易構成持續關連交易。

董事認為上述交易是於本集團日常業務過程中進行。

**(b) 本集團主要管理人員之薪酬**

2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
18,134	16,063
283	284
3,350	3,384
<b>21,767</b>	19,731

董事及行政總裁薪酬的詳情載於財務報表附註10。

**14. Profit Attributable to Owners of the Company**

The consolidated profit attributable to owners of the Company for the year ended 31 December 2012 includes a loss of HK\$16,369,000 (2011: net loss of HK\$15,139,000) which has been dealt with in the financial statements of the Company (note 32(b)).

**14. 本公司擁有人應佔溢利**

截至二零一二年十二月三十一日止年度本公司擁有人應佔綜合溢利包括虧損16,369,000港元(二零一一年：虧損15,139,000港元)，該等溢利已於本公司財務報表內列賬(附註32(b))。

## 15. Dividends

## 15. 股息

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
<b>Dividends paid during the year</b>	<b>年內已付股息</b>		
Final and special in respect of the financial year ended 31 December 2011 — HK7.0 cents and HK2.0 cents, respectively, per ordinary share (2011: final and special dividends of HK5.0 cents and HK3.0 cents, respectively, per ordinary share in respect of the financial year ended 31 December 2010)	截至二零一一年十二月三十一日止財政年度末期及特別股息 — 分別為每股普通股7.0港仙及2.0港仙(二零一一年:截至二零一零年十二月三十一日止財政年度末期及特別股息 — 分別為每股普通股5.0港仙及3.0港仙)	<b>37,240</b>	32,803
Interim — HK4.0 cents (2011: HK3.0 cents) per ordinary share	中期股息 — 每股普通股4.0港仙(二零一一年:3.0港仙)	<b>16,575</b>	12,305
		<b>53,815</b>	45,108
<b>Proposed final and special dividends</b>	<b>擬派末期及特別股息</b>		
Final and special — HK7.0 cents (2011: HK7.0 cents) and HK2.0 cents (2011: HK2.0 cents), respectively, per ordinary share	末期及特別股息 — 分別為每股普通股7.0港仙(二零一一年:7.0港仙)及2.0港仙(二零一一年:2.0港仙)	<b>37,499</b>	37,025

The proposed final and special dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final and special dividends payable.

年內擬派末期及特別股息須待本公司股東於應屆股東週年大會上批准。該等財務報表並未反映應付末期及特別股息。

## 16. Earnings Per Share Attributable to Owners of the Company

The calculations of the basic and diluted earnings per share are based on the following data:

## 16. 本公司擁有人應佔每股盈利

每股基本及攤薄盈利乃按下列數據計算：

		Group 集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元 (Restated) (重列)
<b>Earnings</b>	<b>盈利</b>		
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company) (2011: restated to reflect the effect of adopting HKAS 12 Amendments as detailed in note 2.2)	就計算每股基本及攤薄盈利為目的之盈利(本公司擁有人年內應佔溢利)(二零一一年：重列以反映採納香港會計準則第12號修訂(詳情見附註2.2))	<b>183,562</b>	160,283
		<b>'000</b>	'000
<b>Number of ordinary shares</b>	<b>普通股數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利為目的之普通股加權平均數	<b>413,601</b>	409,423
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all options outstanding during the year	假設於年內視為行使所有尚未行使之購股權而無償發行之普通股加權平均數	<b>1,947</b>	5,343
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利為目的之普通股加權平均數	<b>415,548</b>	414,766

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 17. Property, Plant and Equipment Group

### 17. 物業、廠房及設備 本集團

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment 傢俬、裝置 及辦公室 設備	Motor vehicles	Construction in progress	Total
		租賃土地 及樓宇	租賃物業 裝修	廠房及 機器	及辦公室 設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>31 December 2012</b>	<b>二零一二年十二月三十一日</b>							
Cost:	成本：							
At 1 January 2012	於二零一二年一月一日	507,264	3,690	76,542	138,743	13,425	1,701	741,365
Additions	添置	-	-	1,901	12,008	1,586	10,118	25,613
Disposals/write-off	出售/撤銷	-	-	(2,289)	(5,360)	(1,744)	-	(9,393)
Transfers	轉撥	2,683	-	739	1,046	-	(4,468)	-
Transfer to investment properties (note)	轉撥至投資物業(附註)	(32,784)	-	-	-	-	-	(32,784)
Exchange realignment	匯兌調整	5,757	-	955	1,567	124	20	8,423
At 31 December 2012	於二零一二年十二月三十一日	482,920	3,690	77,848	148,004	13,391	7,371	733,224
Accumulated depreciation:	累計折舊：							
At 1 January 2012	於二零一二年一月一日	46,130	3,690	45,548	94,282	10,455	-	200,105
Provided during the year	年內撥備	11,022	-	4,220	21,742	1,354	-	38,338
Disposals/write-off	出售/撤銷	-	-	(2,132)	(4,861)	(1,737)	-	(8,730)
Transfer to investment properties (note)	轉撥至投資物業(附註)	(1,074)	-	-	-	-	-	(1,074)
Exchange realignment	匯兌調整	472	-	575	1,021	82	-	2,150
At 31 December 2012	於二零一二年十二月三十一日	56,550	3,690	48,211	112,184	10,154	-	230,789
Net book value:	賬面淨值：							
At 31 December 2012	於二零一二年十二月三十一日	426,370	-	29,637	35,820	3,237	7,371	502,435



## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 17. Property, Plant and Equipment (continued) Group

### 17. 物業、廠房及設備(續) 本集團

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment 傢私、裝置 及辦公室 設備	Motor vehicles	Construction in progress	Total
		租賃土地 及樓宇	租賃物業 裝修	廠房及 機器	及辦公室 設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
31 December 2011	二零一一年十二月三十一日							
Cost:	成本:							
At 1 January 2011	於二零一一年一月一日	449,813	3,690	69,269	122,847	15,360	26,257	687,236
Additions (note 33)	添置(附註33)	14,857	-	4,635	11,760	315	6,895	38,462
Disposals/write-off	出售/撤銷	-	-	-	(5,474)	(2,629)	-	(8,103)
Transfers	轉撥	26,707	-	14	5,384	-	(32,105)	-
Exchange realignment	匯兌調整	15,887	-	2,624	4,226	379	654	23,770
At 31 December 2011	於二零一一年十二月三十一日	507,264	3,690	76,542	138,743	13,425	1,701	741,365
Accumulated depreciation:	累計折舊:							
At 1 January 2011	於二零一一年一月一日	34,904	3,690	40,117	78,126	11,476	-	168,313
Provided during the year	年內撥備	10,098	-	3,878	18,993	1,316	-	34,285
Disposals/write-off	出售/撤銷	-	-	-	(5,460)	(2,608)	-	(8,068)
Exchange realignment	匯兌調整	1,128	-	1,553	2,623	271	-	5,575
At 31 December 2011	於二零一一年十二月三十一日	46,130	3,690	45,548	94,282	10,455	-	200,105
Net book value:	賬面淨值:							
At 31 December 2011	於二零一一年十二月三十一日	461,134	-	30,994	44,461	2,970	1,701	541,260

**17. Property, Plant and Equipment** (continued)

The Group's leasehold land and buildings at cost included above are held under the following lease terms:

Medium term leases in Hong Kong	於香港之中期租約
Short term leases outside Hong Kong	香港境外之短期租約
Medium term leases outside Hong Kong	香港境外之中期租約
Long term leases outside Hong Kong	香港境外之長期租約

At 31 December 2012, the Group is still in the progress of obtaining the building ownership certificate for one of the buildings in Mainland China with a net book value of approximately HK\$10,568,000 (2011: HK\$10,425,000).

*Note:* During the year ended 31 December 2012, the Group rented out certain of its occupied properties to outsiders for rental income. At the date of change in use, these properties became investment properties. Upon the transfer from property, plant and equipment to investment properties, these properties were revalued at HK\$32,773,000 with a revaluation surplus of HK\$1,063,000 credited to the asset revaluation reserve.

**17. 物業、廠房及設備** (續)

本集團根據以下租賃年期持有上述以成本列賬之租賃土地及樓宇：

		<b>Group</b> 本集團	
		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 HK\$'000 千港元
		<b>28,605</b>	28,605
		<b>15,123</b>	14,938
		<b>435,911</b>	460,480
		<b>3,281</b>	3,241
		<b>482,920</b>	507,264

於二零一二年十二月三十一日，本集團仍在辦理取得在中國大陸其中一座樓宇的物業擁有權證之手續賬面淨值約10,568,000港元(二零一一年：10,425,000港元)。

*附註：* 截至二零一二年十二月三十一日止年度，本集團向外部人士出租其若干物業以收取租金收入。於使用狀況變更當日，該等物業成為投資物業。自物業、廠房及設備轉撥至投資物業時，該等物業獲重估為32,773,000港元，而重估盈餘1,063,000港元計入資產重估儲備。

## 18. Investment Properties

## 18. 投資物業

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	249,805	217,224
Additions (note 33)	添置(附註33)	-	14,797
Changes in fair value (notes 6 and 9)	公平值變動(附註6及9)	11,177	10,916
Transfer from owner-occupied properties (note 17)	轉撥自業主佔用物業(附註17)	32,773	-
Exchange realignment	匯兌調整	2,566	6,868
Carrying amount at 31 December	於十二月三十一日之賬面值	<b>296,321</b>	249,805

The Group's investment properties are situated at 6th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong and certain floors of the building located at No. 508, Kunming Road, Yangpu District, Shanghai City, the PRC and were revalued on 31 December 2012 by DTZ Debenham Tie Leung Limited, a firm of independent professionally qualified valuers, at HK\$52,000,000 and RMB197,900,000 (approximately HK\$244,321,000), respectively, on an open market, existing use basis. The Group's investment properties are held under medium term leases.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 34(a) to the financial statements.

本集團之投資物業分別位於香港新界葵涌大連排道200號偉倫中心2期6樓及中國上海市楊浦區昆明路508號該大廈若干樓層。於二零一二年十二月三十一日，該兩項物業由獨立專業合資格估值師行戴德梁行有限公司以在公開市場及目前使用狀況下重估為52,000,000港元及人民幣197,900,000元(約244,321,000港元)。本集團之投資物業乃根據中期租約持有。

投資物業以經營租賃租予第三方，其詳情載於財務報表附註34(a)。

## 19. Prepaid Land Lease Payments

## 19. 預付土地租賃款項

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cost:	成本：		
At 1 January	於一月一日	37,506	36,183
Additions	添置	4,705	-
Exchange realignment	匯兌調整	462	1,323
At 31 December	於十二月三十一日	<b>42,673</b>	37,506
Amortisation:	攤銷：		
At 1 January	於一月一日	1,205	411
Recognised during the year	年內確認	789	770
Exchange realignment	匯兌調整	15	24
At 31 December	於十二月三十一日	<b>2,009</b>	1,205
Carrying amount at 31 December	於十二月三十一日之賬面值	<b>40,664</b>	36,301
Current portion included in prepayments, deposits and other receivables (note 22)	計入預付款項、按金及其他應收款項之即期部份(附註22)	<b>(880)</b>	(780)
Non-current portion	非即期部份	<b>39,784</b>	35,521

The leasehold lands situated in Mainland China are held under medium term leases.

Subsequent to the end of the reporting period, the Group had obtained the land use right certificate in respect of prepaid land lease payments of a net carrying amount of HK\$4,705,000 (2011: Nil).

有關租賃土地位於中國大陸乃根據中期租約持有。

報告期末後，本集團已取得預付土地租賃款項之土地使用權證，其賬面淨值為4,705,000港元(二零一一年：無)。



## 20. Inventories

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

## 20. 存貨

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
		<b>28,611</b>	40,527
		<b>27,357</b>	32,880
		<b>466,204</b>	527,886
		<b>522,172</b>	601,293

## 21. Trade Receivables

The Group's trading terms with its customers are mainly on credit, except for wholesalers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables by the sales department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

## 21. 應收貿易賬款

本集團主要以信貸期形式與客戶進行買賣，惟一般會要求批發商預先付款。信貸期一般為一個月，主要客戶之信貸期則可延至三個月。本集團之銷售部嚴控未收之應收款項，以減低信貸風險。逾期結餘由高級管理層定期檢討。鑑於上文所述及本集團之應收貿易賬款涉及多元化之客戶群且客戶人數眾多，故並無信貸過度集中之風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他信貸加強措施。應收貿易賬款並不計息。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 21. Trade Receivables (continued)

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

Within 90 days	90日內
91 to 180 days	91至180日
181 to 360 days	181至360日
Over 360 days	360日以上
Less: Impairment allowance	減：減值撥備

At 31 December 2012, trade receivables of HK\$519,000 (2011: HK\$698,000) were individually determined to be impaired. The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. Movements in provision for impairment of trade receivables are as follows:

At 1 January	於一月一日
Impairment losses recognised/(written back) (note 9)	減值虧損確認/(撥回)(附註9)
At 31 December	於十二月三十一日

### 21. 應收貿易賬款(續)

本集團於報告期間結算日之應收貿易賬款根據發票日期之賬齡分析如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Within 90 days	90日內	77,514	60,867
91 to 180 days	91至180日	2,384	1,808
181 to 360 days	181至360日	383	606
Over 360 days	360日以上	136	92
		<b>80,417</b>	63,373
Less: Impairment allowance	減：減值撥備	<b>(519)</b>	(698)
		<b>79,898</b>	62,675

於二零一二年十二月三十一日，本集團個別釐定應予以減值的應收貿易賬款為519,000港元(二零一一年：698,000港元)。個別減值應收貿易賬款與出現財務困難的客戶有關，預期只可收回部份應收賬款。應收貿易賬款之減值撥備變動如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
At 1 January	於一月一日	698	250
Impairment losses recognised/(written back) (note 9)	減值虧損確認/(撥回)(附註9)	<b>(179)</b>	448
At 31 December	於十二月三十一日	<b>519</b>	698

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 21. Trade Receivables (continued)

An aged analysis of the trade receivables that are not considered to be impaired is as follows:

Neither past due nor impaired	未逾期亦未減值
1 to 3 months past due	已逾期1個月至3個月

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

### 21. 應收貿易賬款(續)

視作為未減值之應收貿易賬款賬齡分析如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		<b>77,514</b>	60,867
		<b>2,384</b>	1,808
		<b>79,898</b>	62,675

未逾期亦未減值之應收貿易賬款乃與大量近期並無違約記錄之多名客戶有關。

已逾期但未減值之應收貿易賬款乃與多名與本集團維持良好往績記錄之獨立客戶有關。根據以往經驗，由於信貸質素並無出現重大變動，且有關結餘仍被視為可全數收回，本公司董事認為毋須就該等結餘作出減值撥備。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 22. Prepayments, Deposits and Other Receivables

### 22. 預付款項、按金及其他應收款項

	Note 附註	Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Prepaid land lease payments	19	880	780	-	-
Deposit paid and related direct cost for the land use rights in Shandong		2,600	2,568	-	-
Deposits for acquisition of items of property, plant and equipment		3,269	4,258	-	-
Prepayments		9,915	9,373	43	237
Deposits and other receivables		33,813	46,488	-	-
		<b>50,477</b>	63,467	<b>43</b>	237
Current portion included in prepayments, deposits and other receivables		(44,608)	(56,641)	(43)	(237)
Non-current portion		5,869	6,826	-	-

None of the financial assets included in the above balances is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述結餘的金融資產概無逾期或減值。計入上述結餘的金融資產為最近未有拖欠的應收款項。



## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 23. Investments in Subsidiaries

### 23. 於附屬公司之權益

		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，按成本	381,448	381,448
Due from subsidiaries	應收附屬公司款項	350,468	395,730
Due to subsidiaries	應付附屬公司款項	(42,246)	(37,266)
		<b>689,670</b>	739,912

The balances with subsidiaries are unsecured, interest-free and not expected to be settled within the next twelve months from the end of the reporting period.

附屬公司結餘為無抵押、免息及預期毋須於報告期間結算日起計未來12個月內償付。

Particulars of the principal subsidiaries are as follows:

主要附屬公司的詳情如下：

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及經營地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2012 二零一二年	2011 二零一一年	
Embry Asia Limited 安莉芳亞洲有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Investment holding 投資控股
Embry (Changzhou) Garments Ltd. ("Embry CZ")** 安莉芳(常州)服裝有限公司 ("安莉芳常州")**	PRC/ Mainland China 中國/中國大陸	RMB136,200,000# 人民幣136,200,000元#	100	100	Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣
Embry (China) Garments Ltd. ("Embry SZ")** 安莉芳(中國)服裝有限公司 ("安莉芳深圳")**	PRC/ Mainland China 中國/中國大陸	HK\$11,000,000 11,000,000港元	100	100	Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 23. Investments in Subsidiaries (continued)

Particulars of the principal subsidiaries are as follows:  
(continued)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及經營地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			本公司應佔權益百分比		
			2012 二零一二年	2011 二零一一年	
Embry (H.K.) Limited ("Embry HK") 安莉芳(香港)有限公司 (「安莉芳香港」)	Hong Kong 香港	Ordinary HK\$45,000 *Non-voting deferred HK\$4,500,000 普通股 45,000港元 *無投票權 遞延股 4,500,000港元	100	100	Trading of ladies' brassieres, panties, swimwear and sleepwear 買賣女性胸圍、內褲、 泳衣及睡衣
Embry (Macau) Fashion Company Limited (Embry (Macau) Pronto A Vestir, Limitada)	Macau 澳門	MOP100,000 100,000澳門幣	100	100	Trading of ladies' brassieres, panties, swimwear and sleepwear 買賣女性胸圍、內褲、 泳衣及睡衣
Embry (Shandong) Garments Limited ("Embry SD")** 安莉芳(山東)服裝有限公司 (「安莉芳山東」)**	PRC/ Mainland China 中國/中國大陸	US\$12,000,000** 12,000,000美元**	100	100	Manufacture and trading of ladies' brassieres, panties, swimwear and sleepwear 製造及買賣女性胸圍、 內褲、泳衣及睡衣
Embry (Shanghai) Company Limited ("Embry SH")** 安莉芳(上海)有限公司 (「安莉芳上海」)**	PRC/ Mainland China 中國/中國大陸	HK\$238,000,000 238,000,000港元	100	100	Design, research and development and trading of ladies' brassieres, panties, swimwear and sleepwear 設計、研究、開發及 買賣女性胸圍、 內褲、泳衣及睡衣
Embry Garments Limited	BVI 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Embry Group Limited ("EGL")	BVI 英屬處女群島	US\$472 472美元	100	100	Investment holding 投資控股

### 23. 於附屬公司之權益(續)

主要附屬公司的詳情如下:(續)

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 23. Investments in Subsidiaries (continued)

Particulars of the principal subsidiaries are as follows:  
(continued)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及經營地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本	Percentage of equity attributable to the Company		Principal activities 主要業務
			2012	2011	
			二零一二年	二零一一年	
Embry International Limited 安莉芳國際有限公司	BVI 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Gallin Investments Limited 吉年投資有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Investment holding 投資控股
Prime Force Advertising Limited	Hong Kong 香港	HK\$20 20港元	100	100	Property investment 物業投資
Whistleblower Limited	BVI 英屬處女群島	US\$1 1美元	100	100	Holding of trademarks 持有商標
*	<p>The non-voting deferred shares carry no rights to dividends (other than for any financial year during which the net profit of Embry HK available for dividend exceeds HK\$1,000,000,000,000), no rights to vote at general meetings and no rights to receive any surplus in return of capital in a winding-up in respect of the first HK\$500,000,000,000,000.</p>		<p>* 無投票權遞延股並無附帶權利收取股息(於安莉芳香港可供派息的純利超過1,000,000,000,000港元的任何財政年度除外)、於股東大會上投票及於清盤時收取首500,000,000,000,000港元退回資本的任何盈餘。</p>		
**	<p>Embry CZ, Embry SZ, Embry SD and Embry SH are registered as wholly-foreign-owned enterprises under the PRC law.</p>		<p>** 安莉芳常州、安莉芳深圳、安莉芳山東及安莉芳上海均根據中國法例註冊為全外資企業。</p>		
#	<p>The registered capital of Embry CZ was increased from RMB73,200,000 to RMB136,200,000 during the year and was fully paid up as at 31 December 2012.</p>		<p># 安莉芳常州的註冊資本由人民幣73,200,000元增至人民幣136,200,000元，已於截至二零一二年十二月三十一日止悉數繳足。</p>		
##	<p>The registered capital of Embry SD was increased from US\$10,000,000 to US\$18,000,000 during the year and US\$12,000,000 was paid up as at 31 December 2012. Subsequent to the end of the reporting period, the registered capital was fully paid up to US\$18,000,000.</p>		<p>## 安莉芳山東的註冊資本由10,000,000美元增至18,000,000美元，已於截至二零一二年十二月三十一日止繳付12,000,000美元。報告期末後，該註冊資本已悉數繳足至18,000,000美元。</p>		

### 23. 於附屬公司之權益(續)

主要附屬公司的詳情如下：(續)

**23. Investments in Subsidiaries (continued)**

Except for EGL, all of the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

**24. Cash and Cash Equivalents**

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	379,092	179,607
Time deposit with original maturity of more than three months when acquired	於購入時原到期日為多於三個月之定期存款	3,704	-
		<b>382,796</b>	179,607

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$278,439,000 (2011: HK\$111,338,000). RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are normally made for varying periods of between approximately one week and three months on average depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

**23. 於附屬公司之權益(續)**

除EGL外，上述所有附屬公司均由本公司間接持有。

上表所列本公司附屬公司乃董事認為對本年度業績有重要影響或構成本集團資產淨值重大比重之附屬公司。董事認為倘將其他附屬公司之詳情一併列出，則會令資料過於冗長。

**24. 現金及現金等價物**

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	379,092	179,607	2,024	792
Time deposit with original maturity of more than three months when acquired	於購入時原到期日為多於三個月之定期存款	3,704	-	-	-
		<b>382,796</b>	179,607	<b>2,024</b>	792

本集團於報告期間結算日以人民幣計值之現金及銀行結餘為278,439,000港元(二零一一年：111,338,000港元)。人民幣是不可自由兌換為其他貨幣，惟根據中國大陸之外匯管理條例，以及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯交易業務之銀行將人民幣兌換為其他貨幣。

銀行存款根據每日銀行存款利率釐定之浮動利率計息。短期定期存款通常平均為期約一星期至三個月不等，視乎本集團當時之現金需求而定，並按有關之短期定期存款利率計息。銀行結餘存放於近期並無違約記錄之信譽良好銀行。



## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 25. Trade and Bills Payables

An aged analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

Within 90 days	90日內
91 to 180 days	91至180日
181 to 360 days	181至360日
Over 360 days	360日以上

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days terms.

### 25. 應付貿易賬款及應付票據

本集團於報告期間結算日之應付貿易賬款及應付票據根據發票日期之賬齡分析如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
		<b>37,252</b>	31,594
		<b>1,409</b>	10,906
		<b>255</b>	1,521
		<b>103</b>	66
		<b>39,019</b>	44,087

應付貿易賬款並不計息，一般於30至90日內結清。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 26. Interest-bearing Bank Borrowings

### 26. 計息銀行借款

		Group 本集團			Group 本集團		
		2012 二零一二年			2011 二零一一年		
		Effective interest rate 實際利率 (%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate 實際利率 (%)	Maturity 到期日	HK\$'000 千港元
<b>Current</b>	<b>即期</b>						
Bank loans	銀行貸款						
— unsecured	無抵押	香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.25 HIBOR+1.08 to HIBOR+2.25	<b>2013</b> 二零一三年	<b>56,750</b>	香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.50 HIBOR+1.08 to HIBOR+2.50	2012 二零一二年	48,000
<b>Non-current</b>	<b>非即期</b>						
Bank loans	銀行貸款						
— unsecured	無抵押	香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.25 HIBOR+1.08 to HIBOR+2.25	<b>2014-2016</b> 二零一四年至 二零一六年	<b>121,750</b>	香港銀行 同業拆息+1.08至 香港銀行 同業拆息+2.25 HIBOR+1.08 to HIBOR+2.25	2013-2016 二零一三年至 二零一六年	163,500

		Group 本集團	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Analysed into:	分析：		
Bank loans repayable:	於下列期間償還之銀行貸款：		
Within one year	一年內	<b>56,750</b>	48,000
In the second year	第二年	<b>56,750</b>	53,000
In the third to fifth years, inclusive	第三至第五年(包括首尾年度)	<b>65,000</b>	110,500
		<b>178,500</b>	211,500
Less: Amount repayable within one year and classified as current portion	減：於一年內償還並列為 即期部分的金額	<b>(56,750)</b>	(48,000)
Amount classified as non-current portion	列為非即期部分的金額	<b>121,750</b>	163,500

The above bank loans are denominated in Hong Kong dollars. The bank loans are supported by corporate guarantees given by the Company, bear interest at rates ranging from 1.08% to 2.25% above the Hong Kong Interbank Offered Rate ("HIBOR") per annum.

上述銀行貸款以港元計值。本公司已就銀行貸款提供公司擔保，並按香港銀行同業拆息(「香港銀行同業拆息」)年利率加1.08厘至2.25厘計算。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 27. Other Payables and Accruals

### 27. 其他應付款項及應計款項

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Other payables	其他應付款項	92,838	84,769	-	-
Accruals	應計款項	105,134	87,505	5,588	7,036
		197,972	172,274	5,588	7,036
Current portion included in other payables and accruals	計入其他應付款項及 應計款項的即期部份	(175,009)	(149,591)	(5,588)	(7,036)
Non-current portion	非即期部份	22,963	22,683	-	-

Other payables of the Group at 31 December 2012 included a subsidy of RMB18,600,000 (approximately HK\$22,963,000) (2011: RMB18,600,000, approximately HK\$22,683,000) received from the People's Government of Jinan, Shandong Province, the PRC, for the construction cost of basic infrastructure to be incurred by the Group ("Shandong Factory Phase II development").

The amounts totalling HK\$5,906,000 (2011: HK\$6,537,000) included in other payables of the Group were due to related companies as at 31 December 2012. These balances were unsecured, interest-free and repayable in accordance with normal trading terms (note 13).

Other payables are non-interest-bearing.

本集團於二零一二年十二月三十一日之其他應付款項包括從中國山東省濟南市人民政府收取有關本集團就山東廠房二期發展(「山東廠房二期發展」)而產生基本設施建築成本之補貼為人民幣18,600,000元(約22,963,000港元)(二零一一年: 人民幣18,600,000元, 約22,683,000港元)。

本集團於其他應付款項所包括的5,906,000港元(二零一一年: 6,537,000港元)為於二零一二年十二月三十一日應付關連公司之款項。該等結餘為無抵押、免息及需按一般買賣條款償還(附註13)。

其他應付款項為不計息。

**28. Deferred Liabilities**

Deferred liabilities represent the estimated provision in respect of long service payments which may become payable in the future under the Hong Kong Employment Ordinance to employees in proportion to their periods of services with the Group up to the end of the reporting period.

**28. 遞延負債**

遞延負債指截至報告期間結算日有關長期服務金之估計撥備。長期服務金可能須根據香港僱傭條例按僱員於本集團之年資而向僱員支付。

		<b>Group</b> 本集團	
		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 <i>HK\$'000</i> 千港元
At 1 January	於一月一日	<b>4,234</b>	3,471
Provision/(write-back of provision) for the year (note 9)	年度之撥備/(撥備撥回) (附註9)	<b>(176)</b>	763
Payments during the year	年度之付款	<b>(21)</b>	-
At 31 December	於十二月三十一日	<b>4,037</b>	4,234



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財務報表附註(續)

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### 29. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

#### Group

		Revaluation of properties	Depreciation allowance in excess of related depreciation	Unrealised profit of inventories	Withholding taxes on undistributed profits on PRC subsidiaries	Temporary difference of provision and accruals	Withholding taxes on interest income	Total
		物業重估 HK\$'000 千港元	折舊減免額 超逾相關 折舊 HK\$'000 千港元	未變現 存貨溢利 HK\$'000 千港元	中國 附屬公司 未分派溢利 之預扣稅 HK\$'000 千港元	撥備及 應計款項 之暫時差額 HK\$'000 千港元	利息收入 之預扣稅 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日	2,331	1,194	(10,495)	16,835	(702)	494	9,657
Effect of changes in accounting policy (note 2.2)	會計政策改變之影響(附註2.2)	(2,331)	-	-	-	-	-	(2,331)
At 1 January 2011 (restated)	於二零一一年一月一日 (重列)	-	1,194	(10,495)	16,835	(702)	494	7,326
Deferred tax charged/(credited) to the income statement during the year (note 12)	年內在收益表扣除/(抵免) 之遞延稅項(附註12)	1,261	106	(4,514)	10,986	(7,772)	1,477	1,544
Exchange realignment	匯兌調整	15	-	-	1,340	(103)	37	1,289
At 31 December 2011 (restated)	於二零一一年十二月三十一日 (重列)	1,276	1,300	(15,009)	29,161	(8,577)	2,008	10,159
At 1 January 2012	於二零一二年一月一日	<b>4,576</b>	<b>1,300</b>	<b>(15,009)</b>	<b>29,161</b>	<b>(8,577)</b>	<b>2,008</b>	<b>13,459</b>
Effect of changes in accounting policy (note 2.2)	會計政策改變之影響(附註2.2)	<b>(3,300)</b>	-	-	-	-	-	<b>(3,300)</b>
At 1 January 2012 (restated)	於二零一二年一月一日 (重列)	<b>1,276</b>	<b>1,300</b>	<b>(15,009)</b>	<b>29,161</b>	<b>(8,577)</b>	<b>2,008</b>	<b>10,159</b>
Deferred tax debited to equity during the year	年內在權益扣除 之遞延稅項	<b>266</b>	-	-	-	-	-	<b>266</b>
Deferred tax charged/(credited) to the income statement during the year (note 12)	年內在收益表扣除/(抵免) 之遞延稅項(附註12)	<b>294</b>	<b>99</b>	<b>2,351</b>	<b>3,397</b>	<b>(6,171)</b>	<b>1,332</b>	<b>1,302</b>
Payments during the year	年內支付	-	-	-	(4,888)	-	(3,195)	(8,083)
Exchange realignment	匯兌調整	<b>16</b>	-	-	<b>142</b>	<b>(106)</b>	<b>25</b>	<b>77</b>
At 31 December 2012	於二零一二年十二月三十一日	<b>1,852</b>	<b>1,399</b>	<b>(12,658)</b>	<b>27,812</b>	<b>(14,854)</b>	<b>170</b>	<b>3,721</b>

### 29. 遞延稅項

年內遞延稅項負債及資產變動如下：

#### 本集團

## Notes to Financial Statements (Continued)

財務報表附註(續)

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### 29. Deferred Tax (continued)

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

		<b>31 December 2012</b>	31 December 2011	1 January 2011
		二零一二年 十二月三十一日	二零一一年 十二月三十一日	二零一一年 一月一日
		<b>HK\$'000</b>	HK\$'000	HK\$'000
		千港元	千港元 (Restated) (重列)	千港元 (Restated) (重列)
Deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表 確認之遞延稅項 資產	<b>(27,512)</b>	(23,586)	(11,197)
Deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表 確認之遞延稅項 負債	<b>31,233</b>	33,745	18,523
		<b>3,721</b>	10,159	7,326

The Group has tax losses arising in Hong Kong of approximately HK\$69,166,000 (2011: HK\$46,063,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and jurisdiction of the foreign investors. For the Group, the applicable rates are 5% and 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

### 29. 遞延稅項(續)

以下為本集團就財務申報而言之遞延稅項結餘分析：

	<b>31 December 2012</b>	31 December 2011	1 January 2011
	二零一二年 十二月三十一日	二零一一年 十二月三十一日	二零一一年 一月一日
	<b>HK\$'000</b>	HK\$'000	HK\$'000
	千港元	千港元 (Restated) (重列)	千港元 (Restated) (重列)
Deferred tax assets recognised in the consolidated statement of financial position	<b>(27,512)</b>	(23,586)	(11,197)
Deferred tax liabilities recognised in the consolidated statement of financial position	<b>31,233</b>	33,745	18,523
	<b>3,721</b>	10,159	7,326

本集團於香港產生之稅項虧損約 69,166,000 港元(二零一一年：46,063,000 港元)可無限期供抵銷產生虧損公司之未來應課稅溢利。由於該等虧損乃來自已持續虧損一段時間之本公司及附屬公司且被認為可能不會有應課稅溢利可供動用稅項虧損，故並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法，於中國成立之外資企業向外國投資者宣派之股息須繳納 10% 之預扣稅。有關規定於二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後之盈利。倘中國大陸與外國投資者所屬司法權區訂有稅務條約，則適用之預扣稅稅率可能較低。就本集團而言，適用稅率為 5% 及 10%。因此，本集團須就其於中國成立之附屬公司就二零零八年一月一日後產生之盈利分派之股息繳納預扣稅。

本公司向其股東派付股息概無附帶任何所得稅稅務後果。

## Notes to Financial Statements (Continued)

財務報表附註(續)

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### 30. Share Capital

### 30. 股本

		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 <b>HK\$'000</b> 千港元
Authorised:	法定：		
1,000,000,000 ordinary shares of HK\$0.01 each	1,000,000,000 股 每股面值 0.01 港元的普通股	<b>10,000</b>	10,000
Issued and fully paid:	已發行及繳足：		
416,661,000 (2011: 411,324,000) ordinary shares of HK\$0.01 each	416,661,000 股(二零一一年： 411,324,000 股)每股面值 0.01 港元的普通股	<b>4,166</b>	4,113

A summary of the transactions during the year with reference to the above movements in the Company's issued share capital is as follows:

年內與上述本公司已發行股本變動有關之交易概要如下：

		<b>Number of ordinary shares of HK\$0.01 each 每股面值 0.01 港元的 普通股數目</b>	<b>Nominal value of ordinary shares 普通股面值 HK\$'000 千港元</b>
	<i>Notes</i> 附註		
<b>Authorised:</b>	法定：		
As at 31 December 2011 and 31 December 2012	於二零一一年十二月三十一日及 二零一二年十二月三十一日	1,000,000,000	10,000
<b>Issued:</b>	已發行：		
As at 1 January 2011	於二零一一年一月一日	406,698,500	4,067
Share options exercised	已行使購股權 (a)	4,625,500	46
As at 31 December 2011	於二零一一年十二月三十一日	<b>411,324,000</b>	<b>4,113</b>
Share options exercised	已行使購股權 (b)	<b>5,337,000</b>	<b>53</b>
As at 31 December 2012	於二零一二年十二月三十一日	<b>416,661,000</b>	<b>4,166</b>

### 30. Share Capital (continued)

Notes:

- (a) During the reporting period ended 31 December 2011, the subscription rights attaching to 1,650,500 and 2,975,000 share options were exercised at the subscription prices of HK\$1.81 and HK\$1.45 per share, respectively (note 31), resulting in the issue of 4,625,500 shares of HK\$0.01 each at a total cash consideration of approximately HK\$7,301,000, of which approximately HK\$46,000 was credited to share capital and the balance of HK\$7,255,000 was credited to the share premium account. An amount of HK\$5,102,000 had been transferred from the share option reserve to the share premium account when the options were exercised.
- (b) During the reporting period ended 31 December 2012, the subscription rights attaching to 5,337,000 share options were exercised at the subscription price of HK\$1.45 per share (note 31), resulting in the issue of 5,337,000 shares of HK\$0.01 each at a total cash consideration of approximately HK\$7,738,000, of which approximately HK\$53,000 was credited to share capital and the balance of HK\$7,685,000 was credited to the share premium account. An amount of HK\$2,889,000 has been transferred from the share option reserve to the share premium account when the options were exercised.

### 30. 股本(續)

附註：

- (a) 截至二零一一年十二月三十一日止報告期間，分別按認購價每股股份1.81港元及1.45港元行使1,650,500份及2,975,000份購股權之所附認購權(附註31)，導致以總現金代價約7,301,000港元發行4,625,500股每股面值0.01港元之股份，其中約46,000港元計入股本，而7,255,000港元之結餘計入股份溢價賬。當購股權獲行使時，5,102,000港元由購股權儲備轉撥至股份溢價賬。
- (b) 截至二零一二年十二月三十一日止報告期間，按認購價每股股份1.45港元行使5,337,000份購股權之所附認購權(附註31)，導致以總現金代價約7,738,000港元發行5,337,000股每股面值0.01港元之股份，其中約53,000港元計入股本，而7,685,000港元之結餘計入股份溢價賬。當購股權獲行使時，2,889,000港元由購股權儲備轉撥至股份溢價賬。



## 31. Share Option Scheme

The Company has adopted a share option scheme on 18 December 2006 (the “Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group.

### Share Option Scheme

Eligible participants of the Share Option Scheme include, (i) any employee (whether full time or part time, including directors but excluding any non-executive director) of the Company, its subsidiaries or invested entity; (ii) any non-executive directors (including independent non-executive directors) of the Company, its subsidiaries or invested entity; (iii) any supplier or customer of the Group or any invested entity; (iv) any person or entity that provides research, development or other technological support to the Group or any invested entity; (v) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity; (vi) any advisor (professional or otherwise) or consultant to any area of business or business development of the Group or any invested entity; (vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and (viii) any company wholly-owned by one or more eligible participants as referred in to (i) to (vii) above. The Share Option Scheme became effective on 18 December 2006 and, unless otherwise cancelled or amended, will remain in force for a period of ten years to 17 December 2016.

The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company.

## 31. 購股權計劃

本公司於二零零六年十二月十八日採納購股權計劃(「購股權計劃」)，為對本集團的成功作出貢獻的合資格參與者提供鼓勵及獎賞。

### 購股權計劃

購股權計劃的合資格參與者包括(i)本公司、其附屬公司或所投資公司的任何全職或兼職僱員(包括董事，但不包括任何非執行董事)；(ii)本公司、其附屬公司或所投資公司的任何非執行董事(包括獨立非執行董事)；(iii)本集團任何成員公司或所投資公司的任何供應商或客戶；(iv)任何為本集團或任何所投資公司提供研究、開發或其他技術支援的個人或公司；(v)本集團任何成員公司或所投資公司的任何股東或本集團任何成員公司或所投資公司所發行任何證券的持有人；(vi)本集團或任何所投資公司在任何業務範疇或業務發展的專業或其他諮詢人或顧問；(vii)曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展及增長作出貢獻的任何其他類別參與者；及(viii)由上述第(i)至(vii)項所述的一名或多名合資格參與者全資擁有的任何公司。購股權計劃由二零零六年十二月十八日起生效，除非被註銷或修正，否則有效期將維持十年至二零一六年十二月十七日。

因行使根據購股權計劃及本集團任何其他購股權計劃已授出但尚未行使的購股權而發行的股份總數，不得超過當時本公司已發行股本的30%。因行使向每名購股權計劃合資格參與者授出購股權可發行的股份總數於任何十二個月期間不得超過本公司任何時間已發行股份的1%。凡超過此限制而授出購股權，必須獲股東於股東大會上批准後方可作實。向本公司董事、行政總裁或主要股東或任何彼等聯繫人士授予購股權，必須獲本公司獨立非執行董事事先批准後，方可作實。

### 31. Share Option Scheme (continued)

#### Share Option Scheme (continued)

In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet on the date of the offer of the share options; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

### 31. 購股權計劃(續)

#### 購股權計劃(續)

此外，倘任何十二個月期間內，向本公司主要股東或獨立非執行董事或任何彼等之聯繫人士授出任何購股權，超過本公司任何時間已發行股份0.1%或(根據本公司股份於授出日期的收市價計算的)總值超過5,000,000港元，則須獲股東於股東大會上作出事先批准，方可作實。

承授人可於建議授出購股權日期起計21日內支付象徵式代價1港元以接納有關購股權。購股權行使期由董事釐定，該期間或自購股權建議授出日期起計直至購股權建議授出當日起計十年止或購股權計劃屆滿之日止(以較早者為準)。

購股權行使價由董事釐定，惟不得低於下列最高者：(i)本公司股份於建議授出購股權當日在聯交所的每日報價表所報的收市價；(ii)本公司股份於截至建議授出當日止前五個營業日聯交所每日報價表所報的平均收市價；或(iii)本公司股份的面值。

購股權並無賦予持有人權利收取股息或於股東大會上投票。

## Notes to Financial Statements (Continued)

財務報表附註(續)

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### 31. Share Option Scheme (continued)

#### Share Option Scheme (continued)

Set out below are the outstanding share options under the Share Option Scheme as at 31 December 2012:

Name or category of participant	Number of share options 購股權數目					At 31 December 2012	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share 購股權行使價 每股港元
	At 1 January 2012	Granted during the year	Cancelled or lapsed during the year	Exercised during the year					
參與者姓名或類別	於二零一二年一月一日	年內授出	年內註銷或失效	年內已行使	於二零一二年十二月三十一日	購股權授出日期	購股權行使期		
<b>Executive directors</b>									
<b>執行董事</b>									
Mr. Cheng Man Tai	400,000	-	-	(400,000)	-	5 November 2008	5 November 2009 to 4 November 2012*	1.45	
鄭敏泰先生						二零零八年十一月五日	二零零九年十一月五日至二零一二年十一月四日*		
	35,000	-	-	-	35,000	18 May 2011	18 May 2012 to 17 May 2016**	5.24	
						二零一一年五月十八日	二零一二年五月十八日至二零一六年五月十七日**		
Ms. Cheng Pik Ho Liza	400,000	-	-	(400,000)	-	5 November 2008	5 November 2009 to 4 November 2012*	1.45	
鄭碧浩女士						二零零八年十一月五日	二零零九年十一月五日至二零一二年十一月四日*		
	1,460,000	-	-	-	1,460,000	18 May 2011	18 May 2012 to 17 May 2016**	5.24	
						二零一一年五月十八日	二零一二年五月十八日至二零一六年五月十七日**		
Madam Ngok Ming Chu	400,000	-	-	(400,000)	-	5 November 2008	5 November 2009 to 4 November 2012*	1.45	
岳明珠女士						二零零八年十一月五日	二零零九年十一月五日至二零一二年十一月四日*		
	60,000	-	-	-	60,000	18 May 2011	18 May 2012 to 17 May 2016**	5.24	
						二零一一年五月十八日	二零一二年五月十八日至二零一六年五月十七日**		
<b>Independent non-executive directors</b>									
<b>獨立非執行董事</b>									
Mr. Lau Siu Ki	280,000	-	-	(280,000)	-	5 November 2008	5 November 2009 to 4 November 2012*	1.45	
劉紹基先生						二零零八年十一月五日	二零零九年十一月五日至二零一二年十一月四日*		
	100,000	-	-	-	100,000	18 May 2011	18 May 2012 to 17 May 2016**	5.24	
						二零一一年五月十八日	二零一二年五月十八日至二零一六年五月十七日**		
Mr. Lee Kwan Hung	481,000	-	-	(481,000)	-	5 November 2008	5 November 2009 to 4 November 2012*	1.45	
李均雄先生						二零零八年十一月五日	二零零九年十一月五日至二零一二年十一月四日*		
	100,000	-	-	-	100,000	18 May 2011	18 May 2012 to 17 May 2016**	5.24	
						二零一一年五月十八日	二零一二年五月十八日至二零一六年五月十七日**		

### 31. 購股權計劃(續)

#### 購股權計劃(續)

以下載列於二零一二年十二月三十一日購股權計劃下尚未行使購股權：

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 31. Share Option Scheme (continued)

#### Share Option Scheme (continued)

Set out below are the outstanding share options under the Share Option Scheme as at 31 December 2012: (continued)

Name or category of participant	Number of share options 購股權數目					Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$ per share 購股權 行使價 每股港元
	At 1 January 2012	Granted during the year	Cancelled or lapsed during the year	Exercised during the year	At 31 December 2012			
參與者姓名或類別	於二零一二年一月一日	年內授出	年內註銷或失效	年內已行使	於二零一二年十二月三十一日	購股權授出日期	購股權行使期	
<b>Independent non-executive directors</b>								
<b>獨立非執行董事</b>								
Prof. Lee T. S.	380,000	-	-	(380,000)	-	5 November 2008	5 November 2009 to 4 November 2012*	1.45
李天生教授						二零零八年十一月五日	二零零九年十一月五日至二零一二年十一月四日*	
	100,000	-	-	-	100,000	18 May 2011	18 May 2012 to 17 May 2016**	5.24
						二零一一年五月十八日	二零一二年五月十八日至二零一六年五月十七日**	
<b>Other employees</b>								
<b>其他僱員</b>								
In aggregate	2,996,000	-	-	(2,996,000)	-	5 November 2008	5 November 2009 to 4 November 2012*	1.45
總計						二零零八年十一月五日	二零零九年十一月五日至二零一二年十一月四日*	
	17,780,000	-	(1,173,000)	-	16,607,000	18 May 2011	18 May 2012 to 17 May 2016**	5.24
						二零一一年五月十八日	二零一二年五月十八日至二零一六年五月十七日**	
	24,972,000	-	(1,173,000)	(5,337,000)	18,462,000			

Notes to the reconciliation of share options under the Share Option Scheme outstanding during the year:

- \* The share options ("the 2008 Options") are vested to the grantees in the following manner:
- 30% of such options were vested on 5 November 2009 with an exercise period from 5 November 2009 to 4 November 2012;
  - 30% of such options were vested on 5 November 2010 with an exercise period from 5 November 2010 to 4 November 2012; and
  - the remaining 40% of such options were vested on 5 November 2011 with an exercise period from 5 November 2011 to 4 November 2012.

### 31. 購股權計劃(續)

#### 購股權計劃(續)

以下載列於二零一二年十二月三十一日購股權計劃下尚未行使購股權：(續)

年內購股權計劃下尚未行使的購股權對賬附註：

- \* 購股權(「二零零八年購股權」)按以下方式歸屬予承授人：
- 該等購股權的30%已於二零零九年十一月五日歸屬，行使期為二零零九年十一月五日至二零一二年十一月四日；
  - 該等購股權的30%已於二零一零年十一月五日歸屬，行使期為二零一零年十一月五日至二零一二年十一月四日；及
  - 該等購股權的餘下40%已於二零一一年十一月五日歸屬，行使期為二零一一年十一月五日至二零一二年十一月四日。



**31. Share Option Scheme (continued)****Share Option Scheme (continued)**

Notes to the reconciliation of share options under the Share Option Scheme outstanding during the year: (continued)

- \*\* The share options (“the 2011 Options”) are vested to the grantees in the following manner:
- 30% of such options were vested on 18 May 2012 with an exercise period from 18 May 2012 to 17 May 2016;
  - 30% of such options will be vested on 18 May 2013 with an exercise period from 18 May 2013 to 17 May 2016; and
  - the remaining 40% of such options will be vested on 18 May 2014 with an exercise period from 18 May 2014 to 17 May 2016.

For the reporting period ended 31 December 2011, 20,355,000 share options were granted and their fair value was estimated at approximately HK\$41,952,000 (approximately HK\$2.06 each). The Company recognised a share option expense of HK\$14,690,000 (2011: HK\$15,183,000) during the year.

The fair value of the 2011 Options was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	1.5
Expected volatility (%)	52
Risk-free interest rate (%)	1.64
Expected life of options (years)	5
Exit rate – director (%)	0
Exit rate – staff except director (%)	14
Weighted average share price (HK\$ per share)	5.24

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The exit rate is based on the historical data on staff/director turnover rates.

No other feature of the options granted was incorporated into the measurement of fair value.

**31. 購股權計劃(續)****購股權計劃(續)**

年內購股權計劃下尚未行使的購股權對賬附註：(續)

- \*\* 購股權(「二零一一年購股權」)按以下方方式歸屬予承授人：
- 該等購股權的30%已於二零一二年五月十八日歸屬，行使期為二零一二年五月十八日至二零一六年五月十七日；
  - 該等購股權的30%將於二零一三年五月十八日歸屬，行使期為二零一三年五月十八日至二零一六年五月十七日；及
  - 該等購股權的餘下40%將於二零一四年五月十八日歸屬，行使期為二零一四年五月十八日至二零一六年五月十七日。

截至二零一一年十二月三十一日止，根據購股權計劃授出20,355,000份購股權及其公平值估計約為41,952,000港元(每份購股權約2.06港元)。本公司於年內確認購股權開支14,690,000港元(二零一一年：15,183,000港元)。

二零一一年購股權的公平值乃使用二項式模式於授出日期進行估計，並已計及該等購股權授出後的條款及條件。下表列載使用該模式的計入項目：

股息率 (%)	1.5
預期波幅 (%)	52
無風險利率 (%)	1.64
購股權預期有效期 (年)	5
流失率 – 董事 (%)	0
流失率 – 除董事外的員工 (%)	14
加權平均股價 (每股港元)	5.24

預期波幅反映假設歷史波幅具有未來趨勢的指示作用，亦可能與實際結果不符。流失率乃按照員工／董事流失率的歷史數據計算。

計算公平值時概無列入其他所授出購股權的特質。

**31. Share Option Scheme** (continued)

The following share options were outstanding under the Share Option Scheme during the year:

		2012 二零一二年		2011 二零一一年	
		Weighted average exercise price HK\$ per share 加權平均 行使價 每股港元	Number of options 購股權數目	Weighted average exercise price HK\$ per share 加權平均 行使價 每股港元	Number of options 購股權數目
At 1 January	於一月一日	4.43	24,972,000	1.51	10,483,000
Granted during the year	年內授出	-	-	5.24	20,355,000
Exercised during the year	年內行使	1.45	(5,337,000)	1.58	(4,625,500)
Cancelled or lapsed during the year	年內註銷或失效	5.24	(1,173,000)	3.65	(1,240,500)
At 31 December	於十二月三十一日	5.24	18,462,000	4.43	24,972,000

The weighted average share price at the date of exercise for share options exercised during the reporting period was HK\$3.94 per share (2011: HK\$5.28 per share).

The 5,337,000 share options exercised during the year resulted in the issue of 5,337,000 ordinary shares of the Company and new share capital of HK\$53,000 and share premium account of HK\$7,685,000 (before issue expenses), as further detailed in notes 30 and 32(b) to the financial statements.

At the end of the reporting period, the Company had 18,462,000 share options outstanding under the Share Option Scheme. The exercise in full of the share options would, under the present capital structure of the Company, result in the issue of 18,462,000 additional ordinary shares of the Company and additional share capital of approximately HK\$185,000 and share premium account of approximately HK\$96,556,000 (before issue expenses).

Subsequent to the end of the reporting period and at the date of approval of these financial statements, the Company had 18,462,000 share options outstanding under the Share Option Scheme, which represented approximately 4.43% of the issued share capital of the Company as at that date.

**31. 購股權計劃** (續)

以下為於年內購股權計劃項下尚未行使的購股權：

於報告期間已行使的購股權於行使當日的加權平均股價為每股3.94港元(二零一一年：每股5.28港元)。

於年內行使之5,337,000份購股權令本公司發行5,337,000股普通股，產生53,000港元之新股本及7,685,000港元之股份溢價賬(扣除發行開支前)。有關詳情載於財務報表附註30及32(b)。

於報告期間結算日，本公司擁有18,462,000份購股權計劃下之尚未行使購股權。根據本公司現時的股本架構，全面行使該等購股權將導致本公司額外發行18,462,000股普通股以及產生額外股本約185,000港元及股份溢價賬約96,556,000港元(扣除發行開支前)。

報告期間結算日之後及於批准此等財務報表當日，本公司擁有18,462,000份購股權計劃下之尚未行使購股權，佔本公司於該日期已發行股本約4.43%。

## 32. Reserves

### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The contributed surplus of the Group represents (i) the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation of certain members of the Group which took place on 31 December 1992, over the nominal value of EGL's shares issued in exchange therefor; (ii) the premium arising from the shares issued by EGL for settlement of the amount due to the ultimate holding company of HK\$15,841,000; (iii) the premium arising from the acquisition of Embry HK from the non-controlling interests of HK\$5,000,000; and (iv) the excess of the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par.

In accordance with the relevant regulations applicable in the PRC, subsidiaries of the Company established in the PRC are required to transfer a certain percentage of their profits after tax, if any, to the enterprise expansion and statutory reserve funds, which are non-distributable, before profit distributions to shareholders. The amounts of the transfers are subject to the approval of the board of directors of these subsidiaries.

The Group applied the transitional provision of HKFRS 3 which permits goodwill in respect of acquisitions which occurred prior to 1 January 2001, to remain eliminated against the consolidated reserves. The amount of goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries prior to 1 January 2001, was stated at cost, which amounted to HK\$3,168,000 (2011: HK\$3,168,000) as at 31 December 2012.

## 32. 儲備

### (a) 本集團

現時及過往年度本集團儲備金額以及其變動已呈列於財務報表內綜合權益變動表內。

本集團實繳盈餘指(i)根據重組於一九九二年十二月三十一日收購本集團若干成員公司，該等成員公司股份的面值超出就此作為交換所發行EGL股份的面值差額；(ii)EGL就償還欠付最終控股公司款項15,841,000港元而進行發行股份產生的溢價；(iii)向非控股權益收購安莉芳香港所產生溢價5,000,000港元；及(iv)根據集團重組收購附屬公司的股本的面值超出本公司當時發行以作為交換的股本面值的部份以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。

根據中國適用的相關規例，本公司於中國成立的附屬公司須將其若干百分比的除稅後溢利(如有)在向股東作出溢利分派前轉撥至企業擴展及法定儲備基金(均為不可分派)。轉撥的金額須待該等附屬公司的董事會批准方可作實。

本集團已採用香港財務報告準則第3號的過渡性條文，容許二零零一年一月一日前進行收購所產生的商譽維持與綜合儲備的對銷。保留於綜合儲備內因二零零一年一月一日前收購附屬公司產生的商譽金額按成本列值，於二零一二年十二月三十一日為3,168,000港元(二零一一年：3,168,000港元)。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 32. Reserves (continued) (b) Company

### 32. 儲備(續) (b) 本公司

			Share premium account	Contributed surplus	Share option reserve	Retained profits/ (accumulated losses)	Total
		Notes 附註	股份溢價賬 HK\$'000 千港元	實繳盈餘 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	保留溢利/ (累計虧損) HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日		346,713	381,248	7,556	32,084	767,601
Loss for the year	年度虧損		-	-	-	(15,139)	(15,139)
Total comprehensive expense for the year	年內全面支出總額		-	-	-	(15,139)	(15,139)
Issue of shares	發行股份	30(a)	12,357	-	(5,102)	-	7,255
Equity-settled share option arrangements	以權益支付之 購股權安排	31	-	-	15,183	-	15,183
Share options lapsed	購股權失效		-	-	(221)	221	-
2010 final and special dividends declared and paid	宣派及已支付 二零一零年末期 及特別股息	15	-	-	-	(32,803)	(32,803)
2011 interim dividend	二零一一年中期股息	15	-	-	-	(12,305)	(12,305)
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日 及二零一二年 一月一日		<b>359,070</b>	<b>381,248</b>	<b>17,416</b>	<b>(27,942)</b>	<b>729,792</b>
Loss for the year	年度虧損		-	-	-	(16,369)	(16,369)
Total comprehensive expense for the year	年內全面支出總額		-	-	-	(16,369)	(16,369)
Issue of shares	發行股份	30(b)	<b>10,574</b>	-	<b>(2,889)</b>	-	<b>7,685</b>
Equity-settled share option arrangements	以權益支付之 購股權安排	31	-	-	<b>14,690</b>	-	<b>14,690</b>
Share options lapsed	購股權失效		-	-	<b>(458)</b>	<b>458</b>	-
2011 final and special dividends declared and paid	宣派及已支付 二零一一年末期 及特別股息	15	-	-	-	<b>(37,240)</b>	<b>(37,240)</b>
2012 interim dividend	二零一二年中期股息	15	-	-	-	<b>(16,575)</b>	<b>(16,575)</b>
At 31 December 2012	於二零一二年 十二月三十一日		<b>369,644</b>	<b>381,248</b>	<b>28,759</b>	<b>(97,668)</b>	<b>681,983</b>



### 32. Reserves (continued)

#### (b) Company (continued)

The contributed surplus of the Company represents the excess of the then net assets of the subsidiaries acquired by the Company pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par. Under the Companies Law of the Cayman Islands, the contributed surplus may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire, be forfeited or lapsed.

### 33. Note to the Consolidated Statement of Cash Flows

#### Major non-cash transaction

During the reporting period ended 31 December 2011, the Group had paid an amount of RMB111,566,000 (approximately HK\$131,951,000) for a property in Shanghai, which included the settlement of other payables for the acquisition of the property of RMB86,953,000 (approximately HK\$102,297,000), the additional building cost of HK\$14,857,000 and investment property of HK\$14,797,000.

### 32. 儲備(續)

#### (b) 本公司(續)

本公司的實繳盈餘乃本公司根據集團重組收購附屬公司的當時資產淨值超出本公司就此發行作為交換的股本面值以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。根據開曼群島公司法，實繳盈餘可分派予本公司股東，惟於緊隨建議派付股息日期後，本公司必須能償還其日常業務中到期債項。

購股權儲備指已授出但尚未行使的購股權的公平值，於財務報表附註2.4就以股份為基礎交易的會計政策中有所詳述。金額將於有關購股權獲行使時轉撥至股份溢價賬，或於有關購股權屆滿、被沒收或失效時轉撥至保留盈利。

### 33. 綜合現金流量表附註

#### 主要非現金交易

截至二零一一年十二月三十一日止報告期間，本集團已就上海物業支付人民幣111,566,000元(約131,951,000港元)之款項，包括結付購買物業之其他應付款項人民幣86,953,000元(約102,297,000港元)、額外物業成本14,857,000港元及投資物業14,797,000港元。

**34. Operating Lease Arrangements****(a) As lessor**

The Group leases its investment properties (note 18) under operating lease arrangements, with leases negotiated for terms ranging from one to six years.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)

In addition, the operating lease rentals for the use of certain floor areas of the Group's building located in Shanghai are contingent rent based on sales of the shops pursuant to the terms and conditions as set out in the respective agreements. As the future sales of these shops could not be accurately determined, the relevant contingent rent has not been included above.

**34. 經營租約安排****(a) 作為出租人**

本集團根據經營租約安排出租投資物業(附註18)，租約以介乎一至六年年期進行磋商。

於報告期間結束時，根據本集團與租戶訂立之不可撤銷經營租約，本集團於以下日期之未來最低應收租金總額如下：

		<b>Group</b> 本集團	
		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 <b>HK\$'000</b> 千港元
Within one year	一年內	<b>5,295</b>	6,172
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	<b>1,128</b>	6,317
		<b>6,423</b>	12,489

此外，使用本集團位於上海之樓宇之若干樓面面積而應收之部分經營租約租金為或然租金，乃根據有關協議所載之條款及條件按店舖之銷售額釐定。由於該等店舖之未來銷售額未能準確地釐定，故有關或然租金並未包括在上表。

**34. Operating Lease Arrangements** (continued)

## (b) As lessee

The Group leases certain of its shops, counters, warehouses and office properties under operating lease arrangements with leases negotiated for terms ranging from one to eight years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)

In addition, the Group has entered into agreements with department stores to enable the Group to set up its retail outlets therein. The operating lease rentals for the use of their floor areas in department stores are based on the higher of a fixed rental or contingent rent based on sales of the retail outlets pursuant to the terms and conditions as set out in the respective agreements. As the future sales of these retail outlets could not be accurately determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

The Company had no operating lease arrangement at the end of the reporting period.

**34. 經營租約安排** (續)

## (b) 作為承租人

本集團根據經營租約安排租用若干店舖、櫃位、倉庫及辦公室物業，租約以一至八年年期進行磋商。

於報告期間結束時，根據本集團之不可撤銷經營租約，本集團於以下日期之未來最低應付租金總額如下：

		Group 本集團	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	90,861	86,377
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	38,767	41,812
		<b>129,628</b>	128,189

此外，本集團與百貨公司訂立協議，以便本集團在百貨公司內開設零售點。使用百貨公司之樓面面積而應付之經營租約租金乃根據固定租金與或然租金兩者中之較高者釐定。或然租金乃根據有關協議所載之條款及條件按零售點之銷售額釐定。由於該等零售點之未來銷售額未能準確地釐定，故有關或然租金並未包括在上表。上表僅載列最低租賃承擔。

於報告期間結束時，本公司並無經營租約安排。

**35. Commitments**

At the end of the reporting period, the Group had the following commitments:

		<b>2012</b> 二零一二年 <b>HK\$'000</b> 千港元	2011 二零一一年 <b>HK\$'000</b> 千港元
Contracted for capital commitments in respect of its wholly-owned investment in the PRC	就其於中國全資擁有之投資之已訂約資本承擔	<b>46,560</b>	–
Contracted for commitments in respect of the acquisition of property, plant and equipment	購買物業、廠房及設備之已訂約承擔	<b>30,016</b>	10,079
Authorised, but not contracted for commitments in respect of	以下項目之經批准但未訂約承擔		
– investment in Shandong Factory Phase II development	– 山東廠房二期發展投資	<b>100,571</b>	121,844
– investment in Changzhou Factory development	– 常州廠房發展投資	<b>43,931</b>	–
		<b>144,502</b>	121,844

The Company had no significant commitment at the end of the reporting period.

**35. 承擔**

於報告期間結算日，本集團之承擔如下：

本公司於報告期間結算日並無重大承擔。



## Notes to Financial Statements (Continued)

財務報表附註(續)

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### 36. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

#### Financial assets

Loans and receivables

Trade receivables	應收貿易賬款
Financial assets included in prepayments, deposits and other receivables	列為預付款項、按金及其他應收款項之金融資產
Cash and cash equivalents	現金及現金等價物

#### Financial liabilities

Financial liabilities at amortised cost

Interest-bearing bank borrowings	計息銀行借款
Trade and bills payables	應付貿易賬款及應付票據
Financial liabilities included in other payables and accruals	已包括於其他應付款項及應計款項之金融負債

### 36. 按類別分析之金融工具

於報告期間結算日各類金融工具的賬面值如下：

#### 金融資產

貸款及應收款項

Group 本集團	
2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
79,898	62,675
5,474	4,159
382,796	179,607
<b>468,168</b>	<b>246,441</b>

#### 金融負債

按攤銷成本計量之金融負債

Group 本集團	
2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
178,500	211,500
39,019	44,087
101,831	91,124
<b>319,350</b>	<b>346,711</b>

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 36. Financial Instruments by Category

(continued)

#### Financial assets

Loans and receivables

Due from subsidiaries	應收附屬公司款項
Cash and cash equivalents	現金及現金等價物

#### Financial liabilities

Financial liabilities at amortised cost

Due to subsidiaries	應付附屬公司款項
Financial liabilities included in other payables and accruals	已包括於其他應付款項及應計款項之金融負債

The fair values of the financial assets and financial liabilities mentioned above approximate to their carrying amounts due to the maturities of these instruments.

### 36. 按類別分析之金融工具(續)

#### 金融資產

貸款及應收款項

		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Due from subsidiaries	應收附屬公司款項	350,468	395,730
Cash and cash equivalents	現金及現金等價物	2,024	792
		<b>352,492</b>	396,522

#### 金融負債

按攤銷成本計量之金融負債

		Company 本公司	
		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Due to subsidiaries	應付附屬公司款項	42,246	37,266
Financial liabilities included in other payables and accruals	已包括於其他應付款項及應計款項之金融負債	493	868
		<b>42,739</b>	38,134

上文提述之金融資產及金融負債因到期而令公平值與賬面值相若。

### 37. Contingent Liabilities

In addition to the contingent liabilities disclosed elsewhere in these financial statements, the Group also had the following contingent liabilities as at 31 December 2012 and 31 December 2011:

A subsidiary of the Company was enquired by certain government bodies regarding the compliance of relevant foreign exchange rules in the PRC in relation to the remittance and use of funds in the course of purchase of the Embry Tower in Shanghai in 2009 and 2010. In the opinion of the directors, based on the legal advice from the Group's legal counsels, since the enquiry process is not yet concluded, whether or not the relevant company will be subject to any punishment and, if so, the amount of the ultimate liabilities (if any) cannot be measured with sufficient reliability, no provision has been made at this time.

### 38. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, comprise cash, short term deposits and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to both fair value and cash flow interest rate risks. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank borrowings with a floating interest rate.

At present, the Group does not intend to seek to hedge its exposure to interest rate fluctuations. However, the Group will constantly review the economic situation and its interest rate risk profile, and will consider appropriate hedging measures in future as may be necessary.

### 37. 或然負債

除本財務報表其他地方披露的或然負債外，於二零一二年十二月三十一日及二零一一年十二月三十一日，本集團亦有以下或然負債：

本公司一間附屬公司曾接受若干政府機關之檢查，圍繞二零零九年及二零一零年購買上海安莉芳大廈過程中是否有遵守匯款及使用資金相關之中國外匯法規。董事認為，根據本集團法律顧問之意見，由於檢查過程尚未完結，有關公司是否將受到處罰尚不能確定，若受到處罰，最終負債(如有)之金額未能充分可靠地計量，故本集團目前並無計提任何撥備。

### 38. 財務風險管理目標及政策

本集團之主要金融工具包括現金、短期存款及計息銀行借款。此等金融工具主要目的是為本集團經營業務融資。本集團有其他不同金融資產及負債，如應收貿易賬款及應付貿易賬款，乃直接透過經營業務產生。

本集團金融工具之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事審閱並協定管控以上各種風險之政策，有關資料概述如下。

#### 利率風險

現金流量利率風險為金融工具未來現金流量因市場利率變化而波動之風險。本集團同時承受公平值及現金流量利率風險。本集團所承受利率變化的市場風險，主要與本集團浮動利率計算的銀行借款有關。

目前，本集團無意對沖所須承受的利率波動。然而，本集團將定期檢討經濟狀況及其利率風險狀況，並會考慮日後是否需要實施適當的對沖措施。

### 38. Financial Risk Management Objectives and Policies (continued)

#### Interest rate risk (continued)

As at 31 December 2012, the post-tax profit of the Group would have been decreased/increased by approximately HK\$893,000 (2011: HK\$1,058,000) if the interest rate has been increased/decreased by 50 basis points with all other variables held constant.

#### Foreign currency risk

The Group carries on its sales and purchases transactions mainly in Hong Kong dollars and RMB. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of the business. However, as the Group's net profit is reported in Hong Kong dollars, there will be a translation gain as a result of the RMB appreciation, and vice versa. The majority of the Group's operating assets are located in Mainland China and are denominated in RMB.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit after tax and equity (due to changes in the fair value of monetary assets and liabilities).

		Increase/ (decrease) in RMB rate 人民幣 匯率上調/ (下調) %	Increase/ (decrease) in profit after tax and equity 除稅後溢利 及股權增加/ (減少) HK\$'000 千港元
<b>2012</b>	<b>二零一二年</b>		
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	<b>5</b>	<b>23,987</b>
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	<b>(5)</b>	<b>(23,987)</b>
<b>2011</b>	<b>二零一一年</b>		
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	5	25,032
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	(5)	(25,032)

### 38. 財務風險管理目標及政策(續)

#### 利率風險(續)

倘利率上升/下跌50基點，而所有其他因素保持不變，於二零一二年十二月三十一日，本集團除稅後溢利應減少/增加約893,000港元(二零一一年：1,058,000港元)。

#### 外匯風險

本集團主要以港元及人民幣進行買賣交易。本集團並無以衍生金融工具來對沖日常業務過程之外匯交易及其他金融資產及負債所附帶之波動。然而，由於本集團之純利以港元呈列，故人民幣升值可帶來匯兌收益，反之亦然。本集團大部份經營資產均位於中國大陸，並以人民幣列示。

下表列示於報告期間結算日，在所有其他可變因素維持不變的情況下，本集團的除稅後溢利及權益對人民幣匯率可能出現合理變動之敏感度(由於貨幣資產及負債的公平值變動)。



### 38. Financial Risk Management Objectives and Policies (continued)

#### Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and on an individual basis. Each of the customers has been attached with a trading limit and any excess of the limit must be approved by the general manager of the operation unit. Under the tight control of the credit term and detailed assessment of the creditworthiness of individual customers, the Group's exposure to bad debts is maintained as minimal.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 21 to the financial statements.

#### Liquidity risk

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. The Group's objective is to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain a contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirement.

The Group continued to enjoy a strong financial position with cash and cash equivalents amounting to HK\$382,796,000 as at 31 December 2012 (2011: HK\$179,607,000).

The Group financed its operations and investment activities by internally generated cash flows and bank borrowings.

### 38. 財務風險管理目標及政策(續)

#### 信貸風險

本集團僅與知名及信譽良好的客戶進行交易。根據本集團的政策，任何有意以信貸形式進行交易的客戶均須經過信貸核實程序。此外，本集團亦持續監察各項應收款項結餘。本集團對各名客戶設立貿易限額，超出限額之數必須得到營運單位之總經理批准。由於本集團嚴控信貸期，並且對個別客戶之信譽作詳盡評估，故本集團之壞賬風險極低。

本集團其他金融資產的信貸風險包括現金及現金等價物及其他應收款項，因對方違約產生的信貸風險，上限相等於該等工具之賬面值。

有關本集團因貿易應收賬款產生之信貸風險之進一步定量數據於財務報表附註21中披露。

#### 流動資金風險

流動資金風險指未能取得資金以應付所有到期之合約財務承擔。本集團之目標是保持穩健之金融政策，藉著風險限額來監察流動資金比率，並設有應急資金計劃，確保本集團具備足夠現金以應付其流動資金需求。

於二零一二年十二月三十一日，本集團繼續擁有穩固之財務狀況，其現金及現金等價物為382,796,000港元(二零一一年：179,607,000港元)。

本集團透過內部產生之現金流及銀行借款，為其業務及投資活動提供資金。

## Notes to Financial Statements (Continued)

財務報表附註(續)

31 December 2012 二零一二年十二月三十一日

### 38. Financial Risk Management Objectives and Policies (continued)

#### Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

#### Group

		On demand 按要求 HK\$'000 千港元	Within 1 year 一年內 HK\$'000 千港元	1-5 years 一至五年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>2012</b>	<b>二零一二年</b>				
Interest-bearing bank borrowings	計息銀行借款	-	59,874	125,201	185,075
Trade and bills payables	應付貿易賬款及應付票據	33,973	5,046	-	39,019
Other payables and accruals	其他應付款項及應計款項	-	101,831	-	101,831
		<b>33,973</b>	<b>166,751</b>	<b>125,201</b>	<b>325,925</b>
<b>2011</b>	<b>二零一一年</b>				
Interest-bearing bank borrowings	計息銀行借款	-	51,311	168,883	220,194
Trade and bills payables	應付貿易賬款及應付票據	38,658	5,429	-	44,087
Other payables and accruals	其他應付款項及應計款項	-	91,124	-	91,124
		38,658	147,864	168,883	355,405

As at 31 December 2012, the Company provided guarantees to banks in connection with banking facilities of HK\$310,000,000 (2011: HK\$310,000,000) granted to certain of its subsidiaries, of which approximately HK\$265,000,000 (2011: HK\$260,000,000) was utilised.

### 38. 財務風險管理目標及政策(續)

#### 流動資金風險(續)

於報告期間結算日，本集團根據合約未貼現付款計算之金融負債到期日如下：

#### 本集團

於二零一二年十二月三十一日，本公司就其附屬公司的310,000,000港元(二零一一年：310,000,000港元)銀行信貸向銀行提供擔保，其中已動用約265,000,000港元(二零一一年：260,000,000港元)。

### 38. Financial Risk Management Objectives and Policies (continued)

#### Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to the owners through the optimisation of the debt and equity balance where appropriate. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2012 and 2011.

The capital structure of the Group consists of net debt which includes bank borrowings and equity attributable to owners of the Company. Equity attributable to owners of the Company comprises issued share capital, reserves and retained profits as disclosed in the consolidated statement of changes in equity.

The Company monitors capital using a gearing ratio, which is total bank borrowings divided by the equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

Group	本集團	2012	2011
		二零一二年 HK\$'000 千港元	二零一一年 HK\$'000 千港元 (Restated) (重列)
Interest-bearing bank borrowings	計息銀行借款	178,500	211,500
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,437,236	1,273,226
Gearing ratio	資產負債比率	12.4%	16.6%

### 38. 財務風險管理目標及政策(續)

#### 資本管理

本集團管理其資本以確保本集團能持續營運，同時在適當時透過優化債務及權益結餘(如適用)將擁有人的回報增至最大。於截至二零一二年及二零一一年十二月三十一日止年度，管理資本之目標、政策或程序並無變動。

本集團資本結構包括債務淨額其中包括銀行借款及本公司擁有人應佔股權。本公司擁有人應佔股權包括綜合權益變動表所披露的已發行股本、儲備及保留溢利。

本公司透過資產負債比率架構(即銀行借款總額除以本公司擁有人應佔股權)監控資本。於報告期末資產負債比率如下：

### 39. Event after the Reporting Period

Subsequent to the end of the reporting period, on 20 February 2013, the Group entered into a construction contract with an independent third party (the “Contractor”), pursuant to which the Contractor is to provide certain construction services to the Group for Shandong Factory Phase II development at the consideration of RMB83,000,000 (equivalent to approximately HK\$103,750,000). Further details of this construction contract were disclosed in the Company’s announcement dated 20 February 2013.

### 40. Comparative Amounts

As further explained in note 2.2 to the financial statements, due to the adoption of revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and a third consolidated statement of financial position as at 1 January 2011 has been presented. Certain comparative amounts have been reclassified and restated to conform with the current year’s presentation.

### 41. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 25 March 2013.

### 39. 報告期後事項

報告期末後，於二零一三年二月二十日，本集團與獨立第三方(「承建商」)訂立承建合約，據此，承建商為本集團就山東廠房二期提供若干承建服務，代價為人民幣83,000,000元(相當於約103,750,000港元)。承建合約之進一步詳情於二零一三年二月二十日本公司之公佈中披露。

### 40. 比較數字

誠如財務報表附註2.2所闡述，由於本年度採納經修訂香港財務報告準則，財務報表中若干項目及結餘之會計處理及呈列均有所修訂以符合有關新規定。因此，已作出若干過往年度調整，並已呈列於二零一一年一月一日之第三份綜合財務狀況報表。若干比較數字已作重新分類及呈列，以配合本年度之呈報。

### 41. 批准財務報表

財務報表於二零一三年三月二十五日獲董事會批准及授權刊發。







