

香港交易及結算所有限公司及香港聯合交易所有限公司對本公佈的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公佈全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

本公佈僅參考之用，並不構成收購、購買或認購任何證券之邀請或要約。

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(於開曼群島註冊成立之有限公司)

(股份代號: 2398)

海外監管公告

上市之台灣存託憑證用外國公司財務報告

本公告乃根據香港聯合交易所有限公司證券上市規則第13.10B條而作出。

以下所附是本公司按臺灣證券交易所股份有限公司的規定於二零一五年四月二十四日在臺灣證券交易所股份有限公司網頁刊發的公告。

承董事會命
友佳國際控股有限公司
主席
朱志洋

香港，二零一五年四月二十四日

於本公佈日期，本公司董事會成員包括 (i) 五名執行董事：朱志洋先生、陳向榮先生、陳明河先生、溫吉堂先生及邱榮賢先生；及 (ii) 三名獨立非執行董事：顧福身先生、江俊德先生及余玉堂先生。

友佳國際控股有限公司及子公司

民國 103 年及 102 年度
合併財務報表暨會計師複核報告

(上市之台灣存託憑證用外國公司財務報告)

友佳國際控股有限公司及子公司
民國 103 年及 102 年度合併財務報表暨會計師複核報告
(上市之台灣存託憑證用外國公司財務報告)

目 錄

內 容	附件編號
目錄	
本國會計師複核報告	一
最近一年度按新台幣換算之主要財務報表	二
一、綜合資產負債表	
二、綜合全面收益表	
三、綜合權益變動表	
四、綜合現金流量表	
依金管會認可之 IFRSs 會計原則重編後之主要財務報表	三
一、重編後合併資產負債表	
二、重編後合併綜合損益表	
三、重編後合併現金流量表	
四、合併財務報表重編說明(含合併財務報表重編原則暨中華民國及香港所採用之會計原則差異彙總說明)	
外國會計師查核報告(中譯本)	四
財務報表及其相關附註或附表(中譯本)	四
外國會計師查核報告(原文)	五
財務報表及其相關附註或附表(原文)	五

附 件 一

會計師複核報告

友佳國際控股有限公司 公鑒：

友佳國際控股有限公司及子公司按香港一般公認會計原則編製之民國 103 年 12 月 31 日及民國 102 年 12 月 31 日之綜合資產負債表，暨民國 103 年 1 月 1 日至 12 月 31 日及民國 102 年 1 月 1 日至 12 月 31 日之綜合全面收益表、綜合權益變動表及綜合現金流量表(金額以人民幣為單位)，業經羅兵咸永道會計師事務所(PricewaterhouseCoopers, Hong Kong)查核完竣，並於民國 104 年 3 月 27 日及民國 103 年 3 月 31 日出具無保留意見之查核報告(詳附件五)。隨附友佳國際控股有限公司及子公司民國 103 年度及民國 102 年度依新台幣換算之合併財務報表(詳附件二)暨合併財務報表之中譯本(詳附件四)，業經本會計師依照金融監督管理委員會民國 101 年 12 月 13 日金管證審字第 1010056540 號令公告之「第二上市(櫃)公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照中華民國一般公認審計準則查核，故無法對上開財務報表之整體是否允當表達表示意見。

如附件三所述，友佳國際控股有限公司及子公司之合併財務報表格式，係依香港一般公認會計原則及相關法令規定編製，致與中華民國規定部分不同，是以友佳國際控股有限公司業已依據「第二上市(櫃)公司財務報告複核要點」、中華民國金融監督管理委員會認可之國際財務報導準則、國際會計準則、解釋及解釋公告(以下簡稱「金管會認可之 IFRSs」)及相關法令予以調節，本會計師並據此複核其重編之合併資產負債表、合併綜合損益表及合併現金流量表(詳附件三)。

依本會計師之複核結果，並未發現第一段所述友佳國際控股有限公司及子公司按新台幣換算之綜合財務報表暨依金管會認可之 IFRSs 及相關法令重編後之合併資產負債表、合併綜合損益表及合併現金流量表，有違反「第二上市(櫃)公司財務報告複核要點」規定而需作大幅修正、調整或再補充揭露之情事；本會計師亦未發現第一段所述友佳國際控股有限公司及子公司合併財務報表之中譯本內容與原文有重大不符而需作修正之情事。

資 誠 聯 合 會 計 師 事 務 所

張淑瓊



會計師：

翁世榮



前財政部證券暨期貨管理委員會

核准簽證文號：金管證審字第 0990042602 號

前財政部證券暨期貨管理委員會

核准簽證文號：(88)台財證(六)第 95577 號

中華民國 104 年 4 月 24 日

附 件 二

本公司及子公司原以人民幣編製之合併財務報表，謹依規定匯率編製按新台幣換算之主要財務報表：

- 一、綜合資產負債表。
- 二、綜合全面收益表。
- 三、綜合權益變動表。
- 四、綜合現金流量表。

民國 103 年度及民國 102 年度比較報表之所有科目金額，係分別以民國 103 年 12 月 31 日之人民幣對新台幣匯率(RMB\$1：NT\$5.0920)及民國 102 年 12 月 31 日之人民幣對新台幣匯率(RMB\$1：NT\$4.9190) 換算。

最近三年度人民幣對新台幣匯率最高、最低及平均匯率如下：

	月收盤最高	月收盤最低	月收盤平均
民國 103 年度	RMB\$1：NT\$5.0690	RMB\$1：NT\$4.8133	RMB\$1：NT\$4.9202
民國 102 年度	RMB\$1：NT\$4.8970	RMB\$1：NT\$4.6758	RMB\$1：NT\$4.8315
民國 101 年度	RMB\$1：NT\$4.7571	RMB\$1：NT\$4.6615	RMB\$1：NT\$4.6889


 友佳國際控股有限公司及子公司
 綜合資產負債表
 民國103年及102年12月31日

(單位:仟元)

	經審核			
	103年12月31日		102年12月31日	
	人 民 幣	新 台 幣	人 民 幣	新 台 幣
資產				
非流動資產				
土地使用權	\$ 37,538	\$ 191,143	\$ 38,481	\$ 189,288
物業、廠房及設備	227,448	1,158,165	256,100	1,259,756
投資物業	9,419	47,962	249	1,225
無形資產	1,696	8,636	1,458	7,172
於合營企業的投資	18,357	93,474	17,576	86,456
於一間聯營公司的投資	1,207	6,146	9,604	47,242
可供出售金融資產	571	2,908	571	2,809
遞延所得稅資產	6,144	31,285	4,520	22,234
購置廠房及設備的按金	-	-	1,560	7,674
	<u>302,380</u>	<u>1,539,719</u>	<u>330,119</u>	<u>1,623,856</u>
流動資產				
存貨	257,257	1,309,953	279,016	1,372,480
應收帳款、按金及預付款項	513,983	2,617,201	622,553	3,062,338
應收一名被投資方款項	12,525	63,777	13,988	68,807
應收客戶合約工程款項	32,494	165,460	24,651	121,258
應收最終控股公司款項	532	2,709	1,912	9,405
應收及預付同系附屬公司及最終 控股公司一間聯營公司的款項	296	1,507	1,786	8,785
應收合營企業款項	891	4,537	1,498	7,369
應收一間聯營公司附屬公司款項	12,274	62,499	12,495	61,463
限制性銀行存款	134,681	685,796	60,167	295,961
初步年期超過三個月的定期存款	98,000	499,016	24,000	118,056
現金及現金等值物	262,751	1,337,928	211,829	1,041,987
	<u>1,325,684</u>	<u>6,750,383</u>	<u>1,253,895</u>	<u>6,167,909</u>
總資產	<u>\$ 1,628,064</u>	<u>\$ 8,290,102</u>	<u>\$ 1,584,014</u>	<u>\$ 7,791,765</u>

註：民國103年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。
 民國102年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強




 友佳國際控股股份有限公司及子公司
 綜合資產負債表(續)
 民國103年及102年12月31日

(單位:仟元)

	經審核			
	103年12月31日		102年12月31日	
	人 民 幣	新 台 幣	人 民 幣	新 台 幣
權益				
本公司權益持有人應佔權益				
股本	\$ 4,022	\$ 20,480	\$ 4,022	\$ 19,784
股份溢價	82,281	418,975	82,281	404,740
資本儲備	77,338	393,805	77,338	380,426
其他儲備	53,066	270,212	56,332	277,097
保留盈利	509,988	2,596,859	453,027	2,228,440
總權益	726,695	3,700,331	673,000	3,310,487
負債				
非流動負債				
遞延所得稅負債	16,118	82,073	18,775	92,354
	16,118	82,073	18,775	92,354
流動負債				
應付帳款、其他應付款項及應計費用	\$ 410,211	\$ 2,088,794	\$ 449,133	\$ 2,209,287
應付客戶合約工程款項	42,800	217,938	49,959	245,748
應付最終控股公司款項	1,716	8,738	1,029	5,062
應付直接控股公司款項	3,447	17,552	2,156	10,605
應付一間同系附屬公司及最終控股公 司的一間聯營公司款項	784	3,992	321	1,579
應付一間聯營公司的附屬公司款項	1,128	5,744	293	1,441
應付合營企業款項	76	387	131	644
即期所得稅負債	16,681	84,940	14,691	72,265
保證撥備	6,329	32,227	6,774	33,321
借貸	402,079	2,047,386	367,752	1,808,972
	885,251	4,507,698	892,239	4,388,924
總負債	901,369	4,589,771	911,014	4,481,278
總權益及負債	\$ 1,628,064	\$ 8,290,102	\$ 1,584,014	\$ 7,791,765
流動資產淨值	\$ 440,433	\$ 2,242,685	\$ 361,656	\$ 1,778,985
總資產減流動負債	\$ 742,813	\$ 3,782,404	\$ 691,775	\$ 3,402,841

註：民國103年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。
 民國102年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強





 友佳國際證券有限公司及子公司
 綜合全面收益表
 民國103年及102年1月1日至12月31日

(單位：仟元)
(除每股盈餘為元外)

	經審核			
	103年度		102年度	
	人 民 幣	新 台 幣	人 民 幣	新 台 幣
收益	\$ 1,300,119	\$ 6,620,206	\$ 1,350,271	\$ 6,641,983
收益成本	(955,225)	(4,864,006)	(1,040,500)	(5,118,219)
毛利	<u>344,894</u>	<u>1,756,200</u>	<u>309,771</u>	<u>1,523,764</u>
其他收入	33,520	170,684	28,738	141,362
分銷及銷售費用	(129,480)	(659,312)	(147,533)	(725,715)
行政費用	(99,528)	(506,797)	(86,025)	(423,157)
其他營運費用	(4,144)	(21,101)	(2,561)	(12,597)
經營溢利	145,262	739,674	102,390	503,657
財務費用	(9,174)	(46,714)	(7,964)	(39,175)
分佔合營企業虧損	(2,458)	(12,516)	(3,975)	(19,553)
分佔一間聯營公司的虧損	(8,559)	(43,582)	(26,321)	(129,473)
出售一間附屬公司及一間聯營公司的虧損	-	-	(9,742)	(47,921)
除所得稅前溢利	125,071	636,862	54,388	267,535
所得稅開支	(23,758)	(120,976)	(17,520)	(86,181)
本公司權益持有人應佔溢利	<u>\$ 101,313</u>	<u>\$ 515,886</u>	<u>\$ 36,868</u>	<u>\$ 181,354</u>
其他全面收益				
其後可能重新分類至損益的項目				
分佔一間聯營公司的其他全面收益	162	825	3,665	18,028
貨幣換算差額	(3,428)	(17,455)	10,896	53,597
本公司權益持有人應佔年內全面收益總額	<u>\$ 98,047</u>	<u>\$ 499,256</u>	<u>\$ 51,429</u>	<u>\$ 252,979</u>
本公司權益持有人應佔每股盈利				
每股基本及攤薄盈利	<u>人民幣 0.25元</u>	<u>新台幣 1.28元</u>	<u>人民幣 0.09元</u>	<u>新台幣 0.45元</u>
股息	<u>\$ 48,384</u>	<u>\$ 246,371</u>	<u>\$ 40,320</u>	<u>\$ 198,334</u>

註：民國103年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。
民國102年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強





宏達國際控股股份有限公司
 民國103年12月31日

(單位:美元)

經營權

	股本		股本溢價		股本儲備		其他儲備		保留盈餘		總權益	
	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣	人民幣	新台幣
於民國102年1月1日之結餘	\$ 4,022	\$ 18,747	\$ 122,601	\$ 571,456	\$ 77,338	\$ 360,480	\$ 41,771	\$ 194,699	\$ 416,159	\$ 1,939,759	\$ 661,891	\$ 3,085,141
全面收益:	-	-	-	-	-	-	-	-	36,868	181,354	36,868	181,354
年內溢利	-	-	-	-	-	-	-	-	-	-	-	-
其他全面收益:	-	-	-	-	-	-	-	-	-	-	-	-
分佔一間聯營公司其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-
貨幣換算差額	-	-	-	-	-	-	-	-	-	-	-	-
全面收益總額	-	-	-	-	-	-	-	-	-	-	-	-
已付股息	-	-	-	-	-	-	-	-	-	-	-	-
匯率影響數	-	-	-	-	-	-	-	-	-	-	-	-
於民國102年12月31日之結餘	\$ 4,022	\$ 19,784	\$ 82,281	\$ 404,740	\$ 77,338	\$ 380,426	\$ 56,332	\$ 277,097	\$ 453,027	\$ 2,228,440	\$ 673,000	\$ 3,310,487
於民國103年1月1日之結餘	\$ 4,022	\$ 19,784	\$ 82,281	\$ 404,740	\$ 77,338	\$ 380,426	\$ 56,332	\$ 277,097	\$ 453,027	\$ 2,228,440	\$ 673,000	\$ 3,310,487
全面收益:	-	-	-	-	-	-	-	-	-	-	-	-
年內溢利	-	-	-	-	-	-	-	-	-	-	-	-
其他全面收益:	-	-	-	-	-	-	-	-	-	-	-	-
分佔一間聯營公司其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-
貨幣換算差額	-	-	-	-	-	-	-	-	-	-	-	-
全面收益總額	-	-	-	-	-	-	-	-	-	-	-	-
已付股息	-	-	-	-	-	-	-	-	-	-	-	-
匯率影響數	-	-	-	-	-	-	-	-	-	-	-	-
於民國103年12月31日之結餘	\$ 4,022	\$ 20,480	\$ 82,281	\$ 418,975	\$ 77,338	\$ 393,805	\$ 53,066	\$ 270,212	\$ 509,988	\$ 2,596,859	\$ 726,695	\$ 3,700,331

註: 民國103年度財務報表之所有資產、負債、股東權益及損益科目金額, 係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。
 民國102年度財務報表之所有資產、負債、股東權益及損益科目金額, 係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。
 民國103年1月1日股東權益科目金額, 係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。
 民國102年1月1日股東權益科目金額, 係以民國101年12月31日之匯率 RMB 1=NTD 4.6611換算。



董事長: 朱志洋



經理人: 陳向榮



會計主管: 葉世強

友佳國際控股有限公司及子公司
 綜合國際匯流匯表
 民國103年及102年1月1日至12月31日

(單位:仟元)

	經審核			
	103年度		102年度	
	人民幣	新台幣	人民幣	新台幣
經營活動產生的現金流量				
營運所得現金	\$ 242,521	\$ 1,234,917	\$ 239,799	\$ 1,179,571
已繳所得稅及預扣稅	(26,049)	(132,642)	(10,443)	(51,369)
經營活動所得現金淨額	<u>216,472</u>	<u>1,102,275</u>	<u>229,356</u>	<u>1,128,202</u>
投資活動產生的現金流量				
-於一間合資企業的投資	(3,239)	(16,493)	(3,458)	(17,010)
-可供出售金融資產投資	-	-	(571)	(2,809)
-借予被投資方的貸款增加	-	-	(13,988)	(68,807)
-購買物業、廠房及設備	(4,221)	(21,493)	(4,802)	(23,621)
-出售物業、廠房及設備所得款項	567	2,887	5,667	27,876
-購買無形資產	(939)	(4,781)	(727)	(3,576)
-已收利息	9,995	50,894	5,363	26,381
-限制性銀行存款減少	(74,514)	(379,425)	(37,203)	(183,002)
-初步年期超過三個月的定期存款增加	(74,000)	(376,808)	(24,000)	(118,056)
-來自出售一間附屬公司的現金淨額	-	-	(2,277)	(11,201)
投資活動動用的現金淨額	<u>(146,351)</u>	<u>(745,219)</u>	<u>(75,996)</u>	<u>(373,825)</u>
融資活動產生的現金流量				
-借貸所得款項	192,455	979,981	791,390	3,892,848
-償還借貸	(158,128)	(805,188)	(796,461)	(3,917,792)
-已付權益持有人股息	(44,352)	(225,840)	(40,320)	(198,334)
-已付利息	(9,174)	(46,714)	(7,964)	(39,175)
融資活動動用的現金淨額	<u>(19,199)</u>	<u>(97,761)</u>	<u>(53,355)</u>	<u>(262,453)</u>
現金及現金等值物增加淨額	50,922	259,295	100,005	491,924
期初現金及現金等值物	211,829	1,041,987	111,824	521,223
匯率調整數	-	36,646	-	28,840
期末現金及現金等值物	<u>\$ 262,751</u>	<u>\$ 1,337,928</u>	<u>\$ 211,829</u>	<u>\$ 1,041,987</u>

註：民國103年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。
 民國102年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。
 民國103年度期初財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。
 民國102年度期初財務報表之所有資產、負債、股東權益及損益科目金額，係以民國101年12月31日之匯率 RMB 1=NTD 4.6611換算。

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



附 件 三



友佳國際控股有限公司
(依中華民國證券交易法及IFRSs重編)

(單位：新台幣千元)

	103年12月31日				102年12月31日			
	依香港一般 公認會計原則編 製之金額(註2)	%	依我國法令及 會計原則規定 調整之金額	%	依香港一般 公認會計原則編 製之金額(註2)	%	依我國法令及 會計原則規定 調整之金額	%
資產								
流動資產								
1100 現金及約當現金	\$ 1,337,928	16	\$ 1,337,928	16	\$ 1,041,987	13	\$ 1,041,987	13
1170 應收帳款淨額	2,362,148	28	2,362,148	28	2,790,603	36	2,790,603	36
1180 應收帳款-關係人	71,252	1	71,252	1	87,022	1	87,022	1
1190 應收建造合約款	165,460	2	165,460	2	121,258	2	121,258	2
1200 其他應收款	124,357	2	124,357	2	177,246	2	177,246	2
1210 其他應收款-關係人	63,777	1	63,777	1	68,807	1	68,807	1
130X 存貨	1,309,953	16	1,309,953	16	1,372,480	18	1,372,480	18
1410 預付款項	130,696	2	130,696	2	94,489	1	94,489	1
1476 其他金融資產-流動	1,184,812	14	1,184,812	14	414,017	5	414,017	5
11XX 流動資產合計	6,750,383	82	6,750,383	82	6,167,909	79	6,167,909	79
非流動資產								
1523 備供出售金融資產-非流動	2,908	-	2,908	-	2,809	-	2,809	-
1550 採權益法之投資	99,620	1	99,620	1	133,698	2	133,698	2
1600 不動產、廠房及設備	1,158,165	14	1,158,165	14	1,259,756	16	1,259,756	16
1760 投資性不動產淨額	47,962	1	47,962	1	1,225	-	1,225	-
1780 無形資產	8,636	-	8,636	-	7,172	-	7,172	-
1840 遞延所得稅資產	31,285	-	31,285	-	22,234	-	22,234	-
1915 預付設備款	-	-	-	-	7,674	-	7,674	-
1985 長期預付租金	191,143	2	191,143	2	189,288	2	189,288	2
15XX 非流動資產合計	1,539,719	18	1,539,719	18	1,623,856	21	1,623,856	21
1XXX 資產總計	8,290,102	100	8,290,102	100	7,791,765	100	7,791,765	100

(續次頁)



友佳國際貿易有限公司
友佳國際貿易有限公司
友佳國際貿易有限公司

(依中華民國會計師公會認可之IFRSs重編)

(單位：新台幣仟元)

	103年12月31日				102年12月31日			
	依香港一般 公認會計原則編 製之金額(註2)	%	依我國法令及 會計原則規定 調節之金額	依我國規定 編製之金額	依香港一般 公認會計原則編 製之金額(註2)	%	依我國法令及 會計原則規定 調節之金額	依我國規定 編製之金額
負債及股東權益								
流動負債								
2100 短期借款	\$ 2,047,386	25	\$ -	\$ 2,047,386	\$ 1,808,972	23	\$ -	\$ 1,808,972
2170 應付帳款	1,042,765	13	-	1,042,765	1,074,428	14	-	1,074,428
2180 應付帳款-關係人	36,413	-	-	36,413	19,331	-	-	19,331
2190 應付建造合約款	217,938	3	-	217,938	245,748	3	-	245,748
2200 其他應付款	441,700	5	-	441,700	339,791	4	-	339,791
2230 當期所得稅負債	84,940	1	-	84,940	72,265	1	-	72,265
2250 負債準備-流動	32,227	0	-	32,227	33,321	-	-	33,321
2310 預收款項	604,329	7	-	604,329	795,068	10	-	795,068
21XX 流動負債合計	4,507,698	54	-	4,507,698	4,388,924	56	-	4,388,924
非流動負債								
2570 遞延所得稅負債	82,073	1	-	82,073	92,354	1	-	92,354
25XX 非流動負債合計	82,073	1	-	82,073	92,354	1	-	92,354
2XXX 負債總計	4,589,771	55	-	4,589,771	4,481,278	58	-	4,481,278
股東權益								
3110 普通股股本	20,480	-	-	20,480	19,784	-	-	19,784
3200 資本公積	812,780	10	-	812,780	785,166	10	-	785,166
保留盈餘								
3310 法定盈餘公積	228,758	4	-	228,758	220,986	3	-	220,986
3350 未分配盈餘	2,596,859	31	-	2,596,859	2,228,440	29	-	2,228,440
3400 其他權益	41,454	1	-	41,454	56,111	1	-	56,111
3XXX 股東權益總計	3,700,331	45	-	3,700,331	3,310,487	42	-	3,310,487
負債及股東權益合計	8,290,102	100	-	8,290,102	7,791,765	100	-	7,791,765

註1：民國103年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。

民國102年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。

註2：揭露之報表格式業已依中華民國金管會認可之IFRSs之規定予以調整。



董事長：朱志洋



經理人：陳向榮



會計主管：葉世強



友佳國際控股有限公司
友佳國際控股有限公司
(依中華民國證券交易法及IFRSs重編)

(單位：新台幣千元)
(除每股盈餘為元外)

	103年度			102年度		
	依香港一般 公認會計原則編 製之金額(註2)	依我國規定 調整之金額	%	依香港一般 公認會計原則編 製之金額(註2)	依我國規定 調整之金額	%
4000 營業收入	6,620,206	6,620,206	100	6,641,983	6,641,983	100
5000 營業成本	(4,864,006)	(4,864,006)	(73)	(5,118,219)	(5,118,219)	(77)
5900 營業毛利	1,756,200	1,756,200		1,523,764	1,523,764	23
6100 營業費用	(659,312)	(659,312)	(10)	(725,715)	(725,715)	(11)
6200 推銷費用	(319,966)	(319,966)	(5)	(218,049)	(218,049)	(3)
6300 管理費用	(186,831)	(186,831)	(3)	(205,183)	(205,183)	(3)
6000 研發費用	(1,166,109)	(1,166,109)	(18)	(1,148,872)	(1,148,872)	(17)
營業費用合計	(149,583)	(149,583)		(128,765)	(128,765)	
8500 其他收益及費沖淨額	739,674	739,674	11	503,657	503,657	7
8900 營業利益	170,884	170,884	3	126,408	126,408	3
營業外收入及支出	(21,101)	(21,101)	(1)	2,357	2,357	(1)
7010 其他收入	(46,714)	(46,714)	(1)	(47,921)	(47,921)	(1)
7020 其他利益及損失	56,098	56,098	1	39,175	39,175	(1)
7050 財務成本	(102,812)	(102,812)	(2)	(149,026)	(149,026)	(2)
7060 採用權益法之關聯企業及合資權益之份額	636,862	636,862	10	236,122	236,122	(4)
7000 營業外收入及支出合計	(120,976)	(120,976)	(2)	(86,181)	(86,181)	(1)
7900 稅前淨利	515,886	515,886	8	181,354	181,354	3
7950 所得稅費用	(17,455)	(17,455)	(1)	53,597	53,597	1
8200 本期淨利	825	825		18,028	18,028	
其他綜合損益	(16,630)	(16,630)	(1)	(71,625)	(71,625)	(1)
8310 國外營運機構財務報表換算之兌換差額	499,256	499,256	8	252,979	252,979	4
8370 採用權益法認列之關聯企業及合資之其他綜合 損益之份額	515,886	515,886	8	181,354	181,354	3
本期其他綜合利益之稅後淨額	499,256	499,256	8	252,979	252,979	4
本期綜合利益總額	515,886	515,886	8	181,354	181,354	3
淨利潤屬於：						
8610 母公司業主	499,256	499,256	8	252,979	252,979	4
綜合損益總額歸屬於：						
8710 母公司業主	499,256	499,256	8	252,979	252,979	4

稅後
\$ 0.45

稅後
\$ 0.45

稅後
\$ 1.28

稅後
\$ 1.28

稅後
\$ 0.45

註1：民國103年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。
民國102年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。
註2：摘錄之報表格式業已依中華民國證券會計師公會認可之IFRSs之規定予以調整。



董事長：朱志洋



經理人：陳向泰



會計主管：葉世強



(依中華民國會計準則及IFRSs重編)

(單位：新台幣千元)

	103年度			102年度		
	依香港一般 公認會計原則編 製之金額(註2)	依我國法令及 會計原則規定 調節之金額	依我國規定 編製之金額	依香港一般 公認會計原則編 製之金額(註2)	依我國法令及 會計原則規定 調節之金額	依我國規定 編製之金額
	\$	\$	\$	\$	\$	\$
營業活動之現金流量						
合併稅前淨利	636,862	-	636,862	267,535	-	267,535
調整項目						
不影響現金流量之收益費損項目						
折舊費用	142,983	-	142,983	133,143	-	133,143
攤銷費用	8,371	-	8,371	7,959	-	7,959
呆帳費用提列數	77,938	-	77,938	13,030	-	13,030
利息費用	46,714	-	46,714	39,175	-	39,175
利息收入	(50,894)	-	(50,894)	(26,381)	-	(26,381)
採用權益法之關聯企業及合資損失之份額	56,098	-	56,098	149,026	-	149,026
處分不動產、廠房及設備損失	1,507	-	1,507	1,412	-	1,412
處分待出售非流動資產	-	-	-	47,921	-	47,921
與營業活動相關之資產/負債變動數						
與營業活動相關之資產之淨變動						
應收帳款	448,661	-	448,661	(94,642)	-	(94,642)
應收帳款-關係人淨額	14,614	-	14,614	(6,513)	-	(6,513)
應收建造合約款	(39,936)	-	(39,936)	15,992	-	15,992
其他應收款	62,214	-	62,214	(44,276)	-	(44,276)
存貨淨額	110,797	-	110,797	371,527	-	371,527
預付款項	(32,884)	-	(32,884)	89,850	-	89,850
與營業活動相關之負債之淨變動						
應付帳款	(69,450)	-	(69,450)	285,125	-	285,125
應付帳款-關係人	24,976	-	24,976	(90,824)	-	(90,824)
應付建造合約款	(36,454)	-	(36,454)	61,389	-	61,389
其他應付款	53,767	-	53,767	75,590	-	75,590
預收款項	(218,701)	-	(218,701)	(116,821)	-	(116,821)
負債準備-流動	(2,266)	-	(2,266)	354	-	354
營運產生之現金流入	1,234,917	-	1,234,917	1,179,571	-	1,179,571
支付之所得稅	(132,642)	-	(132,642)	(51,369)	-	(51,369)
營業活動之淨現金流入	1,102,275	-	1,102,275	1,128,202	-	1,128,202
投資活動之現金流量						
取得備供出售金融資產	-	-	-	(2,809)	-	(2,809)
取得採用權益法之投資	(16,493)	-	(16,493)	(17,010)	-	(17,010)
處分待出售非流動資產	-	-	-	(11,201)	-	(11,201)
取得不動產、廠房及設備	(21,493)	-	(21,493)	(23,621)	-	(23,621)
取得不動產、廠房及設備	2,887	-	2,887	27,876	-	27,876
取得無形資產	(4,781)	-	(4,781)	(3,576)	-	(3,576)
其他金融資產增加	(756,233)	-	(756,233)	(301,058)	-	(301,058)
其他應收款-關係人	-	-	-	(68,807)	-	(68,807)
收取之利息	50,894	-	50,894	26,381	-	26,381
投資活動之淨現金流出	(745,219)	-	(745,219)	(373,825)	-	(373,825)
籌資活動之現金流量						
短期借款增加	979,981	-	979,981	3,892,848	-	3,892,848
短期借款減少	(805,188)	-	(805,188)	(3,917,792)	-	(3,917,792)
發放現金股利	(225,840)	-	(225,840)	(198,334)	-	(198,334)
支付之利息	(46,714)	-	(46,714)	(39,175)	-	(39,175)
籌資活動之淨現金流出	(97,761)	-	(97,761)	(262,453)	-	(262,453)
匯率影響數	36,646	-	36,646	28,840	-	28,840
本期現金及約當現金增加數	295,941	-	295,941	520,764	-	520,764
期初現金及約當現金餘額	1,041,987	-	1,041,987	521,223	-	521,223
期末現金及約當現金餘額	\$ 1,337,928	\$ -	\$ 1,337,928	\$ 1,041,987	\$ -	\$ 1,041,987

註1：民國103年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國103年12月31日之匯率 RMB 1=NTD 5.0920換算。
 民國102年度財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。
 民國103年度期初財務報表之所有資產、負債、股東權益及損益科目金額，係以民國102年12月31日之匯率 RMB 1=NTD 4.9190換算。
 民國102年度期初財務報表之所有資產、負債、股東權益及損益科目金額，係以民國101年12月31日之匯率 RMB 1=NTD 4.6611換算。
 註2：揭露之報表格式業已依中華民國金管會認可之IFRSs之規定予以調整。

董事長：朱志洋



經理人：陳向榮



會計主管：葉世強




友佳國際控股有限公司及子公司
合併財務報表重編說明
民國 103 年及 102 年度

(除另予註明者外，金額係以新台幣仟元為單位)

一、合併財務報表重編原則

友佳國際控股有限公司及子公司(以下簡稱合併公司)如附件四所列之民國 103 年及 102 年度合併財務報告，係包括友佳國際控股有限公司(以下簡稱本公司)及子公司之合併財務資訊。

合併公司民國 103 年度及 102 年度依香港法令及香港財務報告準則(以下簡稱香港一般公認會計原則)編製之主要報表格式，因適用之會計原則不同，與中華民國規定不符，爰依「第二上市(櫃)公司財務報告複核要點」規定，將合併資產負債表、合併綜合損益表及合併現金流量表予以重編(以下簡稱重編合併財務報表)。

二、中華民國金管會認可之 IFRSs 與香港一般公認會計原則之差異彙總說明

現行已發布生效之中華民國金管會認可之 IFRSs 與香港一般公認會計原則在特定方面可能有重大差異；其中影響重編合併財務報表之主要差異，彙總說明如下：

合併公司所適用之			對重編合併 財務報表之影響
	中華民國一般 公認會計原則	香港一般 公認會計原則	
(一) 其他收入	非因經常營業活動所發生之收入或利益應帳列營業外收入項下。	分類為營業溢利之一部分。	已予重分類 103 年度： \$ 170,684 102 年度： \$ 141,362
(二) 其他開支	非因經常性營業活動所發生之費用或損失應帳列營業外支出項下。	分類為營業溢利之一部分。	已予重分類 103 年度： \$ 21,101 102 年度： \$ 12,597
(三) 可供出售 金融資產	因公平價值無法可靠衡量而採成本評價之股權投資，應分類為以成本衡量之金融資產。	因合理公平價值估計的範圍甚大且各種估計法之機率無法合理衡量，企業可以成本衡量該金融資產，並分類為備供出售金融資產。	註

註：影響金額未達證券交易法施行細則第六條所訂應重編財務報表之標準，未具重大性，故不予調整或重分類。

附 件 四

GOOD FRIEND INTERNATIONAL HOLDINGS INC. 友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2398



Annual Report **2014**

Contents

Corporate Information	2
Financial Highlights	4
Chairman’s Statement	6
Management Discussion and Analysis	10
Biographical Details of Directors and Senior Management	14
Report of the Directors	17
Corporate Governance Report	32
Independent Auditor’s Report	44
Consolidated Statement of Comprehensive Income	46
Consolidated Balance Sheet	47
Company Balance Sheet	49
Consolidated Statement of Changes in Equity	51
Consolidated Statement of Cash Flows	52
Notes to the Consolidated Financial Statements	53
Five-Year Financial Summary	122

Corporate Information

BOARD OF DIRECTORS

Executive Directors

CHU Chih-Yaung (*Chairman*)
CHEN Hsiang-Jung (*Chief Executive Officer*)
CHEN Min-Ho
WEN Chi-Tang
CHIU Rung-Hsien

Independent Non-Executive Directors

KOO Fook Sun, Louis
CHIANG Chun-Te
YU Yu-Tang

COMPANY SECRETARY

LO Tai On

AUTHORISED REPRESENTATIVES

CHEN Hsiang-Jung
CHIU Rung-Hsien

LEGAL ADVISERS AS TO HONG KONG LAW

Woo Kwan Lee & Lo

AUDIT COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)
CHIANG Chun-Te
YU Yu-Tang

REMUNERATION COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)
CHIANG Chun-Te
CHEN Hsiang-Jung

NOMINATION COMMITTEE

KOO Fook Sun, Louis (*Chairman of the Committee*)
CHIANG Chun-Te
CHEN Hsiang-Jung

AUDITOR

PricewaterhouseCoopers

REGISTERED OFFICE

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

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2003, 20th Floor
Kai Tak Commercial Building
317-319 Des Voeux Road Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 120 Shixin North Road
Xiaoshan Economic and Technological
Development Zone
Xiaoshan District
Hangzhou City
Zhejiang Province
The PRC

PRINCIPAL BANKERS

Bank of China
China Development Industrial Bank
Hang Seng Bank Limited
Industrial and Commercial Bank of China
Industrial Bank of Taiwan
Mega International Commercial Bank
Yuanta Bank
BNP

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

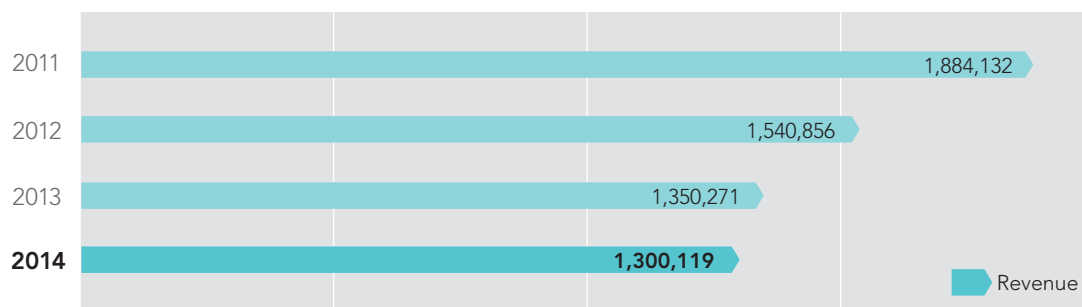
2398

WEBSITE

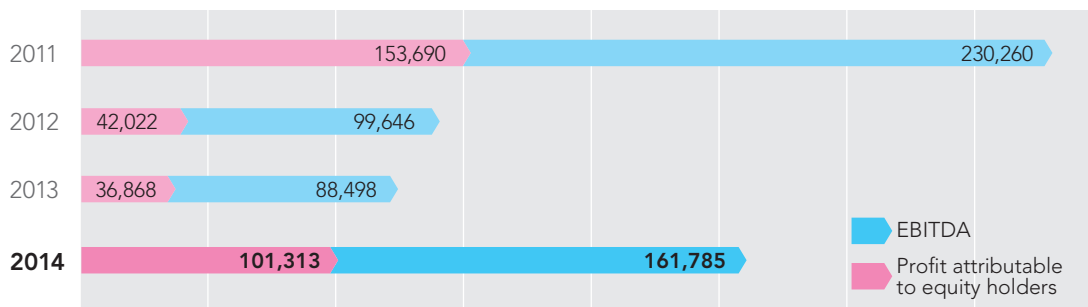
<http://www.goodfriend.hk>

Financial Highlights

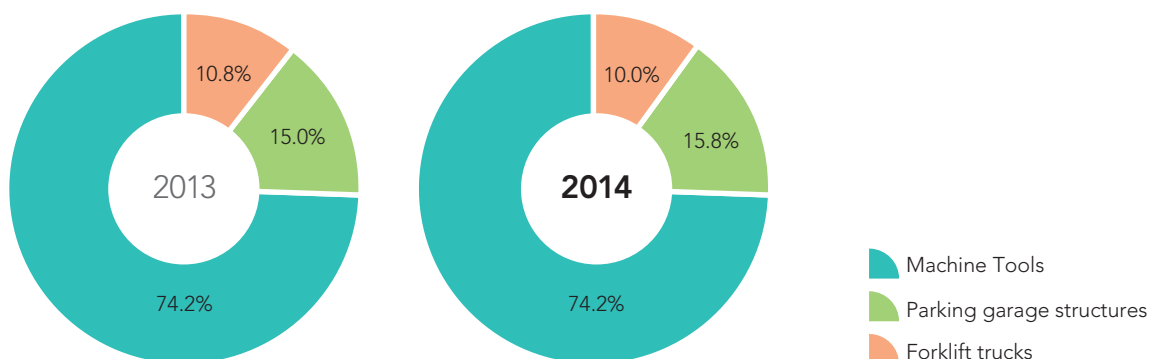
REVENUE (RMB'000)



PROFIT (RMB'000)



BUSINESS SEGMENTS (In terms of revenue)



Financial Highlights

TWO-YEAR COMPARISON OF FINANCIAL FIGURES

For the year ended 31 December

	2014 RMB'000	2013 RMB'000	Change (%)
Revenue	1,300,119	1,350,271	-3.7%
Gross profit	344,894	309,771	11.3%
EBITDA	161,785	88,498	82.8%
Profit attributable to equity holders	101,313	36,868	174.8%
Shareholders' equity	726,695	673,000	8.0%
Total assets	1,628,064	1,584,014	2.8%
Earnings per share – basic (RMB)	0.25	0.09	177.8%

SUMMARY OF KEY FINANCIAL RATIOS

For the year ended 31 December

	2014	2013	Change (%)
Gross profit margin ^{Note 1}	26.5%	22.9%	15.7%
Net profit margin ^{Note 2}	7.8%	2.7%	188.9%
Inventory turnover days ^{Note 3}	98.3	97.9	0.4%
Debtors' turnover days ^{Note 4}	130.2	153.4	-15.1%
Creditors' turnover days ^{Note 5}	78.3	76.6	2.2%
Current ratio (Times) ^{Note 6}	1.5	1.4	7.1%
Quick ratio (Times) ^{Note 7}	1.2	1.1	9.1%
Gearing ratio (%) ^{Note 8}	24.7%	23.2%	6.5%
EBITDA/Finance costs (Times) ^{Note 9}	17.6	11.1	58.6%
Return on equity (%) ^{Note 10}	13.9%	5.5%	152.7%

Note 1: Gross profit margin is calculated as gross profit divided by revenue.

Note 2: Net profit margin is calculated as profit attributable to equity holders divided by revenue.

Note 3: Inventory turnover days is calculated as the ending inventory divided by cost of revenue and multiplied by 365 days.

Note 4: Debtors' turnover days is calculated as the ending trade debtors divided by revenue and multiplied by 365 days.

Note 5: Creditors' turnover days is calculated as the ending trade creditors divided by cost of sales and multiplied by 365 days.

Note 6: Current ratio is calculated as total current assets divided by total current liabilities at the end of the corresponding year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

Note 7: Quick ratio is calculated as total current assets excluding inventories divided by total current liabilities at the end of the corresponding year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

Note 8: Gearing ratio is calculated as total debts divided by total assets at the end of the year. Total debts refer to total interest bearing liabilities at the end of the year.

Note 9: EBITDA/Finance costs is calculated as earnings before finance costs, taxation, depreciation and amortization divided by finance costs for the year. The numbers in the above table are expressed in the form of ratio and not as a percentage.

Note 10: Return on equity is calculated as profit attributable to equity holders divided by total shareholders' equity at the end of the corresponding year.

Chairman's Statement

Chu Chih-Yaung
Chairman



I hereby present on behalf of the board (the "Board") of directors (the "Directors") to the shareholders the report on the results of Good Friend International Holdings Inc. (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2014 (the "year").

FINANCIAL PERFORMANCE

For the year ended 31 December 2014, the Group recorded revenue of approximately RMB1,300.12 million, representing a decrease of approximately 3.7% compared to the previous year. Whilst profit attributable to equity holders for the year amounted to approximately RMB101.31 million, representing an increase of approximately 174.80% compared to RMB36.87 million in 2013.

FINAL DIVIDEND

The Board proposed, subject to approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 29 May 2015, a final dividend of RMB0.06 (equivalent to approximately HK\$0.0758 according to the average mean rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 27 March 2015) per share for the year ended 31 December 2014, amounting to RMB24.19 million (equivalent to approximately HK\$30.56 million) payable to shareholders whose names appear on the register of members of the Company on Wednesday, 10 June 2015. The payment date of the final dividend will be announced later.

Chairman's Statement

BUSINESS REVIEW

The global economy saw sluggish growth in 2014 and China's economic growth continued to slow down. According to the data released by the National Bureau of Statistics of China, the gross domestic product (GDP) of China grew by 7.4% year on year in 2014. The year-on-year growth slowed down further, marking the slowest growth rate since 1990. China has entered into a new economic norm, switching from fast growth to medium to fast growth. The mainstream product of the Group CNC machine tools focus mainly on the China market. Sales orders for the Group's CNC machine tools business were also affected by that. For the year ended 31 December 2014, sales volume and sales revenue of CNC machine tools amounted to 2,102 units and approximately RMB964.77 million respectively, both representing a decrease when compared to 2013. Nevertheless, the gross profit margin of CNC machine tools business increased to approximately 30.5% during the year. This was attributable to the decrease of the raw material prices during the year.

Despite being affected by the slowdown of China's economic growth, the Group's high-end CNC machine tools products still recorded satisfactory sales revenue during the year. Sales revenue of double column machining centre (manufactured at factory in Hangzhou) and milling and machining centre (manufactured by Italian vendors) amounted to approximately RMB140.51 million for the year, and accounted for approximately 14.6% of sales revenue of the Group's CNC machine tools business. These high-end products could optimise the product portfolio of the Group, and strengthen its core competitiveness.

On the other hand, FFG Werke GmbH ("FFG Werke"), an entity incorporated in Germany, in which the Group holds a 13.50% equity interest, recorded encouraging results in its turnover and operating performance in 2014 which was its first year of operations. The management believes that FFG Werke would be beneficial to the future business development as well as the results of the Group; whilst those renowned machines tools brands under FFG Werke could further enhance the product portfolio of the Group. Moreover, the Group has incorporated a wholly-owned entity at the China (Shanghai) Pilot Free Trade Zone in 2014. The activities of this Shanghai entity is mainly in exploring and selling the high-end machine tools brands of FFG Werke (including "Huller Hille") to customers in China.

Chairman's Statement



Chairman's Statement

PROSPECTS

In 2015, the China government will step up efforts in the structural adjustment of the economy and implement proactive fiscal policy and relatively relaxed monetary policy, so as to maintain the steady development of the economy. A year-on-year GDP growth rate of about 7% is anticipated. China is the largest machine tools consuming country. The formulation of the 12th Five Year Plan (2011-2015) by the central government of China would stimulate the demand of machine tools from the industries of high-speed railway, aerospace, motor vehicle and energy, especially demand of those hi-tech CNC machine tools. This in turn will benefit the Group's CNC machine tools business. The management believes that with its extensive sales network and comprehensive after-sales service, solid business foundation as well as outstanding product quality, the Group is capable of meeting customers' different needs and continue to strengthen its market position.

It is expected the operating environment in 2015 will still bring enormous challenges. With the current business environment, the Group will continue to strengthen its business foundation under a consistent and cautions manner under a tough market environment in order to maintain the Group's competitiveness. The management is optimistic on the long-term development prospects of the Group.

The management will also strive to control operating costs for achieving better operating results as well as to maintain sound financial conditions, in order to bring favorable returns to the shareholders of the Company.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank all the staff and management team for their hard work in the past year. I would also like to express heartfelt thanks to all of the customers and suppliers.

Chu Chih-Yaung

Chairman

Hong Kong, 27 March 2015

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2014, the Group recorded revenue of approximately RMB1,300.12 million, representing a decrease of approximately 3.7% as compared to 2013. During the year, sales volume of CNC machine tools, parking garage structures and forklift trucks amounted to 2,102 units, 13,215 units and 1,997 units respectively (2013 comparative figures: 2,073 units, 12,396 units and 2,221 units). CNC machine tools remained the major source of the Group's revenue. During the year, sales revenue of the CNC machine tools business amounted to approximately RMB964.77 million, representing a decrease of approximately 3.7% as compared to 2013. Revenue of CNC machine tools accounted for approximately 74.2% of the Group's total revenue. On the other hand, sales revenue of forklift trucks amounted to approximately RMB129.54 million during the year, representing a decrease of approximately 11.2% as compared to 2013 and accounted for approximately 10% of the total revenue. Moreover, sales revenue of the Group's parking garage structures business during the year was increased by approximately 1.6%, as compared to 2013, to approximately RMB205.81 million and approximately 15.8% of the Group's total revenue.

Gross profit and margin

For the year ended 31 December 2014, gross profit of the Group amounted to approximately RMB344.89 million. Overall gross profit margin was approximately 26.5%, compared to 22.9% for 2013. The gross profit margin of CNC machine tools (the Group's major product) during the year increased as compared to 2013. As a result, the overall gross profit margin for the year increased.

Distribution and selling expenses

Distribution and selling expenses amounted to approximately RMB129.48 million for the year ended 31 December 2014 representing a decrease of 12.2% as compared to last year. This was mainly attributable to the stringent control of the corresponding expenses by the management. During the year, distribution and selling expenses as a percentage of the Group's revenue amounted to approximately 10.0%, compared to approximately 10.9% for 2013.

Administrative expenses

Administrative expenses for the year ended 31 December 2014 increased by approximately 15.7% as compared to 2013. This was mainly attributable to the increase of the allowance for bad and doubtful debts.

Management Discussion and Analysis

Finance costs

During the year, finance costs increased to approximately RMB9.17 million. The increase was primarily due to the increase of average bank borrowings of the Group during 2014.

Share of loss of an associate

For the year ended 31 December 2014, share of loss of an associate amounted to approximately RMB8.56 million. The amount represented the Group's share of loss of the associate "FFG Europe", located in Italy, during the year. The decrease of the share of loss was due to the significant improvement of the operating results of FFG Europe during the year.

Profit attributable to the equity holders of the Company

For the year ended 31 December 2014, profit attributable to the equity holders of the Company amounted to approximately RMB101.31 million, representing an increase of approximately 174.8% as compared to 2013.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2014, the Group had net current assets of approximately RMB440.43 million (2013: RMB361.66 million), shareholders' fund of approximately RMB726.70 million (2013: RMB673.00 million) and short-term bank borrowings of approximately RMB402.08 million (2013: RMB367.75 million). The Group's working capital was financed by internal cash flows generated from its operation and existing banking facilities.

Cash and cash equivalents as at 31 December 2014 amounted to approximately RMB262.75 million (2013: RMB211.83 million). The current ratio (ratio of total current assets to total current liabilities) of the Group was approximately 1.5 times (2013: 1.4 times). The gearing ratio (ratio of total debts to total assets) was approximately 24.7% (2013: 23.2%), indicating that the Group continued to maintain a solid financial position.

Management Discussion and Analysis

CAPITAL STRUCTURE AND TREASURY POLICIES

The share capital of the Company as at 31 December 2014 was HK\$4,032,000 divided into 403,200,000 shares of HK\$0.01 each (at 31 December 2013: HK\$4,032,000 divided into 403,200,000 shares of HK\$0.01 each).

The Group generally finances its operations with internally generated cash flows and loans facilities provided by banks. As of 31 December 2014, the total outstanding short-term borrowings stood at approximately RMB402.08 million (2013: RMB367.75 million). Borrowing methods used by the Group mainly include bank loans. The Group had no interest rate hedging arrangements during the year.

SIGNIFICANT INVESTMENT

The Group had no significant investment held for the year ended 31 December 2014.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group had no material acquisitions or disposals of subsidiaries or associates during the year ended 31 December 2014.

SEGMENTAL INFORMATION

Details of segmental information for the year ended 31 December 2014 are set out in note 5 to the consolidated financial statements.

STAFF AND REMUNERATION POLICIES

As at 31 December 2014, the Group employed a total of 1,500 (2013: 1,400) full-time employees in Hong Kong and China. The total staff costs (including Directors' fee and emoluments) amounted to approximately RMB130.14 million (2013: RMB123.70 million). The salary review policies of the Group are determined with reference to the market trends, future plans and the performance of individuals in various aspects and are reviewed periodically.

The Company has adopted a share option scheme for the purpose of providing incentive and rewards to eligible participants for their contributions to the Group. No share option was granted by the Group since its adoption.

Management Discussion and Analysis

The employees of the Company's subsidiaries join a state-managed social welfare scheme operated by the local government of China and the employees in Hong Kong participate in the Mandatory Provident Fund Scheme. During the year under review, the Group contributed approximately RMB4.23 million (2013: RMB9.58 million) to the said schemes.

CAPITAL COMMITMENTS AND CONTINGENCIES

The Group has made capital expenditure commitments mainly for property, plant and equipment of approximately RMB0.74 million (2013: RMB0.98 million) which are contracted but not provided in the financial statements. The Group had no material contingent liabilities as at 31 December 2014 (2013: Nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2014, restricted bank deposits with an amount of approximately RMB134.68 million (2013: RMB60.17 million) represented mainly deposits placed in banks for guarantees issued for finance facilities used by the Group.

Meanwhile, subsidiaries of the Company pledged its land and buildings with an aggregate carrying amount of approximately RMB15.94 million (2013: RMB5.39 million) to secure general banking facilities granted to them. As at 31 December 2014, the subsidiaries have utilised such secured bank facilities of RMB2.90 million (2013: RMB1.25 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments and acquisition of material capital assets as at 31 December 2014. However, the Group will continue to seek new business development opportunities.

FOREIGN EXCHANGE RISK

The Group mainly operates in China. During the year ended 31 December 2014, the Group collected most of its revenue in Renminbi, some of which were converted into foreign currencies such as United States dollars, Japanese Yen and other foreign currencies for the payment of imported parts and components. As such, the Group had a certain level of exposure to foreign exchange fluctuations. The Group has no hedging activities as it is considered that their impact to the Group is insignificant.

Renminbi currently is not a freely convertible currency. A portion of the Group's Renminbi revenue or profit must be converted into other currencies to meet foreign currency obligations of the Group such as the payment of dividends, if declared.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Chu Chih-Yaung (朱志洋先生), aged 68, was appointed as an executive Director in September 2005 and Chairman of the Board. He is responsible for the Group's overall strategic planning, management, business development, and the formulation of the Group's corporate policies. Mr. Chu has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. Mr. Chu is also a director of Hangzhou Global Friend Precision Machinery Co., Ltd. and Hangzhou Ever Friend Precision Machinery Co., Ltd., both are wholly-owned subsidiaries of the Company.

Mr. Chen Hsiang-Jung (陳向榮先生), aged 69, was appointed as an executive Director in December 2005 and chief executive officer. He is also a member of the remuneration committee and the nomination committee of the Company. He is responsible for general management of the Group. Mr. Chen has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Hangzhou Global Friend Precision Machinery Co., Ltd., Hangzhou Ever Friend Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. Mr. Chen joined the Group in 1993.

Mr. Chen Min-Ho (陳明河先生), aged 64, was appointed as an executive Director in December 2005. He is responsible for the overall business operation of the Group. Mr. Chen has more than 15 years of experience in mechanics, manufacturing and machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Rich Friend (Shanghai) Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. He joined the Group in 1993.

Mr. Wen Chi-Tang (溫吉堂先生), aged 50, was appointed as an executive Director in December 2005. He was the vice general manager of machine tools division of Hangzhou Good Friend Precision Machinery Co., Ltd. and then was promoted as the general manager with effect from 1 January 2011. He is responsible for the production and operation of this division. Mr. Wen has more than 29 years of experience in the machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Hangzhou Global Friend Precision Machinery Co., Ltd., Hangzhou Ever Friend Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. He joined the Group in 2003.

Biographical Details of Directors and Senior Management

Mr. Chiu Rung-Hsien (邱榮賢先生), aged 57, was appointed as an executive Director in December 2005. He was the manager of the parking garage structures division of Hangzhou Good Friend Precision Machinery Co., Ltd. and then was promoted as the senior manager with effect from 1 January 2011. He is responsible for the production and operation of this division. Mr. Chiu has more than 30 years of experience in the mechanics and manufacturing industry. He joined the Group in 2001.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Koo Fook Sun, Louis (顧福身先生), aged 58, was appointed as an independent non-executive Director in December 2005 and is the chairman of the audit committee, the remuneration committee and the nomination committee of the Company. He is the founder and managing director of Hercules Capital Limited, a corporate finance advisory firm. He has more than 20 years of experience in investment banking and professional accounting. Mr. Koo currently act as an independent non-executive director of Li Ning Company Limited, Midland Holdings Limited, Xingda International Holdings Limited and Richfield Group Holdings Limited, all of which are companies listed on the Main Board of the Stock Exchange. He is a certified public accountant.

Mr. Koo also served as an independent non-executive director of Weichai Power Co., Ltd., which is listed on the Main Board of the Stock Exchange from October 2003 to June 2012.

Mr. Chiang Chun-Te, (江俊德先生), aged 54, was appointed as an independent non-executive Director in December 2005. He is also a member of the audit committee, the remuneration and the nomination committee of the Company. He is the general manager of Istra Corporation and is also served as the president with effect from 2000. He was the 17th Representative of the Importers and Exporters Association of Taipei and then now served as the director.

He is the director of Long Chen Paper Co., Ltd. He is also a director of Chinatrust Commercial Bank.

From 2003 to February 2010, Mr. Chiang served as the director of Premier Capital Management Corp. and Premier Venture Capital Corp. From 2006 to June 2009, he served as the independent director of Yin King Industrial Co., Ltd., which is a listed company at over-the-counter market on the Taiwan Stock Exchange Corporation. From 2009 to March 2012, he served as the independent director of Feng Sheng Technology Co., Ltd. (listed on the Taiwan Stock Exchange Corporation). From 2011 to June 2013, he served as the independent director of Swancor Ind. Co., Ltd. (listed on the Taiwan Stock Exchange Corporation). From 2001 to December 2014, he served as the president and general manager of PK Investment Corp.

Biographical Details of Directors and Senior Management

Mr. Yu Yu-Tang (余玉堂先生), aged 78, was appointed as an independent non-executive Director in December 2005 and is a member of the audit committee of the Company. He was a consultant of the Taiwan Hsin Chu County Government (台灣新竹縣政府) and the Provincial Government.

SENIOR MANAGEMENT

Mr. Chiang Chia-Shin (強家鑫先生), aged 56, was appointed as the manufacturing, marketing and after sales service manager of Hangzhou Global Friend and is responsible for the manufacturing, operating, marketing and after sales service of forklifts trucks in Mainland China. Mr. Chiang graduated from mechanical engineering department of Taiwan Fushin Institute Technology School (台灣復興工業專科學校) in 1979. He joined the Group in 1 July 2000 and has over 29 years of experience in the design, manufacturing and production of the motor vehicle parts and forklifts trucks.

Mr. Wu Li-Chen (吳立城先生), aged 53, was appointed as the manager of after sales services division of machine tools of Hangzhou Good Friend and then was promoted as the senior manager with effect from January 2014. He joined the Group in October 2000 and has over 30 years of experience in the machine tools industry.

Mr. Yeh Ming-Pin (葉明彬先生), aged 47, was appointed as the vice general manager of Hangzhou Good Friend and is responsible for the general administrative and management functions. Mr. Yeh graduated from Tamkang University, Taiwan (台灣淡江大學) in 1994 with a degree in Accounting. Before he joined the Group in January 2007, Mr. Yeh worked in TNS CPA firm in Taiwan from 1994 to 1998 and has over 17 years of experience in the fields of auditing, accounting and finance.

Mr. Yip Sai Keung, Esmond (葉世強先生), aged 49, was appointed as the financial controller of the Company and is responsible for the finance and accounting functions of the Group. Mr. Yip holds a Bachelor of Social Sciences degree from the University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Yip joined the Group in November 2007 and has over 20 years of experience in the fields of corporate finance, auditing and accounting.

Report of the Directors

The Board is pleased to submit their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the design and production of CNC machine tools, design and construction of three-dimensional car parking garage structures and design and assembling of forklift trucks.

SEGMENTAL INFORMATION

An analysis of the Group's turnover and results by business segments for the year ended 31 December 2014 is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2014 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 46 to 121.

The Directors declared an interim dividend of RMB0.06 (equivalent to approximately HK\$0.0754) per share to those shareholders whose names appeared on the register of members on 15 October 2014, amounting to approximately RMB24.19 million (equivalent to approximately HK\$30.40 million) which was paid on 22 October 2014.

The Board proposed, subject to approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 29 May

2015, a final dividend of RMB0.06 (equivalent to approximately HK\$0.0758 according to the average mean rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 27 March 2015) per share for the year ended 31 December 2014, amounting to RMB24.19 million (equivalent to approximately HK\$30.56 million) payable to shareholders whose names appear on the register of members of the Company on Wednesday, 10 June 2015. The payment date of the final dividend will be announced later.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 26 May 2015 to Friday, 29 May 2015, both days inclusive, during which no transfer of shares will be effected. In order to qualify for attendance and voting at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 22 May 2015.

The register of members will also be closed from Monday, 8 June 2015 to Wednesday, 10 June 2015, both days inclusive, during which no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 5 June 2015.

Report of the Directors

RESERVES

Movements in the reserves of the Company during the year are set out in note 29 to the consolidated financial statements.

ANNUAL GENERAL MEETING

The 2015 annual general meeting will be held on Friday, 29 May 2015. Details of the 2015 annual general meeting, notice of annual general meeting and proxy form are set out in the circular of the Company dated 27 April 2015 which will be despatched to shareholders of the Company together with the 2014 annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital for the year ended 31 December 2014 are set out in note 28 to the consolidated financial statements.

BANK BORROWINGS

Details of bank borrowings of the Group as at 31 December 2014 are set out in note 32 to the consolidated financial statements.

DIRECTORS

The Directors of the Company during the year and as at the date of this report were as follows:

Executive Directors

Mr. Chu Chih-Yaung (*Chairman*)
Mr. Chen Hsiang-Jung (*Chief Executive Officer*)
Mr. Chen Min-Ho
Mr. Wen Chi-Tang
Mr. Chiu Rung-Hsien

Independent Non-Executive Directors

Mr. Koo Fook Sun, Louis
Mr. Chiang Chun-Te
Mr. Yu Yu-Tang

In accordance with article 87(1) of the articles of association of the Company (the "Articles"), Messrs. Wen Chi-Tang, Chiang Chun-Te and Yu Yu-Tang, will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Report of the Directors

INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers all independent non-executive Directors to be independent.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the share option scheme of the Company adopted on 22 December 2005, at no time during the year were the rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or Chief Executive of the Company or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or were the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire such rights or benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement dated 11 January 2015 with the Company for a term of three years commencing from 11 January 2015 and will continue thereafter until terminated by not less than three months' notice in writing served by either party to the other or in accordance with the provisions set out in the respective service agreement. Each of the executive Directors may receive a discretionary bonus, the amount of which will be determined by reference to the comments of the remuneration committee of the Company.

A service agreement has been entered into between each of the independent non-executive Directors and the Company for a fixed term of 2 years commencing from 10 January 2014, and may be terminated by not less than three months' notice in writing served by either party to the other.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Report of the Directors

DIRECTORS' INTERESTS IN CONTRACTS

Save as those set out in note 37 to the consolidated financial statements, none of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Reference is made to the relevant disclosures on pages 94 to 106 and details on the deed of non-competition on page 105 of the prospectus of the Company dated 30 December 2005. As at 31 December 2014, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group in the PRC, Hong Kong and Macau.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 22 December 2005. The purpose of the Scheme is to motivate eligible persons to optimise their future contributions to the Group, to reward them for their past contributions, to attract and maintain on-going relationships with such eligible persons who contribute to the performance, growth or success of the Group. Eligible persons of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons or entity that provides research, development or other technological support to the Group, any minority shareholder in the Company's subsidiaries, and adviser to business development of the Group and an associate of any of the foregoing persons.

Report of the Directors

The principal terms of the Scheme are summarised as follows:

- (a) The maximum number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group must not exceed 10% of issued share capital of the Company as at the date of listing of the Company's shares on the Stock Exchange, i.e. 11 January 2006 (which were 280,000,000 shares) unless shareholders' approval has been obtained, and which must not in aggregate exceed 30% of the shares of the Company in issue from time to time.
- As at the date of this report, the total number of shares available for issue under the Scheme is 28,000,000 shares, which represents 10% of the issued shares as at the date of listing of the Company's shares on the Stock Exchange.
- (b) The maximum number of shares issued and to be issued upon exercise of the options granted to any eligible person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued shares from time to time.
- (c) The subscription price for the shares under the Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day ("Offer Date"); (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Company's shares.
- (d) An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during the period commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Scheme ("Commencement Date") and expiring on such date of the expiry of the option as the Board of Directors may in its absolute discretion determine and which shall not exceed ten years from the Commencement Date but subject to the provisions for early termination thereof as set out in the Scheme.

Report of the Directors

- (e) Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant.
- (f) The Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Scheme, i.e. 22 December 2005.

No option has been granted since the adoption of the Scheme.

DIRECTORS' INTEREST IN SHARES

As at 31 December 2014, the interests or short positions of the Directors or chief executive in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register of the Company required to be kept under 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 Companies ("Model Code"), are set out below:

1(a). Long positions in shares, underlying shares and debentures of the Company

<u>Name of director</u>	<u>Nature of interest</u>	<u>Number and class of securities</u>	<u>Approximate percentage of shareholding</u>
Mr. Chu Chih-Yaung	Corporate interest	20,000,000 shares	4.96%

Note: These 20,000,000 shares were beneficially owned by Sunward Gold Global Investments Limited, a company in which Mr. Chu Chih-Yaung has an interest of approximately 72.22%.

Report of the Directors

1(b). Aggregate long position in the shares, underlying shares and debentures of associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest	Number and class of securities	Approximate percentage of shareholding
Mr. Chu Chih-Yaung	友嘉實業股份有限公司 (Fair Friend Enterprise Company Limited) ("Taiwan FF")	Beneficial owner	24,161,347 shares	15.35%
Mr. Chu Chih-Yaung (Note 1)	Taiwan FF	Spouse interest	4,201,925 shares	2.67%
Mr. Chen Hsiang-Jung	Taiwan FF	Beneficial owner	2,994,841 shares	1.90%
Mr. Chu Chih-Yaung	友迦工業股份有限公司 (Fairskq (Taiwan) Co., Ltd.) (Note 3)	Beneficial owner	21,988 shares	0.22%
Mr. Chu Chih-Yaung (Note 2)	友迦工業股份有限公司 (Fairskq (Taiwan) Co., Ltd.) (Note 3)	Spouse interest	21,988 shares	0.22%
Mr. Chu Chih-Yaung	佑泰興實業股份有限公司 (Yu Thai Xin Ent. Co., Ltd.) (Note 3)	Beneficial owner	1,000 shares	0.01%

Report of the Directors

Name of Director	Name of associated corporation	Nature of interest	Number and class of securities	Approximate percentage of shareholding
Mr. Chu Chih-Yaung (Note 4)	佑泰興實業股份有限公司 (Yu Thai Xin Ent. Co., Ltd.) (Note 3)	Spouse interest	1,000 shares	0.01%
Mr. Chu Chih-Yaung (Note 5)	友嘉國際股份有限公司 (Decaview Asia Corporation) (Note 3)	Spouse interest	14,700 shares	0.59%
Mr. Chen Hsiang-Jung	友嘉國際股份有限公司 (Decaview Asia Corporation) (Note 3)	Beneficial owner	2,940 shares	0.12%
Mr. Chu Chih-Yaung	Fair Fine (Hongzhou) Industrial Co., Ltd. (Note 3)	Beneficial owner	750 shares	0.03%
Mr. Chen Hsiang-Jung	Fair Fine (Hongzhou) Industrial Co., Ltd. (Note 3)	Beneficial owner	750 shares	0.03%

Report of the Directors

Notes:

1. Ms. Wang Tz-Ti (formerly known as Wang Jin-Zu) ("Ms. Wang"), the spouse of Mr. Chu Chih-Yaung ("Mr. Chu"), held 4,201,925 Shares (representing 2.67% of the issued share capital) of Taiwan FF. Mr. Chu was deemed to be interested in all the shares held by Ms. Wang in Taiwan FF under the SFO.
2. Ms. Wang held 21,988 Shares (representing 0.22% of the issued share capital) of Fairskq (Taiwan) Co., Ltd.. Mr. Chu was deemed to be interested in all the shares held by Ms. Wang in Fairskq (Taiwan) Co., Ltd. under the SFO.
3. These companies are non-wholly-owned subsidiaries of Taiwan FF and are therefore associated corporations of the Company for the purpose of the SFO.
4. Ms. Wang held 1,000 Shares (representing 0.01% of the issued share capital) of Yu Thai Xin Ent. Co., Ltd.. Mr. Chu was deemed to be interested in all the shares held by Ms. Wang in Yu Thai Xin Ent. Co., Ltd. under the SFO.
5. Ms. Wang held 14,700 Shares (representing 0.59% of the issued share capital) of Decaview Asia Corporation. Mr. Chu was deemed to be interested in all the shares held by Ms. Wang in Decaview Asia Corporation under the SFO.

Save as disclosed above, as at 31 December 2014, none of the Directors or chief executive of the Company had any interest in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2014, none of the Directors or chief executive of the Company had any short position in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2014, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are set out below:

Report of the Directors

1. Aggregate long position in the shares and underlying shares of the Company

Name of shareholder	Nature of interest	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Good Friend (H.K.) Corporation Limited ("Hong Kong GF")	Beneficial owner	232,000,000 shares <i>(Note)</i>	57.54%
Taiwan FF	Interest of controlled corporation	232,000,000 shares <i>(Note)</i>	57.54%

Note: Hong Kong GF is owned as to approximately 99.99% by Taiwan FF. Accordingly, Taiwan FF was deemed to be interested in 232,000,000 shares of the Company held by Hong Kong GF under the SFO.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2014.

Report of the Directors

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules for securities transaction by the Directors. Upon enquiry by the Company, all Directors have confirmed that, for the year ended 31 December 2014, they have complied with the required standards set out in the Model Code regarding securities transactions by the Directors.

EMOLUMENT POLICY

A remuneration committee has been set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of the Scheme are set out in the section headed "Share Option Scheme" above.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the top five highest paid individuals of the Group are set out in note 8 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details on related party transactions for the year are set out in note 37 to the consolidated financial statements. Details of any related party transactions which also constitute connected transactions or continuing connected transactions not exempted under Rule 14A.73 of the Listing Rules are disclosed below. The Group has complied with the requirements in accordance with Chapter 14A of the Listing Rules in respect of such transactions.

Non-exempt continuing connected transaction(s)

- As disclosed in the announcement of the Company on 19 May 2011 and circular of the Company on 24 May 2011, the Company had on 19 May 2011 entered into: (a) a components agreement (the "Components Agreement") with Taiwan FF, pursuant to which the Company (and/or permitted designates) (the "GF Parties") shall supply CKD components to Taiwan FF (and/or permitted designates) (the "FF Parties") and the FF Parties shall supply CKD components to the GF Parties for a period of three years from 23 June 2011; and (b) a machine tools agreement (the "Machine Tools Agreement") with Taiwan FF, pursuant to which the GF Parties can purchase from the

Report of the Directors

FF Parties for a period of three years from 15 June 2011, and has the rights to sell in the PRC, Hong Kong and Macau Special Administrative Region (the "Sales Region") on an exclusive basis, and upon the request of the Company, the FF Parties shall supply to and authorize the GF Parties to sell, the designated CNC machine tools in the Sales Region on an exclusive basis.

As disclosed in the announcement of the Company on 22 May 2014 and the circular of the Company on 6 June 2014, the Company had on 22 May 2014 entered into agreements with Taiwan FF to renew the Components Agreement (the "**Renewed Components Agreement**") and the Machine Tools Agreement (the "**Renewed Machine Tools Agreement**") respectively for a period of three years from 27 June 2014.

As Taiwan FF is a controlling shareholder of the Company, Taiwan FF is therefore a connected person of the Company. The transactions under the Components Agreement, the Machine Tools Agreement, the Renewed Components Agreement and the Renewed Machine Tools Agreement constituted continuing connected transactions subject to reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The resolutions approving the Components Agreement and the Machine Tools Agreement, the transactions contemplated thereunder and the annual caps thereof were duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 15 June 2011. The annual caps for the supply of CKD components to FF Parties by the GF Parties and the purchase of CKD components from the FF Parties by the GF Parties for the period from 1 January 2014 to 22 June 2014 under the Components Agreement were RMB1.30 million and RMB235.60 million respectively. The annual cap for the purchase of CNC machine tools from the FF Parties by the GF Parties for the period from 1 January 2014 to 22 June 2014 under the Machine Tools Agreement was RMB91.70 million.

The resolutions approving the Renewed Components Agreement and the Renewed Machine Tools Agreement, the transactions contemplated thereunder and the annual caps thereof were duly passed by the independent shareholders of the Company at the extraordinary general meeting held on 27 June 2014. The annual caps for the supply of CKD components to FF Parties by the GF Parties and the purchase of CKD components from the FF Parties by the GF Parties for the period from 27 June 2014 to 31 December 2014 under the Renewed Components Agreement

Report of the Directors

were RMB2.42 million and RMB58.07 million respectively. The annual cap for the purchase of CNC machine tools from the FF Parties by the GF Parties for the period from 27 June 2014 to 31 December 2014 under the Renewed Machine Tools Agreement was RMB62.68 million.

2. As disclosed in the announcement of the Company on 9 July 2014 and the circular of the Company on 22 July 2014, FFG Werke and Sky Thrive had on 9 July 2014 entered into a guarantee procurement deed (the "**Guarantee Procurement Deed**"), pursuant to which FFG Werke may, during the period from 6 August 2014 to the date immediately preceding the expiry of 12 months thereafter, request Sky Thrive to (at the absolute discretion of Sky Thrive) procure the issuance of bank guarantees in respect of sales contracts between any member of FFG Werke and its subsidiaries (the "**FFG Werke Group**") and the customer(s) of the FFG Werke Group in favour of the customers for a maximum amount of Euro 10,600,000.

As FFG Werke is an associate of Taiwan FF, a controlling shareholder and connected person of the Company, FFG Werke is therefore a connected person of the Company. The transactions under the Guarantee Procurement Deed constituted continuing connected transactions subject to reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. The resolutions approving the Guarantee Procurement Deed and the transactions contemplated thereunder were duly passed by the independent shareholders of the Company at the extraordinary general meeting held 6 August 2014.

The independent non-executive directors of the Company have reviewed the Components Agreement, the Machine Tools Agreement, the Renewed Components Agreement, the Renewed Machine Tools Agreement and the Guarantee Procurement Deed and the transactions thereunder conducted during the year and confirmed that they have been entered into:–

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms;

Report of the Directors

- (iii) in accordance with the respective terms of the the Components Agreement, the Machine Tools Agreement, the Renewed Components Agreement, the Renewed Machine Tools Agreement and the Guarantee Procurement Deed and on terms which were fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (iv) the aggregate transactions amount for the year was within the relevant annual caps.

The auditor of the Company has issued a report of its factual findings to the board of directors of the Company confirming the matters as required in accordance with Rule 14A.56 of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2014.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers accounted for approximately 13.97% of the Group's total turnover for the year and the largest customer accounted for approximately 6.41% of the Group's total turnover. The five largest suppliers accounted for approximately 28.68% of the Group's total purchases for the year and the largest supplier accounted for approximately 15.16% of the Group's total purchases.

None of the Directors or their associates has interests in any of the aforesaid customers and suppliers.

Save that Hong Kong GF and Taiwan FF were among the aforesaid five largest suppliers of the Group, to the knowledge of the Directors, none of the shareholders owning more than 5% of the Company's shares had any interest in the aforesaid customers and suppliers of the Group during the year.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

As far as the information publicly available to the Company is concerned and to the best knowledge of the Directors of the Company, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors, Mr. Koo Fook Sun, Louis (as Chairman), Mr. Chiang Chun-Te and Mr. Yu Yu-Tang. The Audit Committee has reviewed with the management the consolidated financial statements of the Group for the year ended 31 December 2014.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 32 to 43.

FIVE-YEAR FINANCIAL SUMMARY

A summary of results and of the assets and liabilities of the Group for the last five financial years is set out on page 122.

AUDITOR

The financial statements for the year ended 31 December 2014 have been audited by the auditor of the Company, PricewaterhouseCoopers who shall retire and, being eligible, offer themselves for re-appointment at the 2015 annual general meeting.

On behalf of the Board

Good Friend International Holdings Inc.

Chu Chih-Yaung

Chairman

Hong Kong, 27 March 2015

Corporate Governance Report

The Company is committed to maintaining good corporate governance standard through a solid and efficient framework to promote the integrity, transparency and quality of disclosure in order to enhance shareholders' value.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted its corporate governance practices which are reproduced from the code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and has reviewed and updated regularly to follow the latest practices in corporate governance. During the year under review, the Company has complied with the code provisions set out in the CG Code except for the following deviation.

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting and the chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve connected transaction or any other transaction that requires independent shareholders' approval. The chairman of the Board was unable to attend the annual general meeting held on 13 June 2014 due to his business trip and Mr. Chiu Rung-Hsien, an executive Director, took the chair of the annual general meeting pursuant to the Articles of Association of the Company. The three independent non-executive directors constituting

the independent board committee were unable to attend the extraordinary general meeting held on 6 August 2014 to approve disclosable and continuing connected transaction and provision of financial assistance due to their other business commitments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions by the Directors. Upon enquiry by the Company, all Directors have confirmed that, for the year ended 31 December 2014, they have complied with the required standards set out in the Model Code regarding securities transactions by the Directors.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's budget, significant policies and transactions, financial results, businesses, strategic decisions and performance. The management was delegated the authority and responsibility by the Board for the day-to-day management of the Group. In addition, the Board has also delegated various responsibilities to the various board committees referred to below. Further details of these committees are set out in this report.

Corporate Governance Report

The Board currently consists of eight Directors including five executive Directors and three independent non-executive Directors:

Executive Directors

Mr. CHU Chih-Yaung (*Chairman*)
 Mr. CHEN Hsiang-Jung (*Chief Executive Officer*)
 Mr. CHEN Min-Ho
 Mr. WEN Chi-Tang
 Mr. CHIU Rung-Hsien

Independent Non-Executive Directors

Mr. KOO Fook Sun, Louis
 Mr. CHIANG Chun-Te
 Mr. YU Yu-Tang

Such balanced board composition is formed to ensure a strong independent objectivity exists across the Board and has adhered to the recommended practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive Directors. The biographical information of the Directors is set out on pages 14 to 16 under the section headed "Biographical Details of Directors and Senior Management".

Directors have given sufficient time and attention to the Group's affairs. The directors have disclosed to the Company annually the number and the nature of offices held in public companies or organizations and other significant commitments. The Board believes that the balance between executive directors and independent non-executive directors is reasonable and adequate to provide sufficient balances that protect the interests of the Shareholders and the Group.

Chairman and Chief Executive Officer

The positions and roles of Chairman of the Board and Chief Executive Officer of the Company are held and performed separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman, being Mr. CHU Chih-Yaung, is in-charge of the leadership of the Board and strategies planning of the Group. The Chief Executive Officer, being Mr. CHEN Hsiang-Jung, is responsible for the day-to-day management of the Group's business.

Independent non-executive Directors

The three Directors serving the non-executive role are all independent and are appointed as the independent non-executive Directors.

Corporate Governance Report

The three independent non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting and finance. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Amongst them, Mr. Koo Fook Sun, Louis has the appropriate professional qualifications and accounting and related financial management expertise required under Rule 3.10(2) of the Listing Rules. Each independent non-executive Director has provided an annual confirmation of his independence to the Company, and the Company considers each of them to be independent under Rule 3.13 of the Listing Rules.

The three independent non-executive Directors are appointed for a specific term of two years and are subject to retirement by rotation, at least once every three years, in accordance with the Articles.

Role of the Board

The Board decides on corporate strategies, approves overall business plans and evaluates the Group's financial performance and management. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, the monitoring of operating budgets, the implementation of internal controls procedures, and the ensuring of compliance with relevant statutory requirements and other rules and regulations.

Corporate Governance Functions

The Board is also responsible for performing the corporate governance duties as set out below:–

1. develop and review the Company's policies and practices on corporate governance and make recommendations;
2. review and monitor the training and continuous professional development of directors and senior management;
3. review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report under Appendix 14 to the Listing Rules.

Corporate Governance Report

Directors' training

Based on the training records provided to the Company by the directors and the Company's record, the directors have participated in the following training during 2014:

Directors	Type of trainings
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Executive Directors

CHU Chih-Yaung	A, B
CHEN Hsiang-Jung	A, B
CHEN Min-Ho	A, B
WEN Chi-Tang	A, B
CHIU Rung-Hsien	A, B

Independent Non-Executive Directors

KOO Fook Sun, Louis	A, B
CHIANG Chun-Te	A, B
YU Yu-Tang	A, B

A: attending seminars and/or conferences and/or forums

B: reading information, newspapers, journals and materials relating to responsibilities of directors, economy, financial, investments and business of the Company

Frequency of Board Meetings and Attendance

Board meetings are held at least four times a year and the Board meets as and when required. During the financial year ended 31 December 2014, the Board convened a total of four regular meetings and the attendances of the Directors at these Board meetings are as follows:

Directors	Number of attendance
-----------	----------------------

Mr. CHU Chih-Yaung	2/4
Mr. CHEN Hsiang-Jung	2/4
Mr. CHEN Min-Ho	2/4
Mr. WEN Chi-Tang	2/4
Mr. CHIU Rung-Hsien	3/4
Mr. KOO Fook Sun, Louis	3/4
Mr. CHIANG Chun-Te	4/4
Mr. YU Yu-Tang	3/4

The Directors received details of agenda items for decision and minutes of Board meetings in advance of each Board meeting.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

Appropriate insurance cover has been arranged in respect of relevant actions against its Directors.

Corporate Governance Report

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. KOO Fook Sun, Louis (as chairman), Mr. CHIANG Chun-Te and Mr. YU Yu-Tang.

The role of the Audit Committee is to monitor the establishment and maintenance of an adequate system of internal control and compliance with such system.

The chief responsibilities of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of the internal control system of the Group. The Audit Committee had during the year performed such functions and reviewed the unaudited financial statements of the Company for the six months ended 30 June 2014. The audited financial statements of the Company for the year ended 31 December 2014 has also been reviewed by the Audit Committee.

The Audit Committee has recommended to the Board that PricewaterhouseCoopers, Certified Public Accountants, be nominated for re-appointment as auditor of the Company at the forthcoming annual general meeting of the Company.

Frequency of Meetings and Attendance

During the year 2014, the Audit Committee met three times, during which the management of the Company and the external auditor were also in attendance, if appropriate. Details of the attendance by members of the Audit Committee of such meetings are as follows:

<u>Name of members</u>	<u>Number of attendance</u>
Mr. KOO Fook Sun, Louis	3/3
Mr. CHIANG Chun-Te	3/3
Mr. YU Yu-Tang	3/3

NOMINATION OF DIRECTORS

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the mechanics industry and/or other professional area.

Corporate Governance Report

The Company established a nomination committee (the "Nomination Committee"), with written terms of reference in compliance with the CG Code and consists of two independent non-executive Directors, namely Mr. KOO Fook Sun, Louis (as chairman) and Mr. CHIANG Chun-Te, and one executive Director, namely Mr. CHEN Hsiang-Jung.

The functions of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

During the year and prior to the date of this report, there were no changes of the Directors. The Nomination Committee considered the current Board size as adequate for the Company's present operations. In addition, the Committee has reviewed and satisfied with the independence of all independent non-executive Directors.

In accordance with the Articles, at least one-third of the Directors will retire from office at the forthcoming annual general meeting. In accordance with the Articles 87(1) of the Articles, Mr. Wen Chi-Tang, Mr. Chiang Chun-Te and Mr. Yu Yu-Tang will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Frequency of Meetings and Attendance

The Nomination Committee has convened one meeting during the year ended 31 December 2014 and details of the attendance of its meeting are as follows:

<u>Name of members</u>	<u>Number of attendance</u>
Mr. KOO Fook Sun, Louis	1/1
Mr. CHIANG Chun-Te	1/1
Mr. CHEN Hsiang-Jung	1/1

Board Diversity Policy

The Company has formulated and adopted the board diversity policy in August 2013 aiming at setting out the approach on diversity of the Board of the Company.

The Board recognizes the importance of having a diverse Board in enhancing the board effectiveness and corporate governance. A diverse Board will include and make good use of differences in the skills, industry knowledge and experience, education, background and other qualities of directors of the Company (the "Directors") and does not discriminate on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

Corporate Governance Report

The Nomination Committee of the Company has responsibility for identifying and nominating for approval by the Board, candidates for appointment to the Board. It takes responsibility in assessing the appropriate mix of experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and overseeing the Board succession. It is also responsible for reviewing and reporting to the Board in relation to Board diversity.

Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates to join the Board will be, in part, dependent on the pool of candidates with the necessary knowledge, experience, skills, educational background and other qualities. The final decision will be based on merit and contribution that the chosen candidate will bring to the Board.

At present, the Nomination Committee has not set any measurable objectives to implement the board diversity policy. However, it will consider and review the board diversity policy and setting of any measurable objects from time to time.

REMUNERATION OF DIRECTORS

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the CG Code and consists of two independent non-executive Directors, namely Mr. KOO Fook Sun, Louis (as chairman) and Mr. CHIANG Chun-Te, and one executive Director, namely Mr. CHEN Hsiang-Jung.

The functions of the Remuneration Committee are establishing and reviewing the policy and structure of the remuneration for the Directors and senior management.

Frequency of Meetings and Attendance

The Remuneration Committee has convened one meeting during the year ended 31 December 2014 to review the existing remuneration packages of each of the Directors and senior management of the Company and details of the attendance of its meeting are as follows:

<u>Name of members</u>	<u>Number of attendance</u>
Mr. KOO Fook Sun, Louis	1/1
Mr. CHIANG Chun-Te	1/1
Mr. CHEN Hsiang-Jung	1/1

Corporate Governance Report

Emolument policy

The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. Each of the executive Directors is entitled to the respective basic salary which is reviewed annually. In addition, each of the executive Directors may receive a discretionary bonus as the Board may suggest, the amount of which shall not exceed 2% of the audited consolidated net profits of the Group for the relevant financial year. Such amount has to be approved by the Remuneration Committee. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

The Company has adopted a share option scheme on 22 December 2005. The purpose of the share option scheme is to enable the Board, at its discretion, to grant options to selected eligible participants to motivate them and to optimize their performance and efficiency for the benefit of the Group. Details of the share option scheme are set out in the section headed "Share Option Scheme" of the "Report of the Directors".

Remuneration of Senior Management

The remuneration of the members of the senior management by band for the year ended 31 December 2014 is set out below:

Remuneration bands (HK\$)	Number of persons
Less than \$1,000,000	3
\$1,000,001 to \$1,500,000	1
\$1,500,001 to \$2,000,000	1

Further particulars regarding Director's remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 8(a) and 8(b) to the financial statements, respectively.

OTHER BOARD COMMITTEES

During the year, an independent board committee comprising all the three independent non-executive directors was formed for continuing connected transactions involving (i) renewal of framework agreement for purchase and supply of components; and (ii) renewal of exclusive framework agreement for the purchase of designated CNC machine tools. Details of these continuing connected transactions etc were set out in a circular of the Company dated 6 June 2014.

Corporate Governance Report

Another independent board committee comprising all the three independent non-executive directors was formed for the disclosable and continuing connected transaction involving provision of financial assistance. Details of this disclosable and continuing connected transaction were set out in a circular of the Company dated 22 July 2014.

Two committee meetings were held with the presence of the committee members.

COMPANY SECRETARY

The Company has engaged and appointed Mr. Lo Tai On, a representative from an external secretarial services provider, as the company secretary of the Company. The primary contact person with the company secretary of the Company is Mr. Esmond Yip, the Financial Controller of the Company. Mr. Lo has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's constitutional documents.

AUDITOR'S REMUNERATION

During the year under review, the remuneration paid/payable to the Company's auditor, PricewaterhouseCoopers, is set out below:

Services rendered to the Group	Fee paid/payable
	HK\$'000
Audit services	1,790
Non-audit services	48

INTERNAL CONTROL SYSTEM

The Board is responsible for the Group's system of internal control and has the responsibility for reviewing its effectiveness including financial, operational and compliance controls, etc.. The Board is committed to implementing an effective and sound internal control system to safeguard the interests of the shareholders and the Group's assets. During the year, the Company has engaged a professional firm to assist the board in conducting a review of certain key parts of the internal control system of the Group. The Board also 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. The report and findings of the review, had been submitted to the Board and follow up plan had been adopted. The review did not find any material deficiencies in the internal control system of the Group.

Corporate Governance Report

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's accounts for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2014, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATION

The Board recognises the importance of good communication with the shareholders of the Company (the "Shareholders"). Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars of the Company.

The general meetings of the Company are valuable forum for the Board to communicate directly with the Shareholders. The Shareholders are encouraged to attend the general meetings of the Company.

An annual general meeting of the Company was held on 13 June 2014 (the "2014 AGM"). A notice convening the 2014 AGM contained in the circular dated 30 April 2014 was dispatched to the Shareholders together with the 2013 Annual Report. Mr. Chiu Rung-Hsien, the Executive Director and Mr. Koo Fook Sun, Louis, the Chairman of the committees of the Board, attended the 2014 AGM to answer the questions from the Shareholders. Other directors were unable to attend the 2014 AGM due to their other business commitment.

Besides, extraordinary general meetings of the Company were held on 27 June 2014 and 6 August 2014, respectively (the "EGMs") to approve, respectively, (i) continuing connected transactions; and (ii) disclosable and continuing connected transactions of the Company etc. Mr. Chen Hsiang-Jung attended and act as chairman of the EGMs. Other Directors (except Mr. Koo Fook Sun, Louis attended the EGM held on 27 June 2014) were unable to attend the EGMs due to their other business commitment.

The Chairman of the 2014 AGM and EGMs explained detailed procedures for conduction a poll. All the resolutions proposed at the 2014 AGM and EGMs were passed separately by the Shareholders by way of poll. The results of the poll were published on the websites of the Stock Exchange and the Company after the meetings.

The forthcoming annual general meeting of the Company will be held on 29 May 2015 (the "2015 AGM"). A notice convening 2015 AGM will be published on the websites of the Stock Exchange

Corporate Governance Report

and the Company and dispatched together with the 2014 Annual Report to the Shareholders as soon as practicable in accordance with the Articles of Association and the CG Code.

The Company is committed to enhancing communications and relationships with its investors. Designated senior management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's developments.

The Company also maintains a website at www.goodfriend.hk, where updates on the Company's business developments and operations, financial information and news can always be found.

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:–

Room 2003, 20/F., Kai Tak Commercial Building,
317-319 Des Voeux Road Central, Hong Kong
Fax: (852) 3586 2620
Email: investor@goodfriend.hk

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year at such place as may be determined by the Board. Each general meeting, other than an annual general

meeting, shall be called an extraordinary general meeting ("EGM"). Set out below are procedures by which shareholders may (a) convene an EGM; (b) put forward enquiries to the Board; and (c) put forward proposals at general meetings. The procedures are subject to the Company's articles of association and applicable legislation and regulations.

Procedures for shareholders to convene EGM:

Any 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 carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The written requisition must state the business to be transacted at the meeting, signed by the requisitionist(s) and deposited at the Company's principal place of business in Hong Kong or the Company's registered office for the attention of the Board or the Secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. The requisition will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the requisition is proper and in order, the Secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the requirements under

Corporate Governance Report

the articles of association of the Company to all the registered shareholders. On the contrary, if the requisition has been verified as invalid, the requisitioner(s) will be advised of this outcome and accordingly, an EGM will not be convened as requested.

If within twenty-one (21) days from the date of that deposit of the requisition the Board fails to proceed to convene such meeting, the requisitioner(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

The notice period to be given to all the registered shareholders for consideration of the proposal raised by the requisitioner(s) concerned at the EGM varied according to the nature of the proposal, as follows:

- Not less than 14 clear days' and not less than 10 clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company; and
- Not less than 21 clear days' and not less than 20 clear business days' notice in writing if the proposal constitutes a special resolution of the Company.

Procedures for putting forward proposals at general meetings

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written request, duly signed by the shareholder concerned, setting out the proposals at the Company's principal place of business in Hong Kong for the attention of the Board and the Secretary of the Company. The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the Secretary of the Company will pass the request to the Board. Whether a proposal will be put to a general meeting will be decided by the Board in its discretion, unless the proposal put forward by a shareholder is (a) pursuant to a requisition by a shareholder to convene an EGM referred to above or (b) forms part of ordinary business to be considered at an annual general meeting as described in article 61(1) of the articles of association of the Company.

The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website at www.goodfriend.hk

AUDITOR'S STATEMENT

The auditor of the Company acknowledge their responsibilities in the auditor's report on the financial statements of the Group for the year ended 31 December 2014.

Hong Kong, 27 March 2015

Independent Auditor's Report



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GOOD FRIEND INTERNATIONAL HOLDINGS INC.**
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Good Friend International Holdings Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages 46 to 121, which comprise the consolidated and company balance sheets as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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.

Independent Auditor's Report

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2015

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December	
		2014 RMB'000	2013 RMB'000
Revenue	5	1,300,119	1,350,271
Cost of revenue	7	(955,225)	(1,040,500)
Gross profit		344,894	309,771
Other income	6	33,520	28,738
Distribution and selling expenses	7	(129,480)	(147,533)
Administrative expenses	7	(99,528)	(86,025)
Other operating expenses	7	(4,144)	(2,561)
Operating profit		145,262	102,390
Finance costs	9	(9,174)	(7,964)
Share of loss of joint ventures	19	(2,458)	(3,975)
Share of loss of an associate	20	(8,559)	(26,321)
Loss on disposal of a subsidiary and an associate		–	(9,742)
Profit before income tax		125,071	54,388
Income tax expense	10	(23,758)	(17,520)
Profit attributable to equity holders of the Company		101,313	36,868
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of an associate		162	3,665
Currency translation differences	29	(3,428)	10,896
Total comprehensive income for the year attributable to equity holders of the Company		98,047	51,429
Earnings per share attributable to the equity holders of the Company (expressed in RMB per share)			
Basic and diluted earnings per share	12	0.25	0.09
Dividends	13	48,384	40,320

The notes on pages 53 to 121 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

	Note	As at 31 December	
		2014 RMB'000	2013 RMB'000
Assets			
Non-current assets			
Land use rights	14	37,538	38,481
Property, plant and equipment	15	227,448	256,100
Investment properties	16	9,419	249
Intangible assets	17	1,696	1,458
Investments in joint ventures	19	18,357	17,576
Investment in an associate	20	1,207	9,604
Available-for-sale financial asset	23	571	571
Deferred income tax assets	33	6,144	4,520
Deposits for purchases of plant and equipment		–	1,560
		302,380	330,119
Current assets			
Inventories	24	257,257	279,016
Debtors, deposits and prepayments	22	513,983	622,553
Amount due from an investee	23	12,525	13,988
Amounts due from customers for contract work	25	32,494	24,651
Amount due from ultimate holding company	37	532	1,912
Amounts due from and prepayment to fellow subsidiaries and an associate of ultimate holding company	37	296	1,786
Amount due from joint ventures	37	891	1,498
Amount due from subsidiaries of an associate	37	12,274	12,495
Restricted bank deposits	26	134,681	60,167
Term deposits with initial term of over three months	27	98,000	24,000
Cash and cash equivalents	27	262,751	211,829
		1,325,684	1,253,895
Total assets		1,628,064	1,584,014
Equity			
Equity attributable to equity holders of the Company			
Share capital	28	4,022	4,022
Share premium	29	82,281	82,281
Capital reserves	29	77,338	77,338
Other reserves	29	53,066	56,332
Retained earnings	29	509,988	453,027
Total equity		726,695	673,000

Consolidated Balance Sheet

	Note	As at 31 December	
		2014 RMB'000	2013 RMB'000
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	33	16,118	18,775
Current liabilities			
Creditors, other payables and accrued charges	30	410,211	449,133
Amounts due to customers for contract work	25	42,800	49,959
Amount due to ultimate holding company	37	1,716	1,029
Amount due to immediate holding company	37	3,447	2,156
Amount due to a fellow subsidiary and an associate of ultimate holding company	37	784	321
Amount due to subsidiaries of an associate	37	1,128	293
Amount due to joint ventures	37	76	131
Current income tax liabilities		16,681	14,691
Warranty provision	31	6,329	6,774
Borrowings	32	402,079	367,752
		885,251	892,239
Total liabilities		901,369	911,014
Total equity and liabilities		1,628,064	1,584,014
Net current assets		440,433	361,656
Total assets less current liabilities		742,813	691,775

The notes on pages 53 to 121 are an integral part of these consolidated financial statements.

The financial statements on pages 46 to 121 were approved by the Board of Directors on 27 March 2015 and were signed on its behalf.

Chu Chih-Yaung
Director

Chen Hsiang-Jung
Director

Company Balance Sheet

	Note	As at 31 December	
		2014 RMB'000	2013 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	15	8	21
Investments in subsidiaries	18	52,837	52,837
Investments in joint ventures	19	27,666	24,427
		80,511	77,285
Current assets			
Debtors, deposits and prepayments	22	14,882	18,407
Amounts due from subsidiaries	18	331,264	331,616
Restricted bank deposits	26	2,370	2,052
Cash and cash equivalents	27	1,784	1,618
		350,300	353,693
Total assets		430,811	430,978
Equity			
Equity attributable to equity holders of the Company			
Share capital	28	4,022	4,022
Share premium	29	83,096	83,096
Other reserves	29	7,973	7,632
Retained earnings	29	46,080	46,560
Total equity		141,171	141,310

Company Balance Sheet

	Note	As at 31 December	
		2014 RMB'000	2013 RMB'000
Current liabilities			
Other payables and accrued charges	30	13,934	20,454
Borrowings	32	275,706	269,214
		289,640	289,668
Total liabilities		289,640	289,668
Total equity and liabilities		430,811	430,978
Net current assets		60,660	64,025
Total assets less current liabilities		141,171	141,310

The notes on pages 53 to 121 are an integral part of these financial statements.

The financial statements on pages 46 to 121 were approved by the Board of Directors on 27 March 2015 and were signed on its behalf.

Chu Chih-Yaung
Director

Chen Hsiang-Jung
Director

Consolidated Statement of Changes in Equity

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2013		4,022	122,601	77,338	41,771	416,159	661,891
Comprehensive income:							
Profit for the year		–	–	–	–	36,868	36,868
Other comprehensive income:							
Share of other comprehensive income of an associate		–	–	–	3,665	–	3,665
Currency translation difference		–	–	–	10,896	–	10,896
Total comprehensive income		–	–	–	14,561	36,868	51,429
Dividends paid	13	–	(40,320)	–	–	–	(40,320)
Balance at 31 December 2013		4,022	82,281	77,338	56,332	453,027	673,000
Comprehensive income:							
Profit for the year		–	–	–	–	101,313	101,313
Other comprehensive income:							
Share of other comprehensive income of an associate		–	–	–	162	–	162
Currency translation difference		–	–	–	(3,428)	–	(3,428)
Total comprehensive income		–	–	–	(3,266)	101,313	98,047
Dividends paid	13	–	–	–	–	(44,352)	(44,352)
Balance at 31 December 2014		4,022	82,281	77,338	53,066	509,988	726,695

The notes on pages 53 to 121 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 31 December	
		2014 RMB'000	2013 RMB'000
Cash flows from operating activities			
Cash generated from operations	34	242,521	239,799
Income tax and withholding tax paid		(26,049)	(10,443)
Net cash generated from operating activities		216,472	229,356
Cash flows from investing activities			
Investment in a joint venture		(3,239)	(3,458)
Investment in an available-for-sale financial asset		–	(571)
Increase in loans to investee		–	(13,988)
Purchases of property, plant and equipment ("PPE")		(4,221)	(4,802)
Proceeds from sale of PPE	34	567	5,667
Purchases of intangible assets		(939)	(727)
Interest received		9,995	5,363
Increase in restricted bank deposits		(74,514)	(37,203)
Increase in term deposits with initial term of over three months		(74,000)	(24,000)
Net cash paid from disposal of a subsidiary		–	(2,277)
Net cash used in investing activities		(146,351)	(75,996)
Cash flows from financing activities			
Proceeds from borrowings		192,455	791,390
Repayments of borrowings		(158,128)	(796,461)
Dividends paid to equity holders		(44,352)	(40,320)
Interests paid		(9,174)	(7,964)
Net cash used in financing activities		(19,199)	(53,355)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	27	211,829	111,824
Cash and cash equivalents at end of year	27	262,751	211,829

The notes on pages 53 to 121 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Good Friend International Holdings Inc. ("the Company") and its subsidiaries ("the Group") are engaged in the design and production of computer numerical control machine tools, three dimensional car parking garage structures and forklift trucks.

The Company was incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman Ky-1111, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") since 11 January 2006. In addition, 67,200,000 units of Taiwan depositary receipts ("TDRs"), representing 67,200,000 newly issued shares of the Company, were issued and listed on the Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange") on 18 March 2010.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 27 March 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention.

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

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

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group:

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014:

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures *(Continued)*

(a) New and amended standards adopted by the Group: (Continued)

Amendment to HKAS 32, "Financial instruments: Presentation" on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group's financial statements.

Amendments to HKAS 36, "Impairment of assets", on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash-generating units ("CGUs") which had been included in HKAS 36 by the issue of HKFRS 13.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

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

(b) New standards and interpretations not yet adopted:

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures *(Continued)*

(b) New standards and interpretations not yet adopted: (Continued)

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKAS 9's full impact.

HKFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 "Revenue" and HKAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of HKAS 15.

There are no other HKFRS or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

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

(a) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation *(Continued)*

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

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

2.2.2 Separate financial statements

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

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

2.3 Associate

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in an associate are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate includes goodwill identified on acquisition.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Associate *(Continued)*

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in an associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in an associate are recognised in the income statement.

2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements as of 1 January 2012. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income statement within 'other (losses)/gains – net'.

(c) *Group companies*

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Foreign currency translation *(Continued)*

(c) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences are recognised in the other comprehensive income.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associate or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.7 Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost mainly represented consideration paid for the rights to use the land from the date the respective rights were granted. Amortisation of land use rights is calculated on a straight-line basis over the period of the rights, i.e. 50 years.

2.8 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

– Buildings	20 years
– Machinery and equipments	10 years
– Office and computer equipment	3-5 years
– Motor vehicles	4 years

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Property, plant and equipment *(Continued)*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Construction in progress represents property in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement.

2.9 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method over their estimated useful lines of 20 years.

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the statement of consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Intangible assets

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 10 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

2.11 Impairment of non-financial assets

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

2.12 Financial assets

2.12.1 Classification

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

(a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's receivables comprise 'Debtors, deposits and prepayments', 'Amount due from ultimate holding company', 'Amounts due from and prepayment to a fellow subsidiary and associates of ultimate holding company', 'Amount due from an associate and its subsidiaries', 'Amount due from joint ventures', 'restricted bank deposits' and 'cash and cash equivalents' in the balance sheet (notes 2.16 and 2.17).

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Financial assets *(Continued)*

2.12.2 Recognition and measurement

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

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Impairment of financial assets

(a) *Asset carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Impairment of financial assets *(Continued)*

(b) Assets classified as available for sale

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. For debt securities, the group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2.15 Inventories

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

2.16 Trade and other receivables

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

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

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Share capital

Ordinary shares are classified as equity.

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

2.19 Trade payables

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

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

2.20 Borrowings

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

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

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

2.21 Borrowing costs

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

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Inside basis differences

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

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associate and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Current and deferred income tax *(Continued)*

(c) Offsetting

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

2.23 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leaves are recognised when they accrue to employees. Provisions are made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(b) Pension obligations

The Group makes contributions to defined contribution retirement schemes under the Mandatory Provident Fund Schemes ("MPF") Ordinance in Hong Kong, the assets of which are generally held in separate trustee administered funds. The pension plans are generally funded by payments from employees and by the Group. The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

The Group also contributes to employee retirement schemes established by municipal governments in Mainland China. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the statement of consolidated comprehensive income as incurred.

(c) Bonus plans

Provisions for bonus plan due wholly within twelve months after the balance sheet date are recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

2.24 Government grants

Government grants are recognised at their fair values where there is reasonable assurance that grant will be received and all attaching conditions will be complied with. Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the cost that they are intended to compensate.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

2.26 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (a) Sales of machine tools and forklift trucks are recognised when goods are delivered and title has been passed.
- (b) Revenue from construction of parking garage structures for contract customers is recognised based on the percentage of completion of the contract, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is estimated by reference to the costs incurred to date as compared to the total costs to be incurred under the contract. Provision is made for foreseeable losses as soon as they are anticipated by the management.
- (c) Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.26 Revenue recognition *(Continued)*

- (d) Repair income is recognised when service are rendered.
- (e) Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

2.27 Parking garage structures contracts

Where the outcome of a parking garage structures construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, measured by the proportion of contract costs incurred for work performed to date as compared to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

Where the outcome of a parking garage structures construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as amounts due to customers for contract work. Amount billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under amounts due from customers for contract work.

2.28 Operating Leases

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

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group and the Company are mainly exposed to foreign exchange risk arising from Hong Kong dollars, United States dollars and Euro against RMB. This foreign exchange risk arises from future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency of RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and it has not hedged its foreign exchange risk.

Group

At 31 December 2014, if RMB had strengthened/weakened by 5% (2013: 5%) against the Hong Kong dollars with all other variables held constant, profit for the year would have been approximately RMB3,382,000 higher/lower (2013: approximately RMB4,403,000 higher/lower).

At 31 December 2014, if RMB had strengthened/weakened by 5% (2013: 5%) against the United States dollars with all other variables held constant, profit for the year would have been approximately RMB13,444,000 higher/lower (2013: approximately RMB11,070,000 higher/lower).

At 31 December 2014, if RMB had strengthened/weakened by 5% (2013: 5%) against Euro with all other variables held constant, profit for the year would have been approximately RMB1,200,000 higher/lower (2013: approximately RMB966,000 higher/lower).

Company

At 31 December 2014, if RMB had strengthened/weakened by 5% (2013: 5%) against the Hong Kong dollars with all other variables held constant, profit for the year would have been approximately RMB2,521,000 higher/lower (2013: approximately RMB3,415,000 higher/lower).

At 31 December 2014, if RMB had strengthened/weakened by 5% (2013: 5%) against the United States dollars with all other variables held constant, profit for the year would have been approximately RMB9,200,000 higher/lower (2013: approximately RMB8,157,000 higher/lower).

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Foreign exchange risk (Continued)

Company (Continued)

At 31 December 2014, if RMB had strengthened/weakened by 5% (2013: 5%) against Euro with all other variables held constant, profit for the year would have been approximately RMB583,000 higher/lower (2013: approximately RMB275,000 higher/lower).

In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest bearing assets and liabilities except for the deposits in banks and certain bank loans, details of which have been disclosed in Note 27 and Note 32, respectively.

Group

At 31 December 2014, if interest rates had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been RMB73,000 (2013: RMB67,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Company

At 31 December 2014, if interest rates had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been RMB28,000 (2013: RMB27,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(c) Credit risk

As at 31 December 2014, the Group's maximum exposure to credit risk arises from debtors and deposits, amounts due from customers for contract work, amounts due from an investee, ultimate holding company, a fellow subsidiaries and an associate of ultimate holding company, a joint venture, an associate and its subsidiaries as well as restricted bank deposits and cash and cash equivalents as stated in the consolidated balance sheet.

As at 31 December 2014, the Company's maximum exposure to credit risk arises from deposits, amounts due from subsidiaries as well as restricted bank deposits and cash and cash equivalents as recorded in the Company standalone balance sheet.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Credit risk (Continued)

In order to minimise the credit risk, management of the Group has delegated a team of personnel responsible for determination of credit limits, credit approvals and implementation of monitoring procedures to ensure follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount due from each individual trade customer at each balance sheet date in order to provide for impairment losses for irrecoverable amounts.

The credit risk on cash and cash equivalents is considered insignificant because the counterparties are banks with credit ratings not lower than Baa2 (2013: Baa2) assigned by international credit-rating agencies.

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Group Maximum exposure	
	2014	2013
	RMB'000	RMB'000
Credit risk exposure relating to off – balance sheet items:		
– Financial guarantees (note 23)	102,703	23,673

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(d) Liquidity risk

In order to manage the liquidity risk, the Group monitors and maintains cash and cash equivalents and unused credit facilities at a level which is deemed to be adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group had unutilised credit facilities of RMB692,723,000 (2013: RMB658,958,000) granted by several financial institutions as at 31 December 2014. Management monitor the utilisation of credit facilities and draw-down of bank borrowings and ensure compliance with the relevant loan covenants. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period between balance sheet date to the contractual maturity dates.

Group

	Less than 3 months RMB'000	Between 3 months and 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
At 31 December 2014					
Creditors, other payables and accrued charges	410,211	-	-	-	-
Borrowings	367,718	37,002	-	-	-
Amount due to ultimate holding company	1,716	-	-	-	-
Amount due to immediate holding company	3,447	-	-	-	-
Amount due to a fellow subsidiary and an associate of ultimate holding company	784	-	-	-	-
Amount due to subsidiaries of an associate	1,128	-	-	-	-
Amount due to a joint venture	76	-	-	-	-

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(d) Liquidity risk (Continued)

Group

	Less than 3 months RMB'000	Between 3 months and 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
At 31 December 2013					
Creditors, other payables and accrued charges	449,133	–	–	–	–
Borrowings	348,857	23,488	–	–	–
Amount due to ultimate holding company	1,029	–	–	–	–
Amount due to immediate holding company	2,156	–	–	–	–
Amount due to a fellow subsidiary	321	–	–	–	–
Amount due to subsidiaries of an associate	293	–	–	–	–
Amount due to joint ventures	131	–	–	–	–

Company

	Less than 3 months RMB'000	Between 3 months and 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
At 31 December 2014					
Other payables and accrued charges	13,934	–	–	–	–
Borrowings	258,838	18,358	–	–	–
At 31 December 2013					
Other payables and accrued charges	20,454	–	–	–	–
Borrowings	254,533	18,570	–	–	–

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

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

The capital structure of the Group consists of net debts, which includes bank borrowings net of cash and cash equivalents, and equity attributable to equity holders of the Company, comprising paid-in capital, share premium and reserves.

The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company assess the annual budget prepared by various departments, which takes into account future expansion plans and sources of funding. The directors of the Company consider the cost of capital and the risk associated with each class of capital. The directors of the Company also balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or redemption of existing debts.

	2014 RMB'000	2013 RMB'000
Total borrowings (note 32)	402,079	367,752
Less: cash and cash equivalents (note 27)	(262,751)	(211,829)
Net debt	139,328	155,923
Total equity	726,695	673,000
Total capital	866,023	828,923
Gearing ratio	16%	19%

The decrease in the gearing ratio during 2014 was mainly due to the increase in profit.

3.3 Fair value estimation

As at 31 December 2014, the Group and the Company had no financial instrument which has been stated at fair value.

The carrying amounts less impairment provision of receivables and payables are a reasonable approximation of their fair values due to their short-term maturities.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

(a) Revenue from construction of parking garage structures

When the outcome of a parking garage structures construction contract can be estimated reliably, the Group recognises the related revenue based on the percentage-of-completion method, which is measured by the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Estimated total costs to be incurred under each contract are regularly reviewed during the whole term of the contract. Recognition of this revenue is made based on performance measurement. It involves an estimation process and is subject to risks and uncertainties inherent in projecting future events. A number of internal and external factors can affect our estimates, including different cost components applied to different parking garage structures being constructed; and efficiency of the Group's employees undertaking the construction. Recognised revenue and profit are subject to revisions as the respective contract progress to completion. Revisions in profit estimates are charged to the consolidated statement of comprehensive income in the period in which the revision becomes known. Accordingly, any changes in the Group's estimates would impact the Group's future operating results.

(b) Estimated impairment of trade debtors

The Group makes provision for impairment of trade debtors based on an estimate of the recoverability of the debtors. Provisions are applied to debtors where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of debtors requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact carrying amount of the debtors and provision for impairment losses in the year in which such estimate has been changed.

As at 31 December 2014, provision for impairment of trade debtors amounting to approximately RMB36,544,000 (2013: RMB21,795,000) had been recognised.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.1 Critical accounting estimates and assumptions *(Continued)*

(c) Estimated useful lives and impairment of property, plant and equipment

The Group determines the estimated useful lives of its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated, and will write-off or write-down technically obsolete or non-strategic assets

Machinery and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the higher of fair value of the machinery and equipment less costs to sell or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise.

(d) Provision for impairment of inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances, management identifies, using their judgement, inventories that are slow moving or obsolete, and considering their physical conditions, age, market conditions and market price for similar items.

(e) Income taxes

Most of the subsidiaries of the Group are subject to income taxes in the PRC. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the financial period in which such determination is made.

(f) Warranty provision

The Group generally offers one-year warranties for its machine tools and forklift trucks. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors (the "Executive Directors") of the Company. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports reviewed by the Executive Directors that are used to make strategic decisions.

The Executive Directors consider that the Group has three reportable segments: (1) machine tools; (2) parking garage structure; and (3) forklift trucks.

The Executive Directors assess the performance of the operating segments based on their respective gross profit.

The Group does not allocate operating costs or assets to its segments, as the Executive Directors do not use this information to allocate resources to or evaluate the performance of the operating segments. Therefore, the Group does not report a measure of profit and total assets for each reportable segment.

	Machine Tools RMB'000	Parking Garage structures RMB'000	Forklift Trucks RMB'000	Total Group RMB'000
For the year ended 31 December 2014				
Revenue (all from external sales)	964,771	205,808	129,540	1,300,119
Cost of revenue	(670,124)	(167,124)	(117,977)	(955,225)
Segment profit	294,647	38,684	11,563	344,894

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION (Continued)

	Machine Tools RMB'000	Parking Garage structures RMB'000	Forklift Trucks RMB'000	Total Group RMB'000
For the year ended 31 December 2013				
Revenue (all from external sales)	1,001,923	202,480	145,868	1,350,271
Cost of revenue	(742,987)	(165,012)	(132,501)	(1,040,500)
Segment profit	258,936	37,468	13,367	309,771

Majority of the Group's operations and assets are located in the PRC and the Group mainly sells to the PRC market.

6 OTHER INCOME

	2014 RMB'000	2013 RMB'000
Sale of scrap materials	7,542	5,065
Net exchange gain	–	3,040
Government subsidies	1,550	6,619
Repair income	6,646	4,924
Rental income from investment properties	2,108	65
Interest income	9,995	5,363
Others	5,679	3,662
	33,520	28,738

Notes to the Consolidated Financial Statements

7 EXPENSES BY NATURE

	2014 RMB'000	2013 RMB'000
Cost of inventories sold	868,176	956,548
Sales commission	24,461	45,876
Depreciation of property, plant and equipment	26,162	24,863
Depreciation of investment properties	20	21
Amortisation of intangible assets	415	319
Amortisation of land use rights	943	943
Operating lease rental on land and buildings	9,102	9,762
Employee benefit expenses	118,908	112,588
Allowance for bad and doubtful debts, net	15,306	2,649
Allowance for inventories, net	7,009	5,774
Auditor's remuneration	1,410	1,578
Provision for warranty	6,766	4,936
Direct operating expenses arising from investment properties that generated rental income	1,938	-
Loss on disposal of property, plant and equipment	296	287
Net exchange loss	2,849	-
Research and development expenses*	36,691	41,697
Transportation fees	13,772	13,790
Others	54,153	54,988
Total cost of revenue, distribution and selling expenses, administrative expenses and other operating expenses	1,188,377	1,276,619

* Depreciation of property, plant and equipment, amortisation of intangible assets and employee benefit expenses amounting to RMB1,898,000, RMB286,000 and RMB11,232,000 were included in research and development expenses (2013: RMB2,183,000, RMB356,000 and RMB11,116,000 respectively).

Notes to the Consolidated Financial Statements

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATION)

	2014 RMB'000	2013 RMB'000
Wages and salaries	82,483	79,217
Bonus	23,927	21,225
Welfare and other allowance	19,498	13,686
Pension costs – defined contribution plans	4,232	9,576
	130,140	123,704

(a) Directors' emoluments

The remuneration of each director is set out below:

Year ended 31 December 2014

	Chu Chih Yaung [#] RMB'000	Chen Hsiang- Jung* RMB'000	Chen Min-Ho RMB'000	Wen Chi-Tang RMB'000	Chiu Rung- Hsien RMB'000	Koo Fook Sun, Louis RMB'000	Chiang Chun-Te RMB'000	Yu Yu-Tang RMB'000	Total RMB'000
Fees	653	653	144	144	144	200	100	100	2,138

Year ended 31 December 2013

	Chu Chih Yaung [#] RMB'000	Chen Hsiang- Jung* RMB'000	Chen Min-Ho RMB'000	Wen Chi-Tang RMB'000	Chiu Rung- Hsien RMB'000	Koo Fook Sun, Louis RMB'000	Chiang Chun-Te RMB'000	Yu Yu-Tang RMB'000	Total RMB'000
Fees	180	180	144	144	144	164	82	82	1,120

Chairman

* Chief executive officer

Notes to the Consolidated Financial Statements

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATION)

(Continued)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, none (2013: none) was a director of the Company. The emoluments of the five (2013: five) individuals were as follows:

	2014 RMB'000	2013 RMB'000
Basic salaries and allowances	1,926	2,248
Bonus	2,130	1,586
Pension costs – defined contribution plans	191	106
	4,247	3,940

The emolument fell within the following bands:

	Number of individuals	
	RMB'000	RMB'000
Emolument bands (in HKD)		
Less than HKD1,000,000	3	3
HKD1,000,001 – HKD1,500,000	1	1
HKD1,500,001 – HKD2,000,000	1	1
HKD2,000,001 – HKD2,500,000	–	–
HKD2,500,001 – HKD3,000,000	–	–

During the years ended 31 December 2013 and 2014, none of the directors of the Company and the five highest paid individuals of the Group (i) received any emolument from the Group as an inducement to join or upon joining the Group; (ii) received any compensation for loss of office as a director or management of any member of the Group; or (iii) waived or has agreed to waive any emoluments.

Notes to the Consolidated Financial Statements

9 FINANCE COSTS

	2014 RMB'000	2013 RMB'000
Interest expense:		
– Bank borrowings wholly repayable within one year	9,174	7,964

10 INCOME TAX EXPENSE

	2014 RMB'000	2013 RMB'000
Enterprise income tax	25,382	17,499
Deferred tax (note 33)	(1,624)	21
	23,758	17,520

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits arising in Hong Kong for both years.

Enterprise income tax ("EIT") is provided at 25% for enterprises in the PRC except for Hangzhou Good Friend Precision Machinery Co., Ltd. ("Hangzhou Good Friend"). In 2014, Hangzhou Good Friend renewed its New and High-Tech Enterprise status, which has been approved by the relevant government authorities, and it is entitled to a reduced tax rate of 15% for a three-year period commencing 2014. Accordingly, the applicable tax rate for Hangzhou Good Friend in 2014 is 15% (2013: 15%).

Notes to the Consolidated Financial Statements

10 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2014 RMB'000	2013 RMB'000
Profit before income tax	125,071	54,388
Tax calculated at tax rates applicable to the principal operating entities of the Group	17,056	10,577
Tax effects of:		
Expenses not deductible for tax purposes	1,054	698
Utilisation of previously unrecognised tax losses	(1,152)	(372)
Tax losses for which no deferred income tax asset was recognised	2,162	1,618
Unrecognised temporary differences	2,820	–
Associate's and joint ventures' results reported net of tax	1,818	4,999
Tax charge	23,758	17,520

11 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately RMB43,871,000 (2013: loss of RMB2,095,000).

12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of RMB101,313,000 (2013: RMB36,868,000) by the weighted average number of ordinary shares in issue during the year of 403,200,000 (2013: 403,200,000).

	2014	2013
Basic and diluted earnings per share (RMB per share)	0.25	0.09

There were no potential dilutive shares in issue for both years.

Notes to the Consolidated Financial Statements

13 DIVIDENDS

	2014 RMB'000	2013 RMB'000
Interim dividend paid of RMB0.06 (2013: RMB0.05) per ordinary share	24,192	20,160
Proposed final dividend of RMB0.06 (2013: RMB0.05) per ordinary share	24,192	20,160
	48,384	40,320

At a meeting of directors held on 27 March 2015, the directors resolved to recommend a final dividend of RMB0.06 (2013: RMB0.05) per share for the year ended 31 December 2014. This proposed dividend was not recognised as dividend payable in the consolidated financial statements for the year ended 31 December 2014.

The proposed final dividend for the year ended 31 December 2014 is to be declared out of the retained earnings of the Company.

The aggregate amounts of the dividends paid and proposed during 2013 and 2014 have been disclosed in the consolidated income statement in accordance with the disclosure requirements of Hong Kong Companies Ordinance.

14 LAND USE RIGHTS – GROUP

The Group's interests in land use rights represent prepaid operating lease payments in the PRC held on leases of between 10 to 50 years and their net book value are analysed as follows:

	2014 RMB'000	2013 RMB'000
At 1 January	38,481	39,424
Amortisation	(943)	(943)
At 31 December	37,538	38,481

The Group has pledged its land use rights with carrying amounts of approximately RMB5,262,000 as at 31 December 2014 (2013: RMB5,394,000) to secure the general banking facilities (note 32) granted by the banks. As at 31 December 2014, the Group has utilised such secured bank facilities of RMB2,896,000 (2013: RMB1,250,000).

Notes to the Consolidated Financial Statements

15 PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Buildings RMB'000	Machinery and equipment RMB'000	Office and computer equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost						
At 1 January 2013	193,932	158,484	29,738	19,042	16,909	418,105
Additions	729	717	961	1,374	5,792	9,573
Transfers	5,326	–	–	–	(5,326)	–
Transfer from investment properties (note 16)	1,776	–	–	–	–	1,776
Disposals (note 34)	(48)	(3,010)	(848)	(1,205)	(5,000)	(10,111)
At 31 December 2013 and 1 January 2014	201,715	156,191	29,851	19,211	12,375	419,343
Additions	35	3,774	674	3,597	1,381	9,461
Transfers	–	1,773	939	–	(2,712)	–
Transfer to investment properties (note 16)	(10,221)	–	–	–	–	(10,221)
Disposals (note 34)	–	(1,545)	(1,386)	(1,242)	–	(4,173)
At 31 December 2014	191,529	160,193	30,078	21,566	11,044	414,410
Accumulated depreciation and impairment						
At 1 January 2013	38,930	71,089	18,422	11,210	–	139,651
Provided for the year	9,093	12,477	2,158	3,318	–	27,046
Transfer from investment properties (note 16)	703	–	–	–	–	703
Disposals (note 34)	(11)	(2,445)	(731)	(970)	–	(4,157)
At 31 December 2013 and 1 January 2014	48,715	81,121	19,849	13,558	–	163,243
Provided for the year	9,281	2,922	2,351	3,506	–	28,060
Transfer to investment properties (note 16)	(1,031)	–	–	–	–	(1,031)
Disposals (note 34)	–	(942)	(1,249)	(1,119)	–	(3,310)
At 31 December 2014	56,965	93,101	20,951	15,945	–	186,962
Net book amount						
At 31 December 2014	134,564	67,092	9,127	5,621	11,044	227,448
At 31 December 2013	153,000	75,070	10,002	5,653	12,375	256,100

Notes to the Consolidated Financial Statements

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Group (Continued)

Depreciation expense of RMB20,073,000 (2013: RMB20,567,000) had been charged in 'cost of goods sold', RMB1,559,000 (2013:RMB1,411,000) in 'selling and marketing costs' and RMB6,428,000 (2013: RMB5,068,000) in 'administrative expenses' (note 7).

Lease rental expenses amounting to RMB9,102,000 (2013: RMB9,762,000) relating to leasing of properties were included in the consolidated income statement (note 7). During the year, the Group entered into new lease agreements of certain portions of its property, plant and equipment to rent them to related parties. Accordingly, the relevant carrying amount of the property, plant and equipment as at the date of change of usage was transferred to investment properties.

The Group has pledged its buildings with carrying amounts of approximately RMB10,674,000 as at 31 December 2014 (2013: nil) to secure the general banking facilities (note 32) granted by the banks. As at 31 December 2014, the Group has utilised such secured bank facilities of RMB2,896,000 (2013: RMB1,250,000).

As at 31 December 2014, the Group is in the process of applying the building ownership certificate of certain buildings with the aggregated cost accounted to RMB99,338,000 (31 December 2013: RMB99,938,000)

(b) Company

	Office and computer equipment RMB'000
Cost	
At 1 January 2013	56
Additions	10
At 31 December 2013 and 1 January 2014	66
Additions	1
At 31 December 2014	67
Accumulated depreciation and impairment	
At 1 January 2013	38
Provided for the year	7

Notes to the Consolidated Financial Statements

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Company (Continued)

	Office and computer equipment RMB'000
At 31 December 2013 and 1 January 2014	45
Provided for the year	14
At 31 December 2014	59
Net book amount	
At 31 December 2014	8
At 31 December 2013	21

16 INVESTMENT PROPERTIES – GROUP

	2014 RMB'000	2013 RMB'000
Opening net book amount at 1 January	249	1,343
Transfer from/(to) property, plant and equipment (note 15)	9,190	(1,073)
Depreciation	(20)	(21)
Closing net book amount at 31 December	9,419	249

(a) Amounts recognised in profit and loss for investment properties

	2014 RMB'000	2013 RMB'000
Rental income (note 6)	2,108	65
Direct operating expenses from investment properties that generated rental income (note 7)	(1,938)	–
	170	65

Notes to the Consolidated Financial Statements

17 INTANGIBLE ASSETS – GROUP

	Software RMB'000
At 1 January 2013	
Cost	8,865
Accumulated amortisation	(7,459)
Net book amount	1,406
Year ended 31 December 2013	
Opening net book amount	1,406
Additions	727
Amortisation charge (note 7)	(675)
Closing net book amount	1,458
At 31 December 2013	
Cost	9,592
Accumulated amortisation	(8,134)
Net book amount	1,458
Year ended 31 December 2014	
Opening net book amount	1,458
Additions	939
Amortisation charge (note 7)	(701)
Closing net book amount	1,696
At 31 December 2014	
Cost	10,531
Accumulated amortisation	(8,835)
Net book amount	1,696

Amortisation of RMB418,000 (2013: RMB418,000) and RMB283,000 (2013: RMB257,000) have been charged in cost of revenue and administrative expenses (note 7).

Notes to the Consolidated Financial Statements

18 INVESTMENT IN SUBSIDIARIES – COMPANY

	2014 RMB'000	2013 RMB'000
Investments – unlisted shares, at cost:	52,837	52,837
Amounts due from subsidiaries	331,264	331,616

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The following is a list of principal subsidiaries of the Group at 31 December 2014:

Name	Place of incorporation/ operation	Principal activities	Issued and fully paid-up share capital/ registered capital	Interest held
Directly held subsidiaries				
Winning Steps Ltd	BVI	Investment holding	Ordinary shares USD110	100%
Yu Hwa Holdings Ltd.	BVI	Investment holding	Ordinary shares USD1,500,000	100%
Hai Sheng International Holdings Inc	BVI	Investment holding	Ordinary shares USD200,000	100%
Sky Thrive Investment Ltd	BVI	Investment holding	Ordinary shares USD5,000,000	100%
Kai Win Group Ltd	BVI	Investment holding	Ordinary shares USD1	100%

Notes to the Consolidated Financial Statements

18 INVESTMENT IN SUBSIDIARIES – COMPANY (Continued)

Name	Place of incorporation/ operation	Principal activities	Issued and fully paid-up share capital/ registered capital	Interest held
Indirectly held subsidiaries				
Full Moral Industrial Ltd	Hong Kong	Inactive	Ordinary shares HKD1	100%
Winnings Steps Hong Kong Development Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%
Yu Hwa Hong Kong Enterprise Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%
Hai Sheng International Hong Kong Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%
Sky Thrive Hong Kong Enterprise Ltd	Hong Kong	Investment holding	Ordinary shares HKD1,000	100%
Hangzhou Good Friend Precision Machinery Co Ltd	PRC	Design and production of computer numerical control machine tools, design and construction of three dimensional car parking garage structure	Registered Capital USD11,000,000	100%
Hangzhou Global Friend Precision Machinery Co Ltd	PRC	Design and assembling of forklift trucks	Registered Capital USD10,000,000	100%
Hangzhou Ever Friend Precision Machinery Co Ltd	PRC	Design and production of computer numerical control machine tools	Registered Capital USD3,000,000	100%
Hangzhou Glory Friend Machinery Technology Co., Ltd	PRC	Processing of computer numerical control machine tools	Registered Capital USD15,000,000	100%
Rich Friend (Shanghai) Precision Machinery Co Ltd	PRC	Trading of computer numerical control machine tools	Registered Capital USD200,000	100%

Notes to the Consolidated Financial Statements

19 INVESTMENTS IN JOINT VENTURES – GROUP AND COMPANY

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Investments in joint ventures				
At beginning of the year	17,576	18,093	24,427	20,969
Capital injection (Note)	3,239	3,458	3,239	3,458
Share of loss of joint ventures	(2,458)	(3,975)	–	–
At end of year	18,357	17,576	27,666	24,427
Amounts due from joint ventures	891	1,498	–	–

As at 31 December 2014, the Company had direct interests in the following joint ventures as follows:

Name	Date of incorporation/ establishment	Attributable equity interest		Registered capital	Nature of relationship	Principal activities/ place of incorporation and operation
		2014	2013			
Anest Iwata Feeler Corporation ("AIF")	23 November 2009	35%	35%	USD9,000,000	Note 37	Manufacture and sales of air compressor and parts, PRC
Hangzhou Nippon Cable Feeler Corporation ("Nippon Cable Feeler")	20 October 2010	50%	50%	USD100,000	Note 37	Wholesale and export of parking garage structures, PRC
Hangzhou Feeler Mectron Machinery Co., Ltd ("Feeler Mectron")	14 April 2011	45%	45%	USD1,110,000	Note 37	Manufacture and sales of machine tools and related products, PRC
Hangzhou Union Friend Machinery Co., Ltd. ("UFM")	15 March 2013	55%	55%	USD1,000,000	Note 37	Manufacture and sales of machine tools and related products, PRC

Notes to the Consolidated Financial Statements

19 INVESTMENTS IN JOINT VENTURES – GROUP AND COMPANY (Continued)

Note:

In May 2014, the Company contributed approximately USD525,000 (equivalent to RMB3,239,000) as additional registered capital in AIF. AIF was jointly established in 2009 by the Company, Anest Iwata Corporation (“AIC”), a third party company, and Anest Iwata Taiwan (“AIT”), which is a joint venture of the Company’s ultimate holding company. After the additional capital injections made by the Company, equity interests held by the Company, AIC and AIT in AIF are 35%, 35% and 30% respectively.

In March 2013, the Company contributed approximately USD 550,000 (equivalent to RMB3,458,000) paid-in capital into UFM which was established by four parties, including the Company, Takamatsu Machinery Co., Ltd., Yamasan Tekko Co., Ltd. and Sumizawa Tekko Co., Ltd. which are all third party companies. Equity interests held by each company as of 31 December 2013 and 31 December 2014 were 55%, 15%, 15% and 15%, respectively.

Summarised financial information for joint ventures

Set out below are the summarised financial information for the joint ventures which are accounted for using equity method.

Summarised balance sheet

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		Total	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Current										
Cash	3,971	2,115	869	808	998	312	377	1,298	6,215	4,533
Other current asset	12,979	10,312	1	1	5,551	6,838	279	161	18,810	17,312
Total current assets	16,950	12,427	870	809	6,549	7,150	656	1,459	25,025	21,845
Short term borrowings	(6,084)	(5,038)	–	–	–	–	–	–	(6,084)	(5,038)
Other financial liabilities (including trade payable)	(4,180)	(4,493)	(12)	(1)	(1,885)	(2,940)	418	443	(5,659)	(6,991)
Total current liabilities	(10,264)	(9,531)	(12)	(1)	(1,885)	(2,940)	418	443	(11,743)	(12,029)
Non-current										
Assets	37,666	38,178	–	–	511	589	2,944	3,258	41,121	42,025
Financial liabilities	(6,097)	(6,290)	–	–	–	–	–	–	(6,097)	(6,290)
Total non-current liabilities	(6,097)	(6,290)	–	–	–	–	–	–	(6,097)	(6,290)
Net assets	38,255	34,784	858	808	5,175	4,799	4,018	5,160	48,306	45,551

Notes to the Consolidated Financial Statements

19 INVESTMENTS IN JOINT VENTURES – GROUP AND COMPANY (Continued)

Summarised statement of comprehensive income

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		Total	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Revenue	33,169	17,935	129	137	6,449	2,533	310	88	40,057	20,693
Cost of goods sold	(36,153)	(23,925)	(4)	–	(5,918)	(2,667)	(872)	(542)	(42,947)	(27,134)
Other expense	(2,799)	(2,879)	(59)	(60)	(155)	(503)	(580)	(673)	(3,593)	(4,115)
Profit/(loss) before tax	(5,783)	(8,869)	66	77	376	(637)	(1,142)	(1,127)	(6,483)	(10,556)
Income tax expense	–	–	(16)	(5)	–	–	–	–	(16)	(5)
Profit/(loss) for the year	(5,783)	(8,869)	50	72	376	(637)	(1,142)	(1,127)	(6,499)	(10,561)
Share of profit/(loss) of joint ventures	(2,024)	(3,104)	25	36	169	(287)	(628)	(620)	(2,458)	(3,975)

Reconciliation of summarised financial information presented to the carrying amount of its investments in joint ventures.

Reconciliation of the summarised financial information presented to the carrying amount of its investments in joint ventures.

Summarised financial information

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		Total	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Opening net assets										
as at 1 January 2014	34,784	43,653	808	736	4,799	5,436	5,160	–	45,551	49,825
Capital injection	9,254	–	–	–	–	–	–	6,287	9,254	6,287
Profit (loss)/for the year	(5,783)	(8,869)	50	72	376	(637)	(1,142)	(1,127)	(6,499)	(10,561)
Closing net assets										
as at 31 December 2014	38,255	34,784	858	808	5,175	4,799	4,018	5,160	48,306	45,551
Equity interest	35%	35%	50%	50%	45%	45%	55%	55%	–	–
Investment in joint ventures	13,389	12,174	429	404	2,329	2,160	2,210	2,838	18,357	17,576
Carrying value										
as at 31 December	13,389	12,174	429	404	2,329	2,160	2,210	2,838	18,357	17,576

Notes to the Consolidated Financial Statements

20 INVESTMENT IN AN ASSOCIATE

	2014 RMB'000	2013 RMB'000
Beginning of the year	9,604	–
Additions	–	32,260
Share of loss	(8,559)	(26,321)
Share of other comprehensive income	162	3,665
End of the year	1,207	9,604

As at 31 December 2014, the Group has interests in the following associate:

Name	Place of business/ country of incorporation	Principal activities	% of ownership interest	Nature of relationship	Measurement method
31 December 2014 and 2013					
FFG Europe S.p.A. ("FFG Europe")	Italy	Manufacture and sales of machine tools and related products	30.16%	Note 37	Equity

The formation of FFG Europe was completed on 1 January 2013 and it is owned approximately as to 30.16% by Sky Thrive Hong Kong Enterprise Limited ("Sky Thrive") (a subsidiary of the Company), 15.05% by Golden Friendship International Limited ("Golden Friendship") (a wholly owned subsidiary of the Company's ultimate holding company), 14.79% by World Ten Limited ("World Ten") (11.76% of its issued share capital held by the Company's ultimate holding company), and 40% by Alma S.r.l (an independent third party).

There are two representations of the Group in the board of directors of FFG Europe and the Group has significant influence in FFG Europe. Accordingly, the Group accounted for such investment as an associate in the financial statements.

Notes to the Consolidated Financial Statements

20 INVESTMENT IN AN ASSOCIATE (Continued)

Summarised financial information of an associate

Summarised balance sheet

	2014 RMB'000	2013 RMB'000
Current		
Cash	32,989	29,794
Other current assets	408,867	546,909
Total current assets	441,856	576,703
Short term borrowings	(182,729)	(154,049)
Other financial liabilities (including trade payable)	(331,876)	(490,040)
Total current liabilities	(514,605)	(644,089)
Non-current		
Assets	153,369	176,132
Financial liabilities	(76,618)	(76,902)
Net assets	4,003	31,844

Summarised statement of comprehensive income

	2014 RMB'000	2013 RMB'000
Revenue	521,112	643,330
Cost of goods sold	(268,077)	(375,887)
Other expenses	(285,602)	(352,836)
Loss before tax	(32,567)	(85,393)
Income tax expense	4,189	(1,877)
Loss for the year	(28,378)	(87,270)
Share of loss of an associate	(8,559)	(26,321)

Notes to the Consolidated Financial Statements

20 INVESTMENT IN AN ASSOCIATE (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its investment in an associate.

Summarised financial information

	2014 RMB'000	2013 RMB'000
Opening net assets as at 1 January	31,844	–
Capital injection	–	91,494
Other reserves	537	27,620
Loss for the year	(28,378)	(87,270)
Closing net assets as at 31 December	4,003	31,844
Equity interest	30.16%	30.16%
Investment in an associate	1,207	9,604
Carrying value as at 31 December	1,207	9,604

Notes to the Consolidated Financial Statements

21 FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY

(a) Group

Assets as per consolidated balance sheet

31 December 2014

	Loans and receivables RMB'000	Available- for-sale RMB'000	2014 RMB'000
Debtors and deposits excluding prepayments	488,316	–	488,316
Available-for-sale financial asset	–	571	571
Amounts due from and prepayment to fellow subsidiaries and an associate of ultimate holding company	296	–	298
Amount due from an investee	12,525	–	12,525
Amount due from ultimate holding company	532	–	532
Amount due from joint ventures	891	–	891
Amount due from subsidiaries of an associate	12,274	–	12,274
Restricted bank deposits	134,681	–	134,681
Cash and cash equivalents (note 27)	262,751	–	262,751
Term deposits with initial term of over three months (note 27)	98,000	–	98,000
Total	1,010,266	571	1,010,837

31 December 2013

	Loans and receivables RMB'000	Available- for-sale RMB'000	2013 RMB'000
Debtors and deposits excluding prepayments	603,344	–	603,344
Available-for-sale financial asset	–	571	571
Amounts due from and prepayment to fellow subsidiaries and an associates of ultimate holding company	1,786	–	1,786
Amount due from an investee	13,988	–	13,988
Amount due from ultimate holding company	1,912	–	1,912
Amount due from joint ventures	1,498	–	1,498
Amount due from subsidiaries of an associate	12,495	–	12,495
Restricted bank deposits	60,167	–	60,167
Cash and cash equivalents (note 27)	211,829	–	211,829
Term deposits with initial term of over three months (note 27)	24,000	–	24,000
Total	931,019	571	931,590

Notes to the Consolidated Financial Statements

21 FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY (Continued)

(a) Group (Continued)

Liabilities as per consolidated balance sheet

	Other financial liabilities at amortised cost	
	2014 RMB'000	2013 RMB'000
Creditors, other payables and accrued charges	410,211	449,133
Amount due to ultimate holding company	1,716	1,029
Amount due to immediate holding company	3,447	2,156
Amount due to a fellow subsidiary and an associate of ultimate holding company	784	321
Amount due to subsidiaries of an associate	1,128	293
Amount due to joint ventures	76	131
Borrowings (note 32)	402,079	367,752
Total	819,441	820,815

(b) Company

Assets as per balance sheet

	Loans and receivables	
	2014 RMB'000	2013 RMB'000
Debtors and deposits excluding prepayments	14,655	8,694
Amounts due from subsidiaries	331,264	331,616
Restricted bank deposits	2,370	2,052
Cash and cash equivalents (note 27)	1,784	1,618
Total	350,073	343,980

Notes to the Consolidated Financial Statements

21 FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND COMPANY (Continued)

(b) Company (Continued)

Liabilities as per balance sheet

	Other financial liabilities at amortised cost	
	2014 RMB'000	2013 RMB'000
Other payables and accrued charges	13,934	20,454
Borrowings (note 32)	275,706	269,214
Total	289,640	289,668

22 DEBTORS, DEPOSITS AND PREPAYMENTS – GROUP AND COMPANY

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Trade debtors and bills receivables	500,438	589,106	14,631	8,671
Less: provision for impairment of trade receivables	(36,544)	(21,795)	–	–
Trade receivables – net	463,894	567,311	14,631	8,671
Prepayments	25,667	19,209	227	9,713
Others	24,422	36,033	24	23
Total debtors, deposits and prepayments	513,983	622,553	14,882	18,407

The Group generally allows a credit period of 30 to 180 days to its customers. The Group also allows its customers to retain certain percentage of the outstanding balances as retention money for a one-year warranty period of the products sold.

Notes to the Consolidated Financial Statements

22 DEBTORS, DEPOSITS AND PREPAYMENTS – GROUP AND COMPANY (Continued)

At 31 December 2014 and 2013, the ageing analysis of trade debtors and bills receivable based on due date was as follows:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Current – 30 days	383,483	488,597	14,631	8,671
31 – 60 days	5,141	6,679	–	–
61 – 90 days	11,542	13,683	–	–
91 – 180 days	20,366	21,392	–	–
Over 180 days	79,906	58,755	–	–
	500,438	589,106	14,631	8,671

Included in the Group's trade debtors are debtors with an aggregate carrying amount of approximately RMB108,229,000 (2013: RMB110,084,000) which were past due as at 31 December 2014 but the Group had not provided for impairment loss. The directors, after considering the trade relationship, credit status and past settlement history of these individual trade debtors, had concluded that these outstanding balances would be recovered. The Group does not hold any collateral over these balances.

The following is an ageing analysis of trade debtors of the Group which are past due but not impaired:

	Group	
	2014 RMB'000	2013 RMB'000
0 – 30 days	21,658	27,521
31 – 60 days	5,141	6,679
61 – 90 days	11,542	13,683
91 – 180 days	20,336	21,391
Over 180 days	49,552	40,810
	108,229	110,084

Notes to the Consolidated Financial Statements

22 DEBTORS, DEPOSITS AND PREPAYMENTS – GROUP AND COMPANY (Continued)

As of 31 December 2014, trade debtors of RMB36,544,000 (2013: RMB21,795,000) of the Group were impaired and provided for. The individually impaired receivables mainly relate to customers which are in unexpected financial difficulties. The ageing of these receivables is as follows:

	2014 RMB'000	2013 RMB'000
0 – 30 days	641	3,849
31 – 60 days	–	–
61 – 90 days	–	–
91 – 180 days	30	1
Over 6 months	35,873	17,945
	36,544	21,795

Movements of provision for impairment of trade receivables of the Group are as follows:

	2014 RMB'000	2013 RMB'000
At 1 January	21,795	23,240
Provision for receivables impairment	15,306	2,649
Receivables written off during the year when proved to be uncollectible	(557)	(4,094)
At 31 December	36,544	21,795

The creation and release of provision for impaired receivables have been included in 'other operating expenses' in the consolidated income statement (note 7). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The Company had not provided for impairment loss against its trade debtors as at 31 December 2014 (2013: nil). The Company's trade debtors were neither passed due nor impaired as at 31 December 2014 (2013: nil).

The other classes within trade and other receivables do not contain impaired assets.

Notes to the Consolidated Financial Statements

22 DEBTORS, DEPOSITS AND PREPAYMENTS – GROUP AND COMPANY *(Continued)*

The carrying amounts of debtors, deposits and prepayments are denominated in the following currencies:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
RMB	479,582	592,047	-	-
US dollar	17,980	12,419	3,303	425
Euro	11,329	14,917	11,327	14,912
Other currencies	5,092	3,170	252	3,070
	513,983	622,553	14,882	18,407

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

23 AVAILABLE-FOR-SALE FINANCIAL ASSET

	2014 RMB'000	2013 RMB'000
At 1 January	571	-
Addition	-	571
At 31 December	571	571
Investment in shares of an unlisted company	571	571
Amount due from an investee	12,525	13,988

Notes to the Consolidated Financial Statements

23 AVAILABLE-FOR-SALE FINANCIAL ASSET (Continued)

As at 31 December 2014, available-for-sale financial asset includes the following:

Name	Country of incorporation	Principal activities	Particulars of issued shares held	Interest held
FFG Werke GmbH ("FFG Werke")	Germany	Manufacturing and distribution of machine tools, spare parts and accessories; providing training and maintenance service for machine tools and products.	67,500	13.5%

FFG Werke is owned approximately as to 43.75% by World Ten, 33.75% by Golden Friendship, 13.50% by Sky Thrive and 9.00% by Golden Wealth Inc Limited (an independent third party).

As at 31 December 2014, Sky Thrive has provided a shareholder's loan of Euro1,654,050 (equivalent RMB12,525,000) (2013: Euro1,654,050 (equivalent RMB13,988,000)) to FFG Werke which is unsecured, interest-free and repayable on demand.

On 9 July 2014, FFG Werke and Sky Thrive entered into a guarantee procurement deed, pursuant to which Sky Thrive agreed to procure the issuance of the bank guarantees for the business operation of FFG Werke with maximum aggregate amount not exceeding Euro10,600,000 (equivalent RMB79,030,000). As at 31 December 2014, Sky Thrive has arranged the aforesaid bank guarantees of total amount of Euro226,000 (equivalent RMB1,680,000). Subsequent to the balance sheet date, Sky Thrive has further provided bank guarantees and the total amount under all bank guarantees is now Euro6,464,000 (equivalent RMB48,190,000) in 2015.

On 20 December 2013, Sky Thrive agreed to arrange a letter of guarantee bank guarantees with a maximum amount of Euro 2,800,000 (approximately RMB23,673,000) to secure the corresponding amount of the credit facilities to be provided by certain banks to FFG Werke. As at 31 December 2014, Sky Thrive has arranged irrecoverable letters of guarantee of total amount of Euro2,745,000 (equivalent RMB20,466,000).

As at 31 December 2014, none of the abovementioned bank guarantees had been enforced by the issuing banks (2013: none).

Management consider that the Group has no significant influence or control on FFG Werke and hence the investment has been accounted for as an available-for-sale financial asset as at 31 December 2014.

As at 31 December 2014, the unlisted equity investment in FFG Werke with a carrying amount of RMB571,000 (2013: RMB571,000) was stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that its fair value cannot be measured reliably. The Group does not intend to dispose of it in the near future.

Notes to the Consolidated Financial Statements

24 INVENTORIES – GROUP

	2014 RMB'000	2013 RMB'000
Raw materials	103,419	124,777
Work in progress	68,470	69,931
Finished goods	103,064	94,995
	274,953	289,703
Provision	(17,696)	(10,687)
	257,257	279,016

The cost of inventories recognised as expense and included in 'cost of revenue' amounted to RMB868,176,000, (2013: RMB956,548,000) (note 7).

25 AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK – GROUP

	2014 RMB'000	2013 RMB'000
Contract costs incurred plus recognised profits less recognised losses	210,070	173,630
Less: Progress billings	(220,376)	(198,938)
	(10,306)	(25,308)
	2014 RMB'000	2013 RMB'000
Amounts due from contract customers	32,494	24,651
Amounts due to contract customers	(42,800)	(49,959)
Net amounts due to customers for contract work	(10,306)	(25,308)

As at 31 December 2014, retention money held by customers for contract work included in debtors amounted to RMB12,325,000 (2013: RMB7,207,000).

Notes to the Consolidated Financial Statements

26 RESTRICTED BANK DEPOSITS – GROUP AND COMPANY

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Restricted bank deposits	134,681	60,167	2,370	2,052

The amounts mainly represent deposits placed in banks for guarantees issued for trade finance facilities used by the Group. The deposits have a maturity period within one year and they carry fixed rate interest at 0.4% (2013: 0.4%) per annum.

27 CASH AND BANK BALANCES – GROUP AND COMPANY

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Cash at bank and on hand	111,976	41,278	1,784	1,618
Short-term bank deposits	150,775	170,551	–	–
Cash and cash equivalents	262,751	211,829	1,784	1,618
Term deposits with initial term of over three months	98,000	24,000	–	–
	360,751	235,829	1,784	1,618

- (a) The cash at bank and on hand, short-term deposit and term deposit with initial term of over three months are denominated in the following currencies:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
RMB	357,423	231,732	2	204
US dollar	1,887	3,016	467	636
Euro	957	318	955	317
Other currencies	484	763	360	461
	360,751	235,829	1,784	1,618

Notes to the Consolidated Financial Statements

27 CASH AND BANK BALANCES – GROUP AND COMPANY (Continued)

- (b) The effective interest rate on short-term bank deposits is 2.35% (2013: 2.60%) per annum. These deposits have a maturity ranging from one to three months.
- (c) The effective interest rate on term deposits with initial term of over three months ranged from 2.35% to 2.75% (2013: 2.85% to 3.25%) per annum. These deposits have a maturity ranging from three to twelve months.

28 SHARE CAPITAL – GROUP AND COMPANY

	Number of shares (thousands)	Nominal value RMB'000
Ordinary share of HK\$0.01 each		
Authorised:		
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	1,000,000	10,211
Issued and fully paid:		
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	403,200	4,022

Notes to the Consolidated Financial Statements

29 RESERVES – GROUP AND COMPANY

Group

	Share premium RMB'000	Capital reserve RMB'000	Other reserves				Retained profits RMB'000	Total RMB'000
			General reserve RMB'000	Enterprise expansion reserve RMB'000	Translation RMB'000			
At 1 January 2013	122,601	77,338	35,836	9,089	(3,154)	416,159	657,869	
Dividends paid	(40,320)	–	–	–	–	–	(40,320)	
Profit for the year	–	–	–	–	–	36,868	36,868	
Share of other comprehensive income of an associate	–	–	3,665	–	–	–	3,665	
Currency translation difference	–	–	–	–	10,896	–	10,896	
At 31 December 2013	82,281	77,338	39,501	9,089	7,742	453,027	668,978	
Dividends paid	–	–	–	–	–	(44,352)	(44,352)	
Profit for the year	–	–	–	–	–	101,313	101,313	
Share of other comprehensive income of an associate	–	–	–	–	162	–	162	
Currency translation difference	–	–	–	–	(3,428)	–	(3,428)	
At 31 December 2014	82,281	77,338	39,501	9,089	4,476	509,988	722,673	

Note:

- (i) Under Section 34(2) of the Companies Law, Cap. 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account may be applied by the Company paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.
- (ii) Capital reserve represents the difference between the paid-in capital/share capital and share premium of the subsidiaries acquired at the consideration of nominal value of the Company's shares issued during the time of the corporate reorganisation of the Group prior to the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited.
- (iii) General reserve and enterprise expansion reserve are set up in accordance with statutory requirements in the PRC.

Notes to the Consolidated Financial Statements

29 RESERVES – GROUP AND COMPANY (Continued)

Company	Share premium RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2013	123,101	8,941	48,655	180,697
Dividends paid	(40,005)	–	–	(40,005)
Currency translation difference	–	(1,309)	–	(1,309)
Loss for the year	–	–	(2,095)	(2,095)
At 31 December 2013	83,096	7,632	46,560	137,288
Dividends paid	–	–	(44,352)	(44,352)
Currency translation difference	–	341	–	341
Profit for the year	–	–	43,872	43,872
At 31 December 2014	83,096	7,973	46,080	137,149

30 CREDITORS, OTHER PAYABLES AND ACCRUED CHARGES – GROUP AND COMPANY

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Trade creditors	204,785	218,424	9,129	4,365
Advance deposits from customers	118,682	161,632	370	11,780
Other payables	41,847	33,308	–	–
Accrued expenses	44,897	35,769	4,435	4,309
	410,211	449,133	13,934	20,454

Notes to the Consolidated Financial Statements

30 CREDITORS, OTHER PAYABLES AND ACCRUED CHARGES – GROUP AND COMPANY

(Continued)

The Group normally receives credit terms of 30 to 60 days. At 31 December 2014 and 2013, the ageing analysis of the trade payables was as follows:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Current – 30 days	116,788	147,068	9,129	4,365
31 – 60 days	57,515	47,603	–	–
61 – 90 days	4,657	9,841	–	–
91 – 180 days	9,853	10,450	–	–
Over 180 days	15,972	3,462	–	–
	204,785	218,424	9,129	4,365

Creditors, other payables and accrued charges are dominated in the following currencies:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
RMB	388,246	423,231	–	–
US dollars	11,029	8,464	3,104	3,092
Euro	6,368	13,124	6,292	13,049
HK dollars	4,568	4,314	4,538	4,313
	410,211	449,133	13,934	20,454

Notes to the Consolidated Financial Statements

31 WARRANTY PROVISION – GROUP

	2014 RMB'000	2013 RMB'000
At 1 January	6,774	6,702
Provision for the year	6,766	4,936
Utilisation of provision	(7,211)	(4,864)
At 31 December	6,329	6,774

32 BORROWINGS – GROUP AND COMPANY

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Current				
– Secured (note(a))	125,331	90,115	122,435	88,865
– Unsecured (note(b))	276,748	277,637	153,271	180,349
Total borrowings	402,079	367,752	275,706	269,214

The range of effective interest rates of the Group's borrowing is as follows:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Effective interest rates	1.83% to 6.72% per annum	1.80% to 6.72% per annum	1.83% to 3.60% per annum	1.80% to 3.05% per annum

At 31 December 2014, the Group's borrowings were repayable as follows:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Within 1 year	402,079	367,752	275,706	269,214

Notes to the Consolidated Financial Statements

32 BORROWINGS – GROUP AND COMPANY (Continued)

The carrying amounts of short-term borrowings approximate their fair values.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
HK dollars	78,949	96,956	58,572	76,646
US dollars	323,130	270,796	217,134	192,568
	402,079	367,752	275,706	269,214

The Group had the following undrawn borrowing facilities as at 31 December 2014:

	Group	
	2014 RMB'000	2013 RMB'000
Floating rate loans:		
– Expiring within one year	692,723	658,958

Note:

- (a) The Group has pledged its land use rights with carrying amounts of approximately RMB5,262,000 (note 14) (2013: RMB5,394,000) and buildings with carrying amounts of approximately RMB10,674,000 (note 15) (2013: nil) as at 31 December 2014 to secure the general banking facilities granted to it. As at 31 December 2014, the Group has utilised such secured bank facilities of RMB2,896,000 (2013: RMB1,250,000).

As at 31 December 2014, the Company's bank borrowings of RMB152,975,000 (2013 RMB103,660,000) were secured by irrevocable standby letter of credits issued by banks in the PRC of which RMB122,435,000 (2013: RMB88,865,000) has been utilised.

- (b) As at 31 December 2014, the Company has given corporate guarantees for the banking facilities granted to certain subsidiaries amounting to RMB235,582,000 (2013: RMB265,215,000) of which RMB126,382,000 (2013: RMB98,538,000) has been utilised.

As at 31 December 2014, cross guarantees between subsidiaries of RMB220,000,000 (2013: RMB225,000,000) have been provided to secure the bank borrowings of which RMB6,211,000 balance has been utilised (2013: nil).

As at 31 December 2014, a personal guarantee was provided by a director of the Company in respect of the Company's bank borrowings of RMB31,135,000 (2013: RMB35,028,000).

- (c) The facilities expiring within one year are annual facilities granted by banks which are subject to review at various dates throughout 2014.

Notes to the Consolidated Financial Statements

33 DEFERRED INCOME TAX – GROUP

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group	
	2014 RMB'000	2013 RMB'000
Deferred tax assets:		
– Deferred tax asset to be recovered within 12 months	6,144	4,520
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	–	–
– Deferred tax liability to be recovered within 12 months	16,118	18,775
	16,118	18,775

The movement on the deferred income tax assets during the year are as follows:

	Group	
	2014 RMB'000	2013 RMB'000
At 1 January	4,520	4,541
Credit/(Charge) to consolidated statement of comprehensive income	1,624	(21)
At 31 December	6,144	4,520

Notes to the Consolidated Financial Statements

33 DEFERRED INCOME TAX – GROUP (Continued)

Deferred tax assets	Group			Total RMB'000
	Allowance for doubtful receivables RMB'000	Allowance for inventories RMB'000	Warranty provision RMB'000	
At 1 January 2014	3,243	377	921	4,541
(Charge)/Credit to consolidated statement of comprehensive income	(18)	11	(14)	(21)
At 31 December 2014	3,225	388	907	4,520
(Charge)/Credit to consolidated statement of comprehensive income	1,495	224	(95)	1,624
At 31 December 2014	4,720	612	812	6,144

The gross movements in deferred tax liabilities during the year are analysed as follows:

	Group	
	2014 RMB'000	2013 RMB'000
At 1 January	18,775	23,180
Withholding tax paid	(2,657)	–
Disposal of a subsidiary	–	(4,405)
At 31 December	16,118	18,775

Notes to the Consolidated Financial Statements

33 DEFERRED INCOME TAX – GROUP (Continued)

Deferred tax liabilities	Group		Total RMB'000
	Withholding tax On distributable profit of subsidiaries in the PRC RMB'000	Business combination RMB'000	
At 1 January 2013	18,775	4,405	23,180
Disposal of a subsidiary	–	(4,405)	(4,405)
At 31 December 2013	18,775	–	18,775
Withholding tax paid	(2,657)	–	(2,657)
At 31 December 2014	16,118	–	16,118

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, withholding income tax of 10% shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting 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 the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes at the rate of 5% on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2014, the Group had unutilised tax losses of approximately RMB48,429,000 (2013: RMB50,855,000) available for offsetting against future profits. No deferred tax asset had been recognised as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

The expiry dates of these tax losses are as follows:

	2014 RMB'000	2013 RMB'000
With expiry in:		
2014	–	6,142
2015	1,590	1,595
2016	16,755	16,482
2017	13,043	14,758
2018	6,946	11,878
2019	8,648	–

Notes to the Consolidated Financial Statements

34 CASH GENERATED FROM OPERATIONS

	2014 RMB'000	2013 RMB'000
Profit before income tax	125,071	54,388
Adjustments for:		
– Amortisation of land use rights (note 14)	943	943
– Depreciation of property, plant and equipment (note 15)	28,060	27,046
– Depreciation of investment properties (note 16)	20	21
– Amortisation of intangible assets (note 17)	701	675
– Share of loss of joint ventures (note 19)	2,458	3,975
– Share of loss of an associate (note 20)	8,559	26,321
– Loss on disposal of property, plant and equipment (note 7)	296	287
– Loss on disposal of a subsidiary and an associate	–	9,742
– Interest income (note 6)	(9,995)	(5,363)
– Finance costs (note 9)	9,174	7,964
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– Inventories	21,759	75,529
– Debtors, deposits and prepayments	109,177	(7,326)
– Amounts due from customers for contract work	(7,843)	3,251
– Amount due from ultimate holding company	1,380	(1,912)
– Amounts due from a fellow subsidiary and an associate of ultimate holding company	1,490	588
– Creditors, other payables and accrued charges	(46,030)	49,582
– Amounts due to customers for contract work	(7,159)	12,480
– Amount due to ultimate holding company	687	(4,869)
– Amount due to immediate holding company	1,291	176
– Amount due to joint ventures	(55)	131
– Balances with an investee and subsidiaries of an associate	2,519	(12,312)
– Amount due to a fellow subsidiary and an associate of ultimate holding company	463	(1,590)
– Warranty provision	(445)	72
Cash generated from operations	242,521	239,799

Notes to the Consolidated Financial Statements

34 CASH GENERATED FROM OPERATIONS (Continued)

In the statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

Group	2014 RMB'000	2013 RMB'000
Net book amount (note 15)	863	5,954
Loss on disposal of property, plant and equipment (note 7)	(296)	(287)
Proceeds from disposal of property, plant and equipment	567	5,667

35 CONTINGENT LIABILITY

Saved as disclosed in note 23 to the consolidated financial statements, the Group and the Company have no other contingent liability as at 31 December 2014 (2013: nil).

36 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is analysed as follows:

Group	2014 RMB'000	2013 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of machinery and equipment	743	984

(b) Operating lease commitments

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2014 RMB'000	2013 RMB'000
No later than 1 year	4,090	2,650
Later than 1 year and no later than 5 years	241	54
	4,331	2,704

Notes to the Consolidated Financial Statements

37 RELATED-PARTY TRANSACTIONS AND BALANCES

Save as disclosed in Note 23, the Group also had the following transactions with its related parties during the year:

(a) Transactions

Name of company	Relationship	Nature of transactions	2014 RMB'000	2013 RMB'000
Fair Friend Enterprise Company Limited ("Fair Friend")	Ultimate holding company	Sales of goods	682	720
		Purchases of goods	19,948	18,592
Hangzhou Feeler Takamatsu Machinery Co., Ltd. ("Feeler Takamatsu")	Associate of ultimate holding company	Sales of goods	756	601
		Purchases of goods	49	4
		Rental income	15	65
Good Friend (H. K.) Corporation Limited ("Hong Kong GF")	Immediate holding company	Purchases of goods	44,434	87,352
Hangzhou Fair Fine Electric & Machinery Co., Ltd. ("Fair Fine")	Fellow subsidiary	Sales of goods	3	8
		Rental income	653	–
AIF (controlled by Mr. Wen Chi-Tang)	Joint venture	Sales of goods	90	45
		Purchases of goods	421	141
		Rental income	26	–
Hangzhou Best Friend Technology Co., Ltd. ("Best Friend")	Associate of ultimate holding company	Sales of goods	6	12

Notes to the Consolidated Financial Statements

37 RELATED-PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Transactions (Continued)

Name of company	Relationship	Nature of transactions	2014 RMB'000	2013 RMB'000
SANCO Machine & Tools Co., Ltd. ("SANCO")	Fellow subsidiary	Purchases of goods	20,885	12,095
Jobs Automazione S.p.A. ("Jobs")	Subsidiary of an associate of the Group	Purchases of goods	198	–
SIGMA technology S.r.l ("SIGMA")	Subsidiary of an associate of the Group	Purchase of goods	–	4,622
Feeler Mectron	Joint venture	Sales of goods	37	140
		Purchases of goods	1,051	1,049
		Rental income	36	–
UFM	Jointly controlled entity	Sales of goods	24	–
		Purchase of goods	170	–
Sky Thrive Rambaudi S.r.l ("Rambaudi")	Subsidiary of an associate of the Group	Sales of goods	–	6
Nippon Cable Feeler	Joint venture	Sales of goods	4	8
		Purchase of goods	129	–
		Rental income	6	–

Note:

- (a) The terms of the above sale and purchase transactions are governed based on framework agreements entered into between the Company and the respective related parties.
- (b) Rental income was charged at terms mutually agreed between the parties.

Notes to the Consolidated Financial Statements

37 RELATED-PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Balances

Name of company	Relationship	Nature of balances	2014 RMB'000	2013 RMB'000
Fair Friend	Ultimate holding company	Trade receivable (note (a))	532	1,912
		Trade payable (note (b))	(1,716)	(1,029)
Hong Kong GF	Immediate holding company	Trade payable (note (b))	(3,447)	(2,156)
Fair Fine (controlled by Mr. Chen Min-Ho)	Fellow subsidiary	Other receivable (note (b))	258	152
SANCO	Fellow subsidiary	Trade receivable (note (a))	–	1,616
		Trade payable (note (b))	(776)	(321)
Best Friend	Associate of ultimate holding company	Trade receivables (note (a))	2	–
Feeler Takamatsu	Associate of ultimate holding company	Other receivable (note (b))	36	18
		Trade payable (note (b))	(8)	–
AIF (controlled by Mr. Wen Chi-Tang)	Joint venture	Trade receivable (note (a))	470	1,093
		Trade payable (note (b))	–	(41)
Feeler Mectron	Joint venture	Trade receivable (note (a))	421	405
		Trade payable (note (b))	–	(90)
UFM	Joint venture	Trade payable (note (b))	(76)	–
SIGMA	Subsidiary of an associate of the Group	Trade receivable (note (a))	2,275	2,569
		Trade payable (note (b))	(200)	(226)
SIGMA Machinery Co., Ltd	Subsidiary of an associate of the Group	Trade payable (note (b))	(67)	(67)

Notes to the Consolidated Financial Statements

37 RELATED-PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Balances (Continued)

Name of company	Relationship	Nature of balances	2014 RMB'000	2013 RMB'000
Jobs	Subsidiary of an associate of the Group	Trade receivable (note (a))	403	330
		Other receivable (note (b))	9,596	–
		Trade payable (note (b))	(861)	–
Rambaudi	Subsidiary of an associate of the Group	Other receivable (note (b))	–	9,596

Notes:

(a) The Group allowed a normal credit period of 90 days for sales made to the fellow subsidiaries, the ultimate holding company and its associate company, and subsidiaries of associated company. Balances are unsecured and interest free. As of 31 December 2014 and 2013, the ageing of above balances was mostly within 6 to 12 months.

(b) Balances are unsecured, interest free and repayable on demand.

(c) Key management compensation

The remuneration of directors and other members of key management during the year were as follows:

	2014 RMB'000	2013 RMB'000
Salaries and other allowances	4,078	3,440

38 HOLDING COMPANIES

The directors regard Good Friend (H.K.) Corporation Limited, a company incorporated in Hong Kong, and Fair Friend Enterprise Company Limited, a company incorporated in Taiwan, as being the immediate holding company and the ultimate holding company respectively.

39 EVENT AFTER THE BALANCE SHEET DATE

Save as disclosed in Note 23, the Company and the Group have no other significant events occurred after the balance sheet date.

Five-Year Financial Summary

OPERATING RESULTS

For the year ended 31 December

	2010	2011	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,374,183	1,884,132	1,540,856	1,350,271	1,300,119
Gross profit	355,535	439,216	308,947	309,771	344,894
Profit before taxation	193,806	197,032	60,440	54,388	125,071
Profit for the year attributable to equity holders of the Company	158,746	153,690	42,022	36,868	101,313
Earnings per share – basic (RMB)	0.41	0.38	0.10	0.09	0.25

ASSETS AND LIABILITIES

As at 31 December

	2010	2011	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	322,262	371,929	345,271	330,119	302,380
Net current assets	318,503	332,239	339,800	361,656	440,433
Total assets less current liabilities	640,765	704,168	685,071	691,775	742,813
Share capital	4,022	4,022	4,022	4,022	4,022
Reserves	614,341	678,346	657,869	668,978	722,673
Shareholders' equity	618,363	682,368	661,891	673,000	726,695
Non-current liabilities	22,402	21,800	23,180	18,775	16,118
	640,765	704,168	685,071	691,775	742,813

附 件 五

GOOD FRIEND INTERNATIONAL HOLDINGS INC. 友佳國際控股有限公司

(於開曼群島註冊成立之有限公司)

股份代號：2398



2014年報

目錄

公司資料	2
財務摘要	4
主席報告	6
管理層討論及分析	10
董事及高級管理人員的履歷詳情	14
董事會報告	17
企業管治報告	32
獨立核數師報告	44
綜合全面收益表	46
綜合資產負債表	47
公司資產負債表	49
綜合權益變動表	51
綜合現金流量表	52
綜合財務報表附註	53
五年財務概要	122

公司資料

董事會

執行董事

朱志洋 (主席)
陳向榮 (行政總裁)
陳明河
溫吉堂
邱榮賢

獨立非執行董事

顧福身
江俊德
余玉堂

公司秘書

羅泰安

法定代表

陳向榮
邱榮賢

香港法律的法律顧問

胡關李羅律師行

審核委員會

顧福身 (委員會主席)
江俊德
余玉堂

薪酬委員會

顧福身 (委員會主席)
江俊德
陳向榮

提名委員會

顧福身 (委員會主席)
江俊德
陳向榮

核數師

羅兵咸永道會計師事務所

註冊辦事處

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

公司資料

香港主要營業地點

香港
德輔道中317至319號
啟德商業大廈
20樓2003室

中國主要營業地點

中國
浙江省
杭州市
蕭山區
蕭山經濟技術開發區
市心北路120號

主要股份過戶登記處

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

股份過戶登記處香港分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

中國銀行
中華開發工業銀行
恒生銀行有限公司
中國工商銀行
台灣工業銀行
兆豐國際商業銀行
元大商業銀行
法國巴黎銀行

股份代號

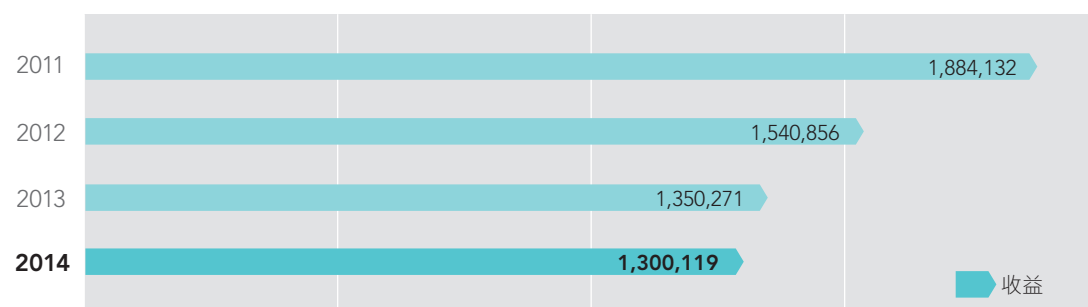
2398

網站

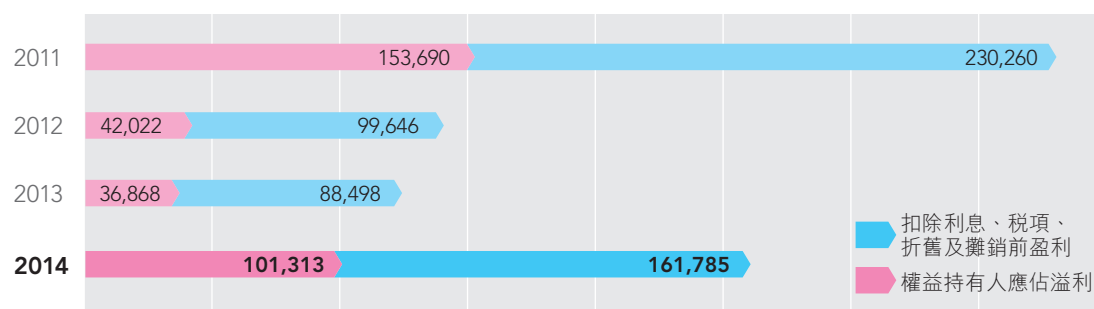
<http://www.goodfriend.hk>

財務摘要

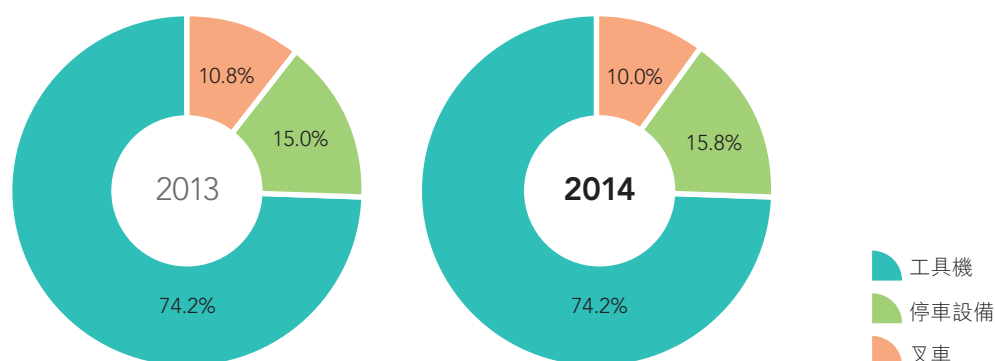
收益 (人民幣千元)



溢利 (人民幣千元)



業務分部 (按收益計算)



財務摘要

兩年財務數字的比較

截至十二月三十一日止年度

	二零一四年 人民幣千元	二零一三年 人民幣千元	變動 (%)
收益	1,300,119	1,350,271	-3.7%
毛利	344,894	309,771	11.3%
扣除利息、稅項、折舊及攤銷前盈利	161,785	88,498	82.8%
權益持有人應佔溢利	101,313	36,868	174.8%
股東權益	726,695	673,000	8.0%
總資產	1,628,064	1,584,014	2.8%
每股盈利—基本(人民幣元)	0.25	0.09	177.8%

主要財務比率的摘要

截至十二月三十一日止年度

	二零一四年	二零一三年	變動 (%)
毛利率 ^{附註1}	26.5%	22.9%	15.7%
純利率 ^{附註2}	7.8%	2.7%	188.9%
存貨周轉日數 ^{附註3}	98.3	97.9	0.4%
應收款項周轉日數 ^{附註4}	130.2	153.4	-15.1%
應付賬款周轉日數 ^{附註5}	78.3	76.6	2.2%
流動比率(倍) ^{附註6}	1.5	1.4	7.1%
速動比率(倍) ^{附註7}	1.2	1.1	9.1%
資本負債比率(%) ^{附註8}	24.7%	23.2%	6.5%
扣除利息、稅項、折舊及攤銷前盈利/ 財務費用(倍) ^{附註9}	17.6	11.1	58.6%
權益回報率(%) ^{附註10}	13.9%	5.5%	152.7%

附註1： 毛利率按毛利除以收益計算。

附註2： 純利率按權益持有人應佔溢利除以收益計算。

附註3： 存貨周轉日數乃按期末存貨除以銷售收益成本再乘以365日。

附註4： 應收款項周轉日數乃按期末貿易應收賬除以收入再乘以365日。

附註5： 應付賬款周轉日數乃按期末貿易應付賬除以銷售成本再乘以365日。

附註6： 流動比率以相應年末流動資產總值除以流動負債總額計算。上表的數字以比率(而非百分比)呈列。

附註7： 速動比率乃按有關年度完結時之流動資產總值(不包括存貨)除以總流動負債計算。上表數字乃以比率而非百分比形式列示。

附註8： 資本負債比率以年末總負債除以總資產計算。總負債指年末具息負債的總額。

附註9： 扣除利息、稅項、折舊及攤銷前盈利/財務費用以年度內扣除財務費用、稅項、折舊及攤銷前盈利除以財務費用計算。上表的數字以比率(而非百分比)呈列。

附註10： 權益回報率以權益持有人應佔溢利除以相應年末的股東權益總額計算。

主席報告



朱志洋
主席

本人謹代表董事（「董事」）會（「董事會」），向各位股東提呈友佳國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一四年十二月三十一日止年度之全年（「本年度」）業績報告。

財務業績

截至二零一四年十二月三十一日止年度，本集團錄得收入約人民幣1,300,120,000元，較二零一三年下跌約3.7%。而本年度的權益持有人應佔溢利錄得約人民幣101,310,000元，較二零一三年之數額人民幣36,870,000元增加約174.80%。

末期股息

董事會擬建議派發截至二零一四年十二月三十一日止年度的末期股息每股人民幣0.06元（相當於根據於二零一五年三月二十七日中國人民銀行公佈人民幣兌港元之平均中間匯率計算所得約0.0758港元），總額將為人民幣24,190,000元（相當於約30,560,000港元）派發予於二零一五年六月十日（星期三）名列本公司股東名冊之股東，但須獲股東於二零一五年五月二十九日舉行的應屆股東週年大會批准。末期股息之支付日期將於稍後公佈。

主席報告

業務回顧

二零一四年，國際經濟繼續疲弱，中國經濟增速亦持續放緩。根據中國國家統計局發佈的經濟資料顯示，二零一四年中國國內生產總值(GDP)較二零一三年增長7.4%，同比增速進一步放緩，為自一九九零年以來最低增長率。中國進入了由高速增長轉為中高速增長的經濟新常態。本集團之主營產品CNC工具機由於以中國市場為主，因此CNC工具機業務的訂單亦受到影響。於截至二零一四年十二月三十一日止年度，CNC工具機之銷售數量及銷售額分別為2,102台及約人民幣964,770,000元，與二零一三年比較均呈現下跌。然而，由於本年度內原材料價格下跌，因此於本年度CNC工具機業務之毛利率亦上升至約30.5%。

於本年度，縱然受到中國經濟增長放緩所影響，本集團之高端CNC工具機產品仍然錄得不俗之銷售額，由杭州廠房生產之龍門加工中心以及由意大利廠家生產之銑床及加工中心於本年度之銷售額合共約為人民幣140,510,000元，佔本集團CNC工具機銷售額約14.6%。此等高端產品除可優化本集團之產品結構外，亦能增強本集團之核心競爭優勢。

另一方面，本集團持有13.50%股本權益之FFG Werke GmbH（「FFG Werke」），一間於德國註冊成立之企業，於二零一四年（即其首個營運年度）已錄得令人鼓舞之銷售額及營運表現。管理層相信，FFG Werke將有助本集團未來之業務發展及業績；而FFG Werke旗下之知名工具機品牌亦進一步優化本集團的產品組合。本集團亦於二零一四年於中國（上海）自由貿易試驗區成立一獨資企業，主要用作開拓銷售FFG Werke之高端工具機品牌（包括「Huller Hille」）至中國大陸之客戶。

主席報告



主席報告

前景展望

二零一五年，中國政府將更加注重中國經濟的結構調整，實施積極的財政政策和穩健的貨幣政策，促進經濟平穩健康發展，全年GDP預期同比增長7%左右。中國乃全球第一大工具機消耗國。中國政府所確定的「十二五」期間（二零一一年至二零一五年）之規劃，預期中國之高速鐵路、航太、汽車與能源產業對工具機之需求仍將大幅提升，特別是高端的CNC工具機。這將有利本集團的CNC工具機業務。管理層相信憑藉本集團所擁有之龐大銷售網絡及完善之售後服務、穩固的業務基礎以及優異的產品質素，定能充份滿足客戶不同的需求，繼續鞏固其市場地位。

展望二零一五年之經營環境仍將會帶來巨大挑戰，面對當前營商形勢，本集團會維持一貫審慎的態度，在嚴峻市場環境下繼續強化核心業務根基，以保持本集團的競爭力。管理層對於本集團的長遠發展前景保持樂觀。

管理層亦會致力管控營運成本，以使本集團能獲得更理想的營運效益；維持穩健的財務狀況，並竭誠為本公司的股東創造更佳的回報。

致謝

本人謹代表董事會感謝全體員工及管理層團隊於過去一年之努力，並向所有客戶及供應商表示衷心感謝。

承董事會命

主席

朱志洋

香港，二零一五年三月二十七日

管理層討論及分析

財務回顧

收益

截至二零一四年十二月三十一日止年度，本集團錄得收益約人民幣1,300,120,000元，與二零一三年比較下跌約3.7%。於本年度，CNC工具機、停車設備及叉車的銷售數量分別為2,102台、13,215台及1,997台（二零一三年：2,073台、12,396台及2,221台），本集團之主要收益來源仍為銷售CNC工具機。於本年度，CNC工具機業務的銷售額為約人民幣964,770,000元，較二零一三年下跌約3.7%，佔本集團整體收益約74.2%。另一方面，於本年度本集團的叉車業務之銷售額亦較二零一三年下跌約11.2%至約人民幣129,540,000元，佔本集團整體收益約10.0%。此外，停車設備業務於本年度之銷售額為約人民幣205,810,000元，比較二零一三年增加約1.6%，佔總收益約15.8%。

毛利及毛利率

截至二零一四年十二月三十一日止年度，本集團之毛利約人民幣344,890,000元，而整體毛利率約為26.5%，而二零一三年之毛利率為22.9%。由於本集團的主營產品CNC工具機於本年度之毛利率較二零一三年有所上升，從而令本年度的整體毛利率上升。

分銷及銷售費用

截至二零一四年十二月三十一日止年度，分銷及銷售費用約為人民幣129,480,000元，與二零一三年比較下跌約12.2%。這有賴於管理層致力管控有關成本所致。於本年度，分銷及銷售費用佔本集團收益百分比為約10.0%，而二零一三年為約10.9%。

行政費用

截至二零一四年十二月三十一日止年度，行政費用比較二零一三年增加約15.7%。主要由於呆壞賬撥備增加所致。

管理層討論及分析

財務費用

於本年度，財務費用增加至約人民幣9,170,000元，主要由於本集團於二零一四年的平均銀行借貸增加所致。

分佔一間聯營公司虧損

截至二零一四年十二月三十一日止年度，分佔一間聯營公司虧損為約人民幣8,560,000元。乃指於本年度內分佔其位於意大利的聯營公司「FFG Europe」的虧損。由於FFG Europe於本年度內之營運業績大幅改善，以致分佔聯營公司虧損有所下降。

本公司權益持有人應佔溢利

截至二零一四年十二月三十一日止年度，本公司的權益持有人應佔溢利約人民幣101,310,000元，較二零一三年增加約174.8%。

流動資金及財務資源

於二零一四年十二月三十一日，本集團擁有流動資產淨額約人民幣440,430,000元（二零一三年：人民幣361,660,000元），股東資金約人民幣726,700,000元（二零一三年：人民幣673,000,000元），以及短期銀行貸款約人民幣402,080,000元（二零一三年：人民幣367,750,000元）。本集團之營運資金乃由內部經營所得現金流量及現有銀行授信額度作融資。

於二零一四年十二月三十一日，現金及現金等值物為數約人民幣262,750,000元（二零一三年：人民幣211,830,000元）。本集團的流動比率（流動資產總額對流動負債總額的比率）約為1.5倍（二零一三年：1.4倍）。資本負債比率（債項總額對資產總值的比率）約為24.7%（二零一三年：23.2%），反映本集團整體財務狀況仍然保持強勁。

管理層討論及分析

資本架構及庫務政策

於二零一四年十二月三十一日，本公司的股本為4,032,000港元，分為403,200,000股每股0.01港元的股份（二零一三年十二月三十一日：4,032,000港元，分為403,200,000股每股0.01港元的股份）。

本集團一般透過內部產生的現金流量及銀行給予的信貸額度提供業務所需資金。於二零一四年十二月三十一日，尚未繳清的短期貸款約人民幣402,080,000元（二零一三年：人民幣367,750,000元）。本集團採用的借貸方式主要包括銀行貸款。於本年度，本集團並無作出任何利率對沖安排。

重大投資

截至二零一四年十二月三十一日止年度，本集團並無持有任何重大投資。

重大的附屬公司收購及出售事項

截至二零一四年十二月三十一日止年度，本集團並無任何重大的附屬公司或聯營公司收購或出售事項。

分類資料

截至二零一四年十二月三十一日止年度，有關分類資料的詳情載於綜合財務報表附註5。

僱員及薪酬政策

於二零一四年十二月三十一日，本集團在香港及中國僱用合共1,500位（二零一三年：1,400位）全職僱員。本集團的員工總成本（包括董事袍金及酬金）為數約人民幣130,140,000元（二零一三年：人民幣123,700,000元）。本集團的薪酬檢討政策乃依據市場趨勢、未來計劃及個別僱員於各範疇之表現及經定期檢討而釐定。

本公司已採納購股權計劃，旨在鼓勵及表揚合資格參與者為本集團所作出的貢獻。本集團自採納購股權計劃以來，並無授出購股權。

管理層討論及分析

本公司的附屬公司僱員參加中國當地政府營運的國家管理社會福利計劃，而香港僱員則參與強制性公積金計劃。於回顧年度內，本集團向上述計劃作出供款約人民幣4,230,000元（二零一三年：人民幣9,580,000元）。

資本承擔及或然負債

本集團主要就有關物業、廠房及設備已訂約但尚未於財務報表撥備的資本支出已作出的承擔約人民幣740,000元（二零一三年：人民幣980,000元）。於二零一四年十二月三十一日，本集團並無任何重大或然負債（二零一三年：無）。

集團資產押記

於二零一四年十二月三十一日，受限制銀行存款約人民幣134,680,000元（二零一三年：人民幣60,170,000元）主要指本集團為就所使用的融資信貸出具擔保而存放於銀行的存款。

另外，本公司之附屬公司以總賬面值約人民幣15,940,000元（二零一三年：人民幣5,390,000元）之土地及樓宇抵押作其獲授一般銀行信貸額度。於二零一四年十二月三十一日，附屬公司已使用人民幣2,900,000元之有抵押銀行信貸額度（二零一三年：人民幣1,250,000元）。

有關重大投資或資本資產的未來計劃

於二零一四年十二月三十一日，本公司並無有關重大投資及購入重大資本資產之具體計劃。然而，本集團將繼續尋找新業務發展機遇。

外匯風險

本集團主要在中國以內經營業務。截至二零一四年十二月三十一日止年度，本集團以人民幣收取大部分收益，部分已兌換為美元、日元及其他外幣等外幣，以支付有關入口零部件的款項。因此，本集團面對若干程度的外匯波動風險。本集團並無進行對沖活動，因其認為對沖活動對本集團的影響相當輕微。

人民幣目前並非自由兌換貨幣。本集團的部分人民幣收益或溢利須轉換為其他貨幣，以履行本集團的外幣義務，例如在宣派股息的情況下派付股息。

董事及高級管理人員的履歷詳情

執行董事

朱志洋先生，68歲，於二零零五年九月獲委任為執行董事，並為董事會主席。彼負責本集團之整體策略計劃、管理、業務開發及本集團企業政策之制訂。朱先生在機械、製造及工具機業累積了逾三十年經驗。朱先生亦為杭州友高精密機械有限公司及杭州友華精密機械有限公司之董事，該兩家公司均為本公司之全資附屬公司。

陳向榮先生，69歲，於二零零五年十二月獲委任為本公司執行董事及行政總裁。彼亦為本公司薪酬委員會及提名委員會之成員。彼負責本集團之一般管理。陳先生在機械、製造及工具機業累積了逾三十年經驗。彼亦為杭州友佳精密機械有限公司、杭州友高精密機械有限公司、杭州友華精密機械有限公司及杭州友達機械科技有限公司之董事。陳先生於一九九三年加入本集團。

陳明河先生，64歲，於二零零五年十二月獲委任為執行董事。陳先生負責本集團整體業務運作。陳先生在機械、製造及工具機業累積了逾十五年經驗。彼亦為杭州友佳精密機械有限公司、友盛（上海）精密機械有限公司及杭州友達機械科技有限公司之董事。彼於一九九三年加入本集團。

溫吉堂先生，50歲，於二零零五年十二月獲委任為執行董事。溫先生為杭州友佳精密機械有限公司工具機械部之副總經理，並由二零一一年一月一日起升任為總經理。彼負責該部門的生產及運作。溫先生於工具機業累積逾二十九年經驗。彼亦為杭州友佳精密機械有限公司、杭州友高精密機械有限公司、杭州友華精密機械有限公司及杭州友達機械科技有限公司之董事。彼於二零零三年加入本集團。

董事及高級管理人員的履歷詳情

邱榮賢先生，57歲，於二零零五年十二月獲委任為執行董事。邱先生為杭州友佳精密機械有限公司停車設備部經理，並由二零一一年一月一日起升任為協理。彼負責該部門的生產及運作。邱先生在機械及製造業累積了逾三十年經驗。彼於二零零一年加入本集團。

獨立非執行董事

顧福身先生，58歲，於二零零五年十二月獲委任為獨立非執行董事，彼亦為本公司審核委員會、薪酬委員會及提名委員會之主席。彼為一家企業財務顧問公司凱利融資有限公司之創辦人兼董事總經理，於投資銀行業及專業會計有逾二十年之豐富經驗。顧先生現為李寧有限公司、美聯集團有限公司、興達國際控股有限公司及田生集團有限公司（全為聯交所主板上市公司）之獨立非執行董事。彼為一名註冊會計師。

顧先生於二零零三年十月至二零一二年六月期間出任濰柴動力股份有限公司（聯交所主板上市公司）之獨立非執行董事。

江俊德先生，54歲，於二零零五年十二月獲委任為獨立非執行董事。江先生為本公司審核委員會、薪酬委員會及提名委員會之委員。江先生為德鎂實業股份有限公司之總經理，並由二零零零年起兼任為董事長。彼為台北市進出口商業同業公會第十七屆代表，現任為理事。

彼現為榮成紙業股份有限公司之法人董事。彼亦為中國信託商業銀行之法人董事。

彼曾於二零零三年至二零一零年二月期間出任首席財務管理顧問股份有限公司及首席創業投資股份有限公司之董事；於二零零六年至二零零九年六月期間出任毅金工業股份有限公司（臺灣證券交易所股份有限公司上櫃公司）之獨立董事；於二零零九年至二零一二年三月期間出任豐聲科技股份有限公司（臺灣證券交易所股份有限公司上市公司）之獨立董事；於二零一一年至二零一三年六月期間出任上緯企業股份有限公司（臺灣證券交易所股份有限公司上市公司）之獨立董事；於二零零一年至二零一四年十二月期間出任乾坤投資股份有限公司之董事兼總經理。

董事及高級管理人員的履歷詳情

余玉堂先生，78歲，於二零零五年十二月獲委任為獨立非執行董事，彼亦為本公司審核委員會之成員。彼曾任台灣新竹縣政府及省政府顧問。

高級管理人員

強家鑫先生，56歲，獲委任為杭州友高的製造、銷售及售後服務經理，負責國內叉車生產管理、業務、銷售及售後服務工作。強先生在一九七九年畢業於台灣復興工業專科學校機械工程系，並於二零零零年七月一日加入本集團。彼在汽車零件及叉車業有逾二十九年設計、製造及生產管理的工作經驗。

吳立城先生，53歲，獲委任為杭州友佳工具機部之售後服務部經理，並由二零一四年一月升任為協理。彼於二零零零年十月加入本集團及在工具機行業有逾三十年經驗。

葉明彬先生，47歲，獲委任為杭州友佳的副總經理，負責一般行政及管理工作。葉先生於一九九四年畢業於台灣淡江大學，獲頒會計學位。彼於二零零七年一月加入本集團前，在一九九四年至一九九八年間服務於台灣勤業會計師事務所，並在核數、會計及財務方面具有逾十七年經驗。

葉世強先生，49歲，獲委任為本公司的財務總監，負責本集團的財務及會計工作。葉先生持有香港大學社會科學學士學位。彼為特許公認會計師公會及香港會計師公會的資深會員。葉先生於二零零七年十一月加入本集團，並在企業融資、審核及會計範疇累積逾二十年經驗。

董事會報告

董事會欣然提呈其報告，連同本集團截至二零一四年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司主要從事設計及生產CNC工具機、設計及建造立體停車設備，以及設計及組裝叉車。

分類資料

本集團截至二零一四年十二月三十一日止年度按業務分類劃分之營業額及業績分析，載於綜合財務報表附註5。

業績及分派

本集團截至二零一四年十二月三十一日止年度的溢利，以及本集團於該日的業務狀況載於綜合財務報表第46至121頁。

董事會已宣派中期股息每股人民幣0.06元（相等於約0.0754港元），合共約人民幣24,190,000元（相當於約30,400,000港元），已於二零一四年十月二十二日派發予於二零一四年十月十五日名列股東名冊的股東。

董事會擬建議派發截至二零一四年十二月三十一日止年度的末期股息每股人民幣0.06元（相當於根據於二零一五年三月二十七日中國人民銀行公佈人民幣兌港元之平均中間匯率計算所得之約0.0758港元），

總額將為人民幣24,190,000元（相當於約30,560,000港元），予於二零一五年六月十日（星期三）名列本公司股東名冊之股東。但須獲股東於二零一五年五月二十九日舉行的應屆股東週年大會批准。末期股息之支付日期將於稍後公佈。

暫停辦理股份過戶

本公司於二零一五年五月二十六日（星期二）至二零一五年五月二十九日（星期五）（首尾兩天包括在內）暫停辦理股份過戶登記手續。為符合出席股東週年大會並於會上投票，所有股份過戶表格連同有關股票，最遲須於二零一五年五月二十二日（星期五）下午四時三十分前送達本公司的股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，方為有效。

本公司亦將於二零一五年六月八日（星期一）至二零一五年六月十日（星期三）（首尾兩天包括在內）暫停辦理股份過戶登記手續。為符合收取末期股息之資格，所有股份過戶表格連同有關股票，最遲須於二零一五年六月五日（星期五）下午四時三十分前送達本公司的股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，方為有效。

董事會報告

儲備

年內本公司儲備之變動載於綜合財務報表附註29。

股東週年大會

二零一五年股東週年大會將於二零一五年五月二十九日(星期五)舉行。二零一五年股東週年大會詳情載於二零一五年四月二十七日之本公司通函、股東週年大會通告及委任代表表格，隨附於二零一四年年報寄發予本公司之股東。

物業、廠房及設備

年內本集團物業、廠房及設備變動詳情，載於綜合財務報表附註15。

股本

本公司截至二零一四年十二月三十一日止年度的股本變動詳情載於綜合財務報表附註28。

銀行借貸

本集團於二零一四年十二月三十一日之銀行借貸詳情，載於綜合財務報表附註32。

董事

年內及截至本報告日期止，本公司的董事如下：

執行董事

朱志洋先生(主席)
陳向榮先生(行政總裁)
陳明河先生
溫吉堂先生
邱榮賢先生

獨立非執行董事

顧福身先生
江俊德先生
余玉堂先生

根據本公司組織章程細則(「章程細則」)第87(1)條，溫吉堂先生，江俊德先生及余玉堂先生會在即將舉行的股東週年大會上退任，並符合資格且願膺選連任。

董事會報告

獨立確認書

本公司已根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條的規定接獲各獨立非執行董事發出的年度獨立確認書。本公司認為所有獨立非執行董事均為獨立人士。

董事認購股份或債券的權利

除於二零零五年十二月二十二日採納之本公司購股權計劃外，於本年度內任何時間，任何本公司董事或高級行政人員、彼等各自之配偶或未滿18歲子女概無獲授可透過收購本公司股份或債券而獲益之任何權利，彼等亦無行使任何上述權利；本公司或其附屬公司亦無訂立任何安排，使董事可透過收購本公司或任何其他法團之股份或債券以收購該等權利或利益。

董事的服務合約

每位執行董事已於二零一五年一月十一日與本公司簽訂服務協議，由二零一五年一月十一日起為期三年，並將於其後繼續，直至任何一方向另一方發出不少於三個月的書面通知或根據各自的服務協議所載條文予以終止為止。各執行董事或可酌情收取花紅，有關金額將參考本公司薪酬委員會的建議而釐定。

每位獨立非執行董事與本公司已訂立新的服務協議，由二零一四年一月十日開始，為期兩年，直至任何一方向另一方發出不少於三個月的書面通知予以終止為止。

本公司概無與任何擬於即將舉行的股東週年大會上膺選連任的董事訂立任何不可於一年內由本公司終止而毋須作出賠償（法定賠償除外）的服務合約。

董事會報告

董事的合約權益

除綜合財務報表附註37所載者外，各董事概無實益擁有本公司或其任何附屬公司於本年度內所訂立且與本集團業務有關連的重大合約的直接或間接重大利益。

董事於競爭業務中之權益

茲參照本公司日期為二零零五年十二月三十日之招股章程第94至106頁之相關披露及第105頁所載不競爭契約之詳情。於二零一四年十二月三十一日，董事及彼等各自之聯繫人（定義見上市規則）概無於與本集團於中國、香港及澳門之業務競爭或可能競爭之業務中擁有權益。

購股權計劃

本公司於二零零五年十二月二十二日採納購股權計劃（「該計劃」）。該計劃旨在鼓勵合資格人士於未來為集團作最大貢獻、表揚彼等過去的貢獻、吸引及與該等合資格人士（對本集團表現、增長或成功起著關鍵作用者）維持持續關係。該計劃的合資格人士包括本公司董事（包括獨立非執行董事）、本集團其他僱員、本集團的貨品或服務供應商、本集團的客戶、向本集團提供研究、開發或其他技術支援的人士或實體、本公司附屬公司的任何少數股東，以及本集團業務發展的諮詢人及任何上述人士的聯繫人。

董事會報告

該計劃之主要條款概述如下：

- (a) 因行使根據該計劃及本集團任何其他計劃授出之所有購股權而可予發行之本公司股份最高數目，不得超過本公司於股份在聯交所上市之日（即二零零六年一月十一日）已發行股本之10%（即280,000,000股股份），除非已獲得股東之批准，惟合共不得超過本公司不時已發行股份之30%。

於本報告日期，該計劃下可供發行之股份總數為28,000,000股，佔本公司股份於聯交所上市之日已發行股份之10%。

- (b) 在任何十二個月期間，行使任何合資格人士獲授之購股權時（包括已行使及未行使之購股權）所涉及之已發行及將予發行之股份總額，不得超過不時已發行股份之1%。

- (c) 根據該計劃之股份認購價乃為董事會於授出購股權時可按其絕對酌情釐定之有關價格，惟認購價將不會低於以下之最高者：(i)於董事會批准授出購股權日期（必須為營業日）（「授出日」）本公司股份在聯交所每日報價表所報之收市價；(ii)於緊接授出日前五個營業日，本公司股份在聯交所每日報價表所報之平均收市價；及(iii)本公司股份之面值。

- (d) 購股權可根據該計劃條款，由緊隨根據該計劃被視為授出或接納購股權之營業日期（「開始生效日期」）起期間內任何時間全部或部分行使，並於開始生效日期後十年內董事會可全權酌情決定之購股權屆滿日期屆滿，惟須受該計劃所載提前終止條文所規限。

董事會報告

(e) 於接納購股權後，承授人須向本公司支付1港元作為授予之代價。

(f) 該計劃將由其採納日期（即二零零五年十二月二十二日）起十年期間有效及生效。

本公司自採納該計劃以來並無授出任何購股權。

董事的股份權益

於二零一四年十二月三十一日，董事或行政總裁於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須存置的本公司登記冊所記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

1(a). 於本公司的股份、相關股份及債券之好倉

董事姓名	權益性質	證券數目及類別	持股量概約百分比
朱志洋先生	公司權益	20,000,000股	4.96%

附註：該 20,000,000 股股份由朱志洋先生持有約72.22%權益之公司金日環球投資有限公司實益擁有。

董事會報告

1(b). 於本公司之相聯法團的股份、相關股份及債券的好倉總額

董事姓名	相聯法團名稱	權益性質	證券數目及類別	持股量概約百分比
朱志洋先生	友嘉實業股份有限公司 (「友嘉實業」)	實益擁有人	24,161,347股股份	15.35%
朱志洋先生(附註1)	友嘉實業	配偶權益	4,201,925股股份	2.67%
陳向榮先生	友嘉實業	實益擁有人	2,994,841股股份	1.90%
朱志洋先生	友迦工業股份有限公司 (附註3)	實益擁有人	21,988股股份	0.22%
朱志洋先生(附註2)	友迦工業股份有限公司 (附註3)	配偶權益	21,988股股份	0.22%
朱志洋先生	佑泰興實業股份有限公司 (附註3)	實益擁有人	1,000股股份	0.01%

董事會報告

董事姓名	相聯法團名稱	權益性質	證券數目及類別	持股量概約百分比
朱志洋先生 (附註4)	佑泰興實業股份有限公司 (附註3)	配偶權益	1,000股股份	0.01%
朱志洋先生 (附註5)	友嘉國際股份有限公司 (附註3)	配偶權益	14,700股股份	0.59%
陳向榮先生	友嘉國際股份有限公司 (附註3)	實益擁有人	2,940股股份	0.12%
朱志洋先生	Fair Fine (Hongzhou) Industrial Co., Ltd. (附註3)	實益擁有人	750股股份	0.03%
陳向榮先生	Fair Fine (Hongzhou) Industrial Co., Ltd. (附註3)	實益擁有人	750股股份	0.03%

董事會報告

附註：

1. 朱志洋先生（「朱先生」）之配偶王紫緹女士（前稱王錦足）（「王女士」）持有友嘉實業4,201,925股（佔已發行股本2.67%），故根據證券及期貨條例，朱先生被視為於王女士所持的友嘉實業所有股份中擁有權益。
2. 王女士持有友迦工業股份有限公司21,988股（佔已發行股本0.22%），故根據證券及期貨條例，朱先生被視為於王女士持有的友迦工業股份有限公司所有股份中擁有權益。
3. 該等公司為友嘉實業的非全資附屬公司，故根據證券及期貨條例為本公司的相聯法團。
4. 王女士持有佑泰興實業股份有限公司1,000股（佔已發行股本0.01%），故根據證券及期貨條例，朱先生被視為於王女士所持有的佑泰興實業股份有限公司所有股份中擁有權益。
5. 王女士持有友嘉國際股份有限公司14,700股（佔已發行股本0.59%），故根據證券及期貨條例，朱先生被視為於王女士所持有的友嘉國際股份有限公司所有股份中擁有權益。

除上文所披露者外，於二零一四年十二月三十一日，本公司董事或高級行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置的登記冊，或根據標準守則須知會本公司及聯交所的任何權益。

2. 於本公司及其相聯法團的股份、相關股份及債券中的淡倉總額

於二零一四年十二月三十一日，本公司董事或高級行政人員概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置的登記冊或根據標準守則須知會本公司及聯交所的任何淡倉。

主要股東

於二零一四年十二月三十一日，每位人士（本公司董事或高級行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉如下：

董事會報告

1. 於本公司股份及相關股份的好倉總額

股東名稱	權益性質	所持普通股數目	約佔本公司 已發行股本的 百分比
友佳實業(香港)有限公司 (「友佳實業香港」)	實益擁有人	232,000,000股股份 (附註)	57.54%
友嘉實業	受控制公司的權益	232,000,000股股份 (附註)	57.54%

附註：友嘉實業擁有友佳實業香港約99.99%權益，故根據證券及期貨條例，友嘉實業被視為於友佳實業香港所持有的232,000,000股本公司股份中擁有權益。

除上文所披露者外，於二零一四年十二月三十一日，根據證券及期貨條例第336條規定須予存置的本公司登記冊所記錄，並無其他人士於本公司股份或相關股份中擁有權益或淡倉。

董事會報告

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載的標準守則。經本公司作出查詢後，所有董事已確認於截至二零一四年十二月三十一日止年度，其已遵守標準守則所載有關董事進行證券交易的標準規定。

薪酬政策

成立薪酬委員會旨在根據本集團之經營業績、個人表現及比較之市場慣例，檢討本集團之薪酬政策及全體董事及高級管理層之薪酬架構。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵，該計劃詳情載於上述購股權計劃內。

董事及五位最高薪人士之酬金

本集團董事及五位最高薪人士之酬金詳情載於綜合財務報表附註8。

關連人士交易及關連交易

有關年度關連人士交易之詳情載於綜合財務報表附註37。根據上市規則第14A.73條，有關年度不獲豁免之關連人士交易，包括關連交易或持續關連交易已在下列披露。本集團已就該等交易遵守上市規則第14A章所載之要求。

不獲豁免持續關連交易

1. 於二零一一年五月十九日之公告及二零一一年五月二十四日之通函所載，本公司已於二零一一年五月十九日與友嘉實業訂立：(a) 零部件協議（「零部件協議」），據此，由二零一一年六月二十三日起三年，本公司（及／或指定允許公司）（「本公司有關方」）同意向友嘉實業（及／或指定允許公司）（「友嘉有關方」）供應CKD零部件，而友嘉有關方同意向本公司有關方供應CKD零部件；及(b) 工具機協議（「工具機協

董事會報告

議」)，據此，由二零一一年六月十五日起三年，本公司有關方可向友嘉有關方購買，並有權於中國、香港及澳門（「銷售地區」）以獨家形式銷售，及友嘉有關方須應本公司有關方之要求，向本公司有關方供應並授權本公司有關方於銷售地區以獨家形式銷售，指定CNC工具機。

於二零一四年五月二十二日之公告及二零一四年六月六日之通函所載，本公司已於二零一四年五月二十二日與友嘉實業訂立協議以重續零部件協議（「**重續零部件協議**」）及工具機協議（「**重續工具機協議**」），由二零一四年六月二十七日起為期三年。

由於友嘉實業為本公司控股股東，故為本公司之關連人士。零部件協議，工具機協議，重續零部件協議及重續工具機協議下之交易構成持續關連交易，須遵守上市規則第14A章下的申報、公佈、取得獨立股東批准及年度審核之規定。

批准零部件協議及工具機協議的決議案、其項下擬進行之交易及有關年度上限已於二零一一年六月十五日之股東特別大會上獲本公司獨立股東通過。根據零部件協議，於二零一四年一月一日至六月二十二日期間本公司有關方向友嘉有關方供應CKD零部件及本公司有關方向友嘉有關方購買CKD零部件之年度上限分別為人民幣1,300,000元及人民幣235,600,000元。而根據工具機協議，於二零一四年一月一日至六月二十二日期間本公司有關方向友嘉有關方購買CNC工具機之年度上限為人民幣91,700,000元。

批准重續零部件協議及重續工具機協議的決議案、其項下擬進行之交易及有關年度上限已於二零一四年六月二十七日之股東特別大會上獲本公司獨立股東通過。根據重續零部件協議，於二零一四年六月二十七日至十二月三十一日期間本公司有關方向友嘉有關方供應CKD零部件及本公司有關方向友嘉有關方購買CKD零部件之年度上限分別為人民幣2,420,000元及人民幣

董事會報告

58,070,000元。而根據重續工具機協議，於二零一四年六月二十七日至十二月三十一日期間本公司有關方向友嘉有關方購買CNC工具機之年度上限為人民幣62,680,000元。

2. 於二零一四年七月九日之公告及二零一四年七月二十二日之通函所載，FFG Werke及天盛已於二零一四年七月九日訂立擔保促成契約（「擔保促成契約」），據此FFG Werke可於二零一四年八月六日至緊接其後12個月屆滿日期之前當日期間，要求天盛（而天盛可酌情決定）就FFG Werke集團（「FFG Werke集團」）任何成員公司由FFG Werke集團及其客戶訂立之銷售合約促成出具以客戶為受益人而最高總金額為10,600,000歐元之銀行擔保。

由於FFG Werke為本公司控股股東及關連人士友嘉實業之聯繫人，故為本公司之關連人士。擔保促成契約下之交易構成持續關連交易，須遵守上市規則第14A章下的申報、公佈、取得獨立股東批准及年度審核之規定。批准擔保促成契約的決議案、其項下擬進行之交易已於二零一四年八月六日之股東特別大會上獲本公司獨立股東通過。

本公司獨立非執行董事已審閱零部件協議，工具機協議、重續零部件協議，重續工具機協議及擔保促成契約及其項下於本年度進行之交易並確定有關交易：

- (i) 按本集團一般及正常業務訂立；
- (ii) 以一般商業條款進行；

董事會報告

- (iii) 根據零部件協議、工具機協議、重續零部件協議、重續工具機協議及擔保促成契約之相關條款進行，乃公平及合理並符合本公司股東整體利益；及
- (iv) 年度合計總額不超過相關年度上限。

本公司之核數師已就上市規則第14A.56條向本公司之董事會確認彼之調查結果。

優先購買權

章程細則或開曼群島（為本公司註冊成立之司法管轄區）法例均無規定本公司須按比例向本公司之現有股東提呈發售新股份之優先購買權條文。

購買、贖回或出售本公司上市證券

本公司及其附屬公司於截至二零一四年十二月三十一日止年度內概無購買、贖回或出售任何本公司上市證券。

主要客戶及供應商

年內，本集團首五大客戶佔本集團總營業額約13.97%，而最大客戶佔本集團總營業額約6.41%。五大供應商於本年度佔本集團總採購額約28.68%，而最大供應商約佔本集團總採購額約15.16%。

概無董事或其聯繫人於任何上述客戶或供應商持有權益。

於本年度，就本公司董事所知，除友佳實業香港及友嘉實業為本集團上述五大供應商之外，並沒有擁有5%以上本公司股份之股東於上述本集團之客戶或供應商持有任何權益。

董事會報告

足夠公眾持股量

根據本公司公開所得的資料及就本公司董事所知，於本報告日期，本公司已發行股本之最少25%由公眾股東持有。

審核委員會及年度業績審閱

本公司成立審核委員會（「審核委員會」），其書面職權範圍符合上市規則附錄十四所載之《企業管治守則》的規定。審核委員會的主要職責為檢討及監管本集團的財務匯報程序及內部監控系統。審核委員會的成員包括三位獨立非執行董事，即顧福身先生（為主席）、江俊德先生及余玉堂先生。審核委員會已與管理層共同審閱本集團截至二零一四年十二月三十一日止年度的綜合財務報表。

企業管治

有關本公司所採納的主要企業管治常規之報告，載於第32至43頁。

五年財務概要

本集團過往五個財政年度的業績及資產與負債的概要載於122頁。

核數師

截至二零一四年十二月三十一日止年度的財務報表由本公司核數師羅兵咸永道會計師事務所（該會計師行將於二零一五年股東週年大會上依章告退，惟其符合資格且願膺選連任）進行審核。

承董事會命

友佳國際控股有限公司

主席

朱志洋

香港，二零一五年三月二十七日

企業管治報告

本公司致力維持良好之企業管治標準，並透過鞏固有效的架構，提倡資料披露之完整性、透明度及質素，藉以提高股東價值。

遵守企業管治守則

本公司已採納其企業管治常規，取自於香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載的《企業管治守則》（「企業管治守則」）的守則條文，並進行檢討及定期更新，以遵循企業管治之最新常規。於回顧年度內，本公司一直遵守企業管治守則所載之守則條文，惟偏離企業管治守則如下：

守則條文第E.1.2條規定董事會主席應出席股東週年大會，及獨立委員會（如有）的主席亦應在任何批准關連交易或任何其他須經獨立批准的交易的股東大會上回應問題。董事會主席因公務出差而未能出席二零一四年六月十三日舉行之股東週年大會，根據本公司章程細則，由執行董事邱榮賢先生擔任股東週年大會主席。三名獨立非執行董事（組成了獨立委員會）

因其他事務未能出席二零一四年八月六日舉行之股東特別大會以批准須予披露及持續關連交易及提供財務資助。

董事進行證券交易

本公司已採納上市規則附錄十所載的有關董事進行證券交易的標準守則。經本公司作出查詢後，所有董事已確認於截至二零一四年十二月三十一日止年度，其已遵守標準守則所載有關董事進行證券交易的標準規定。

董事會

董事會負責領導及監控本公司，並負責監管本集團之預算、主要政策及重大交易、財務業績、業務、策略方針及表現。董事會亦下放權力及責任予管理層，以便日常管理本集團。此外，董事會亦將各種職責分派至以下董事會各附屬委員會。該等委員會之詳情載於本報告內。

企業管治報告

董事會現時由八位董事組成，其中包括五位執行董事及三位獨立非執行董事。

執行董事

朱志洋先生 (主席)
陳向榮先生 (行政總裁)
陳明河先生
溫吉堂先生
邱榮賢先生

獨立非執行董事

顧福身先生
江俊德先生
余玉堂先生

董事會以均衡之架構組成，目的在確保整個董事會擁有穩固之獨立客觀性，其組成情況符合企業管治守則所推薦董事會成員最少須有三分之一為獨立非執行董事之做法。各董事履歷載於第14至16頁之「董事及高級管理人員的履歷詳情」一節。

董事均有足夠時間及精神以處理本集團的事務。董事每年向本公司披露其於公眾公司或組織擔任職位的數目及性質，以及其他重大承擔的職務。董事會認為執行董事及獨立非執行董事組合之比例合理及適當，並充分發揮制衡作用，以保障股東及本集團之利益。

主席及行政總裁

董事會主席及本公司行政總裁此等職位由兩名人士分別擔任，確保彼等各自之獨立性、問責性及負責制。主席朱志洋先生負責領導董事會及本集團之策略規劃。行政總裁陳向榮先生負責本集團業務之日常管理。

獨立非執行董事

三名擔任非執行董事的董事皆為獨立，並獲委任為獨立非執行董事。

企業管治報告

三位獨立非執行董事均極具才幹，在會計及金融各範疇亦擁有學術及專業資格。加上他們在各行業所累積之經驗，對董事會有效地履行其職責方面提供強大的支持。其中顧福身先生擁有上市規則第3.10(2)條規定之適合專業資格及會計及有關財務專業知識。各獨立非執行董事已向本公司發出年度獨立確認書，而本公司認為彼等各自均屬上市規則第3.13條項下之獨立人士。

三位獨立非執行董事之特定任期為兩年，並須根據章程細則之規定最少每三年輪值告退一次。

董事會的職責

董事會制定企業策略、批核整體業務計劃以及評估本公司之財務表現及管理。董事會授權本集團管理層進行之具體工作，包括執行董事會批准之策略；監察經營預算；執行內部監控程序；以及確保本集團符合有關法定要求及其他規則及規例。

企業管治職能

董事會亦負責履行下列企業管治職責：

1. 制定及檢討本公司之企業管治政策及常規，並且提出建議；
2. 檢討及監察董事及高級管理人員之培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
4. 制定、檢討及監察僱員及董事之操守準則及合規手冊（如有）；及
5. 根據上市規則附錄十四檢討本公司遵守企業管治守則之情況及在企業管治報告書內之披露。

企業管治報告

董事培訓

根據董事們向本公司提供的培訓紀錄，於二零一四年董事有參與以下培訓：

董事	培訓類型
執行董事	
朱志洋	A, B
陳向榮	A, B
陳明河	A, B
溫吉堂	A, B
邱榮賢	A, B
獨立非執行董事	
顧福身	A, B
江俊德	A, B
余玉堂	A, B

A: 出席研究會及／或會議／或論壇

B: 閱讀資訊、報紙、雜誌和有關董事責任、經濟、金融、投資及本公司業務之資料

董事會會議次數及出席率

董事會每年最少舉行四次定期會議，並在有需要的情況下舉行會議。於截至二零一四年十二月三十一日止年度，董事會共舉行四次會議，以下董事之出席率如下：

董事	出席率
朱志洋先生	2/4
陳向榮先生	2/4
陳明河先生	2/4
溫吉堂先生	2/4
邱榮賢先生	3/4
顧福身先生	3/4
江俊德先生	4/4
余玉堂先生	3/4

董事已於每次董事會會議前收到會議的決策議程及會議記錄之詳情。

董事會會議記錄由公司秘書保存，並可供董事查閱。每位董事會成員均有權查閱董事會文件及相關資料，並可隨時獲公司秘書提供意見及服務，以及於有需要時尋求外部專業意見。

本公司已就針對其董事之相關法律行動，安排適當之保險保障。

企業管治報告

審核委員會

本公司已成立審核委員會（「審核委員會」），並遵循企業管治守則以書面制訂職權範圍。審核委員會由三位獨立非執行董事組成，即顧福身先生（擔任主席）、江俊德先生及余玉堂先生。

審核委員會旨在監控健全的內部監控系統的成立並維持該系統，並遵循此系統。

審核委員會主要負責就外聘核數師之委任、重聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該等核數師之辭任或罷免有關之任何事宜；審閱中期報告及年報和本集團賬目；以及監察財務申報及本集團內部監控系統是否有效。審核委員會已於本年度履行其職責並審閱本公司截至二零一四年六月三十日止六個月之未經審核財務報表。審核委員會亦已審閱截至二零一四年十二月三十一日止年度之經審核財務報表。

審核委員會已向董事會建議，於本公司應屆股東週年大會上提名執業會計師羅兵咸永道會計師事務所續任為本公司之核數師。

會議次數及出席率

於二零一四年度，審核委員會會面三次，本公司管理層及外聘核數師在合適情況下均有出席。有關審核委員會成員的會議出席詳情載列如下：

成員姓名	出席率
顧福身先生	3/3
江俊德先生	3/3
余玉堂先生	3/3

董事提名

在考慮提名新董事時，董事會將考慮候選人之資歷、能力、工作經驗、領導能力及專業道德，尤其是彼等於機械工程行業及／或其他專業範疇之經驗。

企業管治報告

本公司已成立提名委員會（「提名委員會」），並遵循企業管治守則以書面制訂職權範圍，成員包括兩位獨立非執行董事，分別為顧福身先生（擔任主席）及江俊德先生，以及一位執行董事，即陳向榮先生。

提名委員會之功能為檢討及監督董事會之架構、規模及組成；物色合資格人士出任董事會成員；評估獨立非執行董事之獨立性，以及向董事會就委任及重選董事作出推薦建議。

年內及本報告日期前，董事概無任何變動。提名委員會認為現有董事會規模足以應付現時運作。此外，提名委員會已審閱及確信所有獨立非執行董事之獨立性。

根據章程細則，三分之一董事將於本公司應屆股東週年大會上退任。根據章程細則第87(1)條，溫吉堂先生、江俊德先生及余玉堂先生將於本公司應屆股東週年大會輪值告退，惟合資格並願意膺選連任。

會議次數及出席紀錄

提名委員會於截至二零一四年十二月三十一日止年度舉行一次會議，其出席詳情如下：

成員姓名	出席率
顧福身先生	1/1
江俊德先生	1/1
陳向榮先生	1/1

董事會成員多元化政策

本公司於二零一三年八月訂立董事會成員多元化政策，目的是為本公司董事會成員的多元化訂立方向。

董事會明白一個多元化的董事會對於提高董事會效率及企業管治的重要性。多元化的董事會包括善用本公司董事（「董事」）的不同技能、行業知識和經驗、教育、背景和其他素質，而不會產生基於種族、年齡、性別或宗教的歧視。在決定最佳董事會組合時會考慮該等因素，並盡可能取得適當的平衡。

企業管治報告

本公司提名委員會負責物色及提名董事候選人予董事會批准；負責董事會所需的適當組合和評估董事候選人的經驗、專業知識、技能和董事會所需的多元化因素；以及監督董事會的繼任。提名委員會負責審查及向董事會報告有關董事會成員的多元化事宜。

董事的任命將根據候選人的優點及其他客觀標準作出，充分考慮該等因素對於董事會成員多元化的好處。候選人加入董事會時，會按照候選人所需的知識、經驗、技能、教育背景及其他素質來考慮。最終的決定將會取決於候選人的優點和將會為董事會作出的貢獻。

目前，提名委員會尚未就實踐董事會成員多元化政策而訂定任何可計量目標。然而，提名委員會將會不時考慮及檢討董事會成員多元化政策以及訂定任何可計量目標。

董事薪酬

本公司已成立薪酬委員會（「薪酬委員會」），並遵循企業管治守則以書面制訂職權範圍，成員包括兩位獨立非執行董事，分別為顧福身先生（擔任主席）及江俊德先生，以及一位執行董事，即陳向榮先生。

薪酬委員會之功能為制定及檢討董事及高級管理層之薪酬政策及架構。

會議次數及出席紀錄

薪酬委員會於截至二零一四年十二月三十一日止年度舉行一次會議以審閱本公司各董事及高級管理層的現有薪酬，其出席詳情如下：

成員姓名	出席率
顧福身先生	1/1
江俊德先生	1/1
陳向榮先生	1/1

企業管治報告

薪酬政策

薪酬委員會根據僱員之貢獻、資格及能力決定本集團僱員之薪酬政策。

薪酬委員會根據本公司以往業績、董事個別表現及可比較之市場數據決定董事之薪酬。每名執行董事有權分別支取底薪。此外，每名執行董事亦有權收取董事酌情發放之花紅，惟不可超逾本集團於有關財政年度之經審核綜合純利之2%。此金額須由審核委員會批准。有關董事薪酬詳情載於綜合財務報表附註8。

本公司於二零零五年十二月二十二日採納一項購股權計劃。購股權計劃目的讓董事會向特選之合資格人士授出購股權，以鼓勵及致力提升彼等之表現及效率，以符合本集團利益。購股權計劃之詳情載於董事會報告內之購股權計劃。

高級管理人員之薪酬

按等級劃分，高級管理人員於截至二零一四年十二月三十一日止年度之薪酬載列如下：

薪酬等級 (港元)	人數
少於1,000,000元	3
1,000,001元至1,500,000元	1
1,500,001元至2,000,000元	1

根據上市規則附錄十六所披露有關董事薪酬及五位最高薪僱員之進一步詳情分別載於財務報註釋8(a)及8(b)。

其他董事委員會

於本年度，一獨立董事委員會（成員包括所有三位獨立非執行董事）已就持續關連交易涉及(i)重續採購及供應零部件之框架協議；及(ii)重續獨家採購指定CNC工具機之框架協議而成立。此等持續關連交易之詳情載於本公司於二零一四年六月六日所刊發之通函。

企業管治報告

另一獨立董事委員會（成員包括所有三位獨立非執行董事）亦就須予披露及持續關連交易涉及提供財務資助而成立。此須予披露及持續關連交易之詳情載於本公司於二零一四年七月二十二日所刊發之通函。

舉行了兩次委員會會議，委員會成員均有出席。

公司秘書

本公司從外部秘書服務供應商聘請及委任其代表羅泰安先生為本公司之公司秘書。本公司公司秘書之主要聯絡人為本公司之財務總監葉世強先生。羅先生已完全符合上市規則第3.29條之相關培訓規定。

公司章程

於回顧年度內，本公司之公司章程並無任何變動。

核數師酬金

於回顧年度內，支付予／應付予本公司核數師羅兵咸永道會計師事務所之酬金載列如下：

向本集團提供的服務	已付／應付費用 千港元
核數服務	1,790
非核數服務	48

內部監控系統

董事會負責管理本集團的內部監控系統，並檢討其效用，其中包括財務、經營及合規控制等，同時致力推行有效及完善的內部監控系統，以保障股東利益及本集團資產。本年度內，本公司已聘請一專業公司協助董事會的審閱工作，對本集團內部監控系統的成效進行檢討。董事會亦有檢討有關本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工接受的訓練課程及有關預算。涵蓋所有重要監控的報告及審查結果已提交董事會及後跟進計劃已獲採納。有關檢討並無發現本集團的內部監控系統有任何重大不足。

企業管治報告

董事對財務報表之責任

董事會肩負於每個財政期間編製本公司賬目之職責，該等賬目可真實公平地反映本集團業務狀況及該期間之業績及現金流量。編製截至二零一四年十二月三十一日止年度之財務報表時，董事會已揀選及貫徹應用合適會計政策；作出審慎、公平及合理之判斷及估計，並採納持續經營基準編製有關賬目。董事會負責採取一切合理所需步驟保障本集團資產，並且防止及偵查欺詐及其他不正常情況。

與股東通訊及投資者關係

董事會深明與股東保持良好溝通尤關重要。有關本集團之資料（包括本公司之中期報告及年報、公佈及通函等）均會適時透過多種正式途徑向股東傳達。

本公司之股東大會為董事會與股東直接溝通之寶貴機會。公司鼓勵股東出席本公司之股東大會。

本公司於二零一四年六月十三日舉行股東週年大會（「二零一四年股東週年大會」）。召開二零一四年股東週年大會之通告乃載於日期為二零一四年四月三十日之通函，並連同二零一三年年報一併寄發予股東。執行董事邱榮賢先生與董事會轄下各委員會之主席顧福身先生出席二零一四年股東週年大會，以解答股東提問。其他董事因各人之其他事務未能出席二零一四年股東週年大會。

此外，本公司於二零一四年六月二十七日及二零一四年八月六日舉行股東特別大會（「股東特別大會」）以分別批准本公司之(i)持續關連交易及(ii)披露及持續關連交易。陳向榮先生出席及擔任股東特別大會主席。其他董事（除顧福身先生出席二零一四年六月二十七日股東特別大會外）因各人有其他事務未能出席股東特別大會。

主席於二零一四年股東週年大會及股東特別大會上就進行投票表決之程序作出詳盡解釋。於二零一四年股東週年大會及股東特別大會上提呈之所有決議案，均已個別獲股東以按股數投票表決方式通過。投票表決結果已於會後在聯交所及本公司網站公佈。

本公司應屆股東週年大會將於二零一五年五月二十九日舉行（「二零一五年股東週年大會」）。召開二零一五年股東週年大會之通告將根據組織章程細則及

企業管治報告

企業管治守則在可行情況下盡快登載於聯交所及本公司網站，並且連同二零一四年年報寄發予股東。

本公司致力加強與其投資者的溝通及關係。指定高級管理人員經常與機構投資者及分析員公開交流，以簡報本公司的發展。

本公司亦設有網站www.goodfriend.hk，刊載本公司的最新業務發展和營運、財務資料及消息。

股東可隨時透過公司秘書向董事會提出書面查詢及關注，公司秘書的聯絡詳情如下：

香港德輔道中317至319號
 啟德商業大廈20樓2003室
 傳真：(852) 3586 2620
 電郵：investor@goodfriend.hk

股東的權利

本公司的股東大會提供機會讓股東與董事會交流。本公司每年須於董事會決定的地點舉行股東週年大會。股東週年大會以外的每個股東大會須稱為股東特別大會（「股東特別大會」）。下文載列股東可(a)召開

股東特別大會；(b)向董事會提出查詢；及(c)於股東大會上提出動議的程序。有關程序須受本公司的組織章程細則及適用法例和規則所規限。

股東召開股東特別大會的程序：

於遞呈要求日期持有本公司繳足股本（附有權利於本公司股東大會上投票）不少於十分之一的任何一名或以上股東，於任何時候均有權向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中列明的任何事務；且有關大會須於遞呈該項要求後的兩(2)個月內舉行。

書面要求必須列明大會目的、由提出要求人士簽署及送呈至本公司的香港主要營業地點或本公司的註冊辦事處，註明收件人為本公司董事會或秘書，並且可由一名或多名要求人士各自簽署的一式多份文件組成。有關要求將由本公司的香港股份過戶登記分處核實，待其確認要求屬妥當後，本公司的秘書將促請董事會根據本公司的組織章程細則的規定，向全體登記

企業管治報告

股東發出充分通知以召開股東特別大會。相反，如有關要求經核實為不妥當，提出有關要求人士將獲告知有關結果，亦因此不會召開股東特別大會。

倘送呈有關要求起計二十一(21)日內，董事會未有召開該大會，則送呈要求人士可以同樣方式召開會議，而送呈要求人士因董事會未有召開大會而合理產生的所有開支，由本公司向送呈要求人士作出償付。

向全體登記股東發出通知以供考慮有關送呈要求人士於股東特別大會上所提呈建議的期限因建議的性質而異，詳情如下：

- 倘建議構成本公司的普通決議案，須最少發出不少於14個整日及不少於10個完整營業日的書面通知；及
- 倘建議構成本公司的特別決議案，須最少發出不少於21個整日及不少於20個完整營業日的書面通知。

於股東大會上提出議案的程序

如欲於本公司的股東大會上提出議案，股東應將已由有關股東正式簽署及載列有關要求的書面資料，遞交至本公司的香港主要營業地點，註明收件人為本公司董事會及秘書。有關要求將由本公司的香港股份過戶登記分處核實，待其確認要求屬妥當後，本公司的秘書將把有關要求轉交董事。除非股東提出的議案(a)乃根據股東召開股東特別大會的要求而提出；或(b)構成本公司的組織章程細則第61(1)條所述將在股東週年大會上審議的一般事項的一部分，否則會否在股東大會上提呈有關議案將由董事會酌情決定。

本公司股東提議某人士獲選為董事的程序，刊載於本公司的網站www.goodfriend.hk。

核數師聲明

本公司之核數師於本集團截至二零一四年十二月三十一日止年度之財務報表之核數師報告內確認彼等所承擔之責任。

香港，二零一五年三月二十七日

獨立核數師報告



羅兵咸永道

獨立核數師報告

致友佳國際控股有限公司股東

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審計列載於第46至121頁友佳國際控股有限公司(以下簡稱「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二零一四年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合全面收益表、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頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,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計對該等綜合財務報表作出意見,僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

獨立核數師報告

審計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計憑證。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在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，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計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，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一四年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，二零一五年三月二十七日

綜合全面收益表

	附註	截至十二月三十一日止年度	
		二零一四年 人民幣千元	二零一三年 人民幣千元
收益	5	1,300,119	1,350,271
收益成本	7	(955,225)	(1,040,500)
毛利		344,894	309,771
其他收入	6	33,520	28,738
分銷及銷售費用	7	(129,480)	(147,533)
行政費用	7	(99,528)	(86,025)
其他營運費用	7	(4,144)	(2,561)
營運溢利		145,262	102,390
財務費用	9	(9,174)	(7,964)
分佔合營企業虧損	19	(2,458)	(3,975)
分佔一間聯營公司的虧損	20	(8,559)	(26,321)
出售一間附屬公司及一間聯營公司的虧損		-	(9,742)
除所得稅前溢利		125,071	54,388
所得稅開支	10	(23,758)	(17,520)
本公司權益持有人應佔溢利		101,313	36,868
其他全面收益：			
其後可能重新分類至損益的項目			
分佔一間聯營公司的其他全面收益		162	3,665
貨幣換算差額	29	(3,428)	10,896
本公司權益持有人應佔年內全面收益總額		98,047	51,429
本公司權益持有人應佔每股盈利（以每股人民幣元列示）			
每股基本及攤薄盈利	12	0.25	0.09
第53至121頁的附註為該等綜合財務報表之一部分。			
股息	13	48,384	40,320

綜合資產負債表

	附註	於十二月三十一日	
		二零一四年 人民幣千元	二零一三年 人民幣千元
資產			
非流動資產			
土地使用權	14	37,538	38,481
物業、廠房及設備	15	227,448	256,100
投資物業	16	9,419	249
無形資產	17	1,696	1,458
於合營企業的投資	19	18,357	17,576
於一間聯營公司的投資	20	1,207	9,604
可供出售金融資產	23	571	571
遞延所得稅資產	33	6,144	4,520
購置廠房及設備的按金		-	1,560
		302,380	330,119
流動資產			
存貨	24	257,257	279,016
應收賬款、按金及預付款項	22	513,983	622,553
應收一名被投資方款項	23	12,525	13,988
應收客戶合約工程款項	25	32,494	24,651
應收最終控股公司款項	37	532	1,912
應收及預付同系附屬公司及最終控股公司一間聯營公司的款項	37	296	1,786
應收合營企業款項	37	891	1,498
應收一間聯營公司附屬公司款項	37	12,274	12,495
限制性銀行存款	26	134,681	60,167
初步年期超過三個月的定期存款	27	98,000	24,000
現金及現金等值物	27	262,751	211,829
		1,325,684	1,253,895
總資產		1,628,064	1,584,014
權益			
本公司權益持有人應佔權益			
股本	28	4,022	4,022
股份溢價	29	82,281	82,281
資本儲備	29	77,338	77,338
其他儲備	29	53,066	56,332
保留盈利	29	509,988	453,027
總權益		726,695	673,000

綜合資產負債表

	附註	於十二月三十一日	
		二零一四年 人民幣千元	二零一三年 人民幣千元
負債			
非流動負債			
遞延所得稅負債	33	16,118	18,775
流動負債			
應付賬款、其他應付款項及應計費用	30	410,211	449,133
應付客戶合約工程款項	25	42,800	49,959
應付最終控股公司款項	37	1,716	1,029
應付直接控股公司款項	37	3,447	2,156
應付一間同系附屬公司及最終控股公司的一間聯營公司款項	37	784	321
應付一間聯營公司的附屬公司款項	37	1,128	293
應付合營企業款項	37	76	131
即期所得稅負債		16,681	14,691
保證撥備	31	6,329	6,774
借貸	32	402,079	367,752
		885,251	892,239
總負債		901,369	911,014
總權益及負債		1,628,064	1,584,014
流動資產淨值		440,433	361,656
總資產減流動負債		742,813	691,775

第53至121頁的附註為該等綜合財務報表之一部分。

第46至121頁的財務報表已於二零一五年三月二十七日獲董事會批准及代其簽署。

朱志洋
董事

陳向榮
董事

公司資產負債表

	附註	於十二月三十一日	
		二零一四年 人民幣千元	二零一三年 人民幣千元
資產			
非流動資產			
物業、廠房及設備	15	8	21
於附屬公司的投資	18	52,837	52,837
於合營企業的投資	19	27,666	24,427
		80,511	77,285
流動資產			
應收賬款、按金及預付款項	22	14,882	18,407
應收附屬公司款項	18	331,264	331,616
受限制銀行存款	26	2,370	2,052
現金及現金等值物	27	1,784	1,618
		350,300	353,693
總資產		430,811	430,978
權益			
本公司權益持有人應佔權益			
股本	28	4,022	4,022
股份溢價	29	83,096	83,096
其他儲備	29	7,973	7,632
保留盈利	29	46,080	46,560
總權益		141,171	141,310

公司資產負債表

	附註	於十二月三十一日	
		二零一四年 人民幣千元	二零一三年 人民幣千元
流動負債			
其他應付款項及應計費用	30	13,934	20,454
借貸	32	275,706	269,214
		289,640	289,668
總負債		289,640	289,668
總權益及負債		430,811	430,978
流動資產淨值		60,660	64,025
總資產減流動負債		141,171	141,310

第53至121頁的附註為該等綜合財務報表之一部分。

第46至121頁的財務報表已於二零一五年三月二十七日獲董事會批准及代其簽署。

朱志洋
董事

陳向榮
董事

綜合權益變動表

	附註	股本 人民幣千元	股份溢價 人民幣千元	資本儲備 人民幣千元	其他儲備 人民幣千元	保留盈利 人民幣千元	總權益 人民幣千元
於二零一三年一月一日結餘		4,022	122,601	77,338	41,771	416,159	661,891
全面收益：							
年內溢利		-	-	-	-	36,868	36,868
其他全面收益：							
分佔一間聯營公司其他全面收益		-	-	-	3,665	-	3,665
貨幣換算差額		-	-	-	10,896	-	10,896
全面收益總額		-	-	-	14,561	36,868	51,429
已付股息	13	-	(40,320)	-	-	-	(40,320)
於二零一三年十二月三十一日 結餘		4,022	82,281	77,338	56,332	453,027	673,000
全面收益：							
年內溢利		-	-	-	-	101,313	101,313
其他全面收益：							
分佔一間聯營公司的 其他全面收益		-	-	-	162	-	162
貨幣換算差額		-	-	-	(3,428)	-	(3,428)
全面收益總額		-	-	-	(3,266)	101,313	98,047
已付股息	13	-	-	-	-	(44,352)	(44,352)
於二零一四年十二月三十一日 結餘		4,022	82,281	77,338	53,066	509,988	726,695

第53至121頁的附註為該等綜合財務報表之一部分。

綜合現金流量表

	附註	截至十二月三十一日止年度	
		二零一四年 人民幣千元	二零一三年 人民幣千元
經營活動產生的現金流量			
營運所得現金	34	242,521	239,799
已繳所得稅及預扣稅		(26,049)	(10,443)
經營活動所得現金淨額		216,472	229,356
投資活動產生的現金流量			
於一間合資企業的投資		(3,239)	(3,458)
可供出售金融資產投資		–	(571)
借予被投資方的貸款增加		–	(13,988)
購買物業、廠房及設備(「物業、廠房及設備」)		(4,221)	(4,802)
出售物業、廠房及設備所得款項	34	567	5,667
購買無形資產		(939)	(727)
已收利息		9,995	5,363
限制性銀行存款增加		(74,514)	(37,203)
初步年期超過三個月的定期存款增加		(74,000)	(24,000)
來自出售一間附屬公司的現金淨額		–	(2,277)
投資活動動用的現金淨額		(146,351)	(75,996)
融資活動產生的現金流量			
借貸所得款項		192,455	791,390
償還借貸		(158,128)	(796,461)
已付權益持有人股息		(44,352)	(40,320)
已付利息		(9,174)	(7,964)
融資活動動用的現金淨額		(19,199)	(53,355)
現金及現金等值物增加淨額			
年初現金及現金等值物	27	211,829	111,824
年終現金及現金等值物	27	262,751	211,829

第53至121頁的附註為該等綜合財務報表之一部分。

綜合財務報表附註

1 一般事項

友佳國際控股有限公司（「本公司」）及其附屬公司（「本集團」）從事設計及生產電腦數控工具機、立體停車設備及叉車。

本公司於開曼群島註冊成立，其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY-1111, Cayman Islands。

本公司股份自二零零六年一月十一日起於香港聯合交易所有限公司（「聯交所」）主板上市。此外，於二零一零年三月十八日已發行67,200,000個單位的台灣存託憑證（「台灣存託憑證」）於台灣證券交易所（「台灣證交所」）上市，相當於本公司67,200,000股新近發行的股份。

除另有說明者外，該等財務報表均以人民幣（「人民幣」）呈報。該等財務報表已由董事會於二零一五年三月二十七日批准刊發。

2 主要會計政策概要

編製該等綜合財務報表所採用之主要會計政策載於下文。除另有說明者外，該等政策已貫徹應用於所有呈報之年度。

2.1 編製基準

本公司綜合財務報表乃按香港財務報告準則（「香港財務報告準則」）編製。綜合財務報表已按歷史成本常規法編製。

本財政期間及比較期間的綜合財務報表根據前公司條例（香港法例第32章）編製。

編製符合香港財務報告準則的財務報表須運用若干重要會計估算，亦需管理層在應用本集團的會計政策過程中作出判斷。涉及高度判斷或複雜性之範疇，或假設及估計對綜合財務報表有重大影響之範疇於附註4中披露。

2.1.1 會計政策及披露變動

(a) 本集團採納的新訂及經修訂準則：

本集團於二零一四年一月一日或之後開始的財政年度首次採納下列準則：

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露變動 (續)

(a) 本集團採納的新訂及經修訂準則：(續)

香港會計準則第32號「金融工具：呈列」的修訂有關抵銷金融資產及金融負債。此修訂澄清，抵銷的權利不得依賴於未來事件，亦必須在日常業務過程中及當出現違約、無力償債或破產時，所有對手方均可合法強制執行。此修訂亦考慮到結算機制。此項修訂對本集團之財務報表並無重大影響。

香港會計準則第36號「資產減值」的修訂有關非金融資產可收回金額的披露。此修訂透過頒佈香港財務報告準則第13號，刪除了香港會計準則第36號包括的有關現金產生單位（「現金產生單位」）可收回金額的若干披露。

於二零一四年一月一日開始的財政年度已經生效的其他準則、修訂本及詮釋對本集團並無重大影響。

此外，按照新香港《公司條例》（第622章）第358條，該條例第9部「賬目及審核」之規定於本公司自二零一四年三月三日或之後開始的首個財政年度開始實施。本集團正在評估《公司條例》之變動對首次採用新香港《公司條例》（第622章）第9部期間之綜合財務報表所產生之預期影響。到目前為止，本集團認為不大可能構成重大影響，而僅會影響綜合財務報表內資料的呈列及披露。

(b) 尚未採納之新準則及詮釋：

多項新訂準則、對準則的修訂以及詮釋於二零一四年一月一日之後開始的年度期間生效，且未有於編製該等綜合財務報表時應用。預期該等準則、修訂及詮釋不會對本集團的綜合財務報表構成重大影響，惟下列者除外：

綜合財務報表附註

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露變動 (續)

(b) 尚未採納之新準則及詮釋：(續)

香港財務報告準則第9號「金融工具」闡述金融資產及金融負債之分類、計量及確認。香港財務報告準則第9號之完整版本於二零一四年七月頒佈。該準則取代了香港會計準則第39號中與金融工具之分類及計量相關之指引。香港財務報告準則第9號保留但簡化了混合計量模式，並確立了金融資產之三個主要計量類別：攤銷成本、按公平值透過其他全面收益列賬及按公平值透過損益列賬。分類基準視乎實體之業務模式及金融資產之合約現金流量特徵而定。股本工具投資須按公平值透過損益列賬，而初始不可撤銷地選擇在其他全面收益呈列的公平值變動不會循環入賬。目前有新的預期信貸虧損模式，取代在香港會計準則第39號中使用的已產生減值虧損模式。

至於金融負債，就指定為按公平值透過損益入賬之負債而言，除了在其他全面收益中確認本身信貸風險之變動外，分類及計量並無任何變動。香港財務報告準則第9號通過取代明確對沖成效測試，放寬對沖有效性之規定。其規定對沖項目與對沖工具之間須存在經濟關係，以及「對沖比例」須與管理層就風險管理目的實際使用之對沖比例一致。

香港財務報告準則第9號仍規定須編製同期資料，惟與現時根據香港會計準則第39號所編製者不同。該準則將於二零一八年一月一日或之後開始之會計期間生效，並可提早採納。本集團尚未評估香港會計準則第9號之全面影響。

香港財務報告準則第15號「客戶合約收益」處理收益確認，並確立向財務報表使用者報告有用資料（有關實體與客戶訂立之合約所產生之收益及現金流量之性質、金額、時間及不確定因素之資料）之原則。當客戶取得貨品或服務之控制權，並因而有能力指示貨品或服務之用途以及可從有關貨品或服務獲得利益時，即確認收益。該準則取代香港會計準則第18號「收益」及香港會計準則第11號「建築合約」及相關詮釋。該準則將於二零一七年一月一日或之後開始之年度期間生效，並可提早應用。本集團現正評估香港會計準則第15號之影響。

概無其他尚未生效之香港財務報告準則或香港（國際財務報告詮釋委員會）詮釋預期將對本集團產生重大影響。

2 主要會計政策概要 (續)

2.2 附屬公司

2.2.1 綜合基準

附屬公司指本集團對其擁有控制權之實體（包括結構性實體）。本集團對某實體擁有控制權，是指本集團透過參與該實體之業務而對該實體之可變回報承擔風險或享有權利，及能夠運用其對該實體之權力影響該等回報。附屬公司自其控制權轉移予本集團之日起綜合入賬，並於控制權終止之日停止綜合入賬。

(a) 業務合併

本集團採用收購法為業務合併列賬。收購一間附屬公司的轉讓代價為所轉讓資產、對被收購方前擁有人所承擔的負債及本集團所發行股權的公平值。所轉讓代價包括任何或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。本集團按逐項收購基準，以公平值或按非控股權益所佔被收購方可識別資產淨值已確認數額的比例，確認於被收購方之任何非控股權益。

收購相關成本於產生時列為開支。

倘分階段進行業務合併，收購方先前持有之被收購方股權於收購日期的賬面值按收購日期的公平值重新計量；因重新計量而產生的任何盈虧於損益確認。

本集團所轉讓之任何或然代價將於收購當日按公平值確認。被視為一項資產或負債之或然代價公平值其後之變動，按照香港會計準則第39號規定，於損益確認或確認為其他全面收益變動。分類為權益之或然代價毋須重新計量，而其後結算於權益入賬。

所轉讓代價、於被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公平值超過所收購可識別資產淨值之公平值之差額入賬列作商譽。倘在議價購入的情況下，所轉讓代價、已確認非控股權益及之前所持權益總額低於所收購附屬公司資產淨值之公平值，則該差額會直接於收益表內確認。

集團內公司間交易、集團公司間因交易產生之結餘及未變現收益均予以抵銷。未變現虧損亦會抵銷。附屬公司之呈報金額已作必要調整，以符合本集團之會計政策。

綜合財務報表附註

2 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 綜合基準 (續)

(b) 未導致失去控制權之附屬公司所有權權益變動

未導致失去控制權之非控股權益交易入賬列作權益交易——即以彼等為擁有人的身份與擁有人進行交易。任何已付代價之公平值與所購買相關應佔附屬公司淨資產賬面值的差額記錄為權益。向非控股權益出售的盈虧亦記錄為權益。

(c) 出售附屬公司

當本集團失去控制權時，於實體之任何保留權益按失去控制權當日之公平值重新計量，有關賬面值變動在綜合收益表確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公平值為初步賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此舉可能意味先前在其他全面收益確認之數額重新分類至損益。

2.2.2 獨立財務報表

附屬公司投資按成本扣除減值列賬。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按股息及應收款項入賬。

倘於附屬公司之投資產生之股息超過附屬公司於宣派股息期間之全面收益總額或倘該項投資於獨立財務報表內之賬面值超過被投資方資產淨值（包括商譽）於綜合財務報表內之賬面值，則於收取該等投資之股息時須對該等投資進行減值測試。

2.3 聯營公司

聯營公司乃指本集團對其有重大影響力但非控制權之所有實體，一般持有其20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益會計法，有關投資初步按成本確認，並會增減賬面值以確認投資者在收購日期後佔被投資方損益之比例。本集團於聯營公司之投資包括購入時確立之商譽。

2 主要會計政策概要 (續)

2.3 聯營公司 (續)

倘對聯營公司之擁有權權益減少但仍保留重大影響力，則只有先前已於其他全面收益內確認之按比例分佔金額，才會於適當情況下重新分類為損益。

本集團應佔收購後之溢利或虧損於收益表內確認，及其應佔收購後之其他全面收益變動於其他全面收益內確認，並對投資賬面值作出相應調整。倘本集團應佔一間聯營公司之虧損等同或超過其於該聯營公司之權益（包括任何其他無抵押應收款項），本集團不會確認進一步虧損，除非其有法定或推定責任或已替該聯營公司付款。

本集團於各報告日期釐定是否有任何客觀證據顯示於聯營公司之投資出現減值。倘出現該情況，本集團會將減值金額作為聯營公司之可收回金額與其賬面值之差額計算，並於收益表內之「分佔一間聯營公司溢利／（虧損）」確認該金額。

本集團與其聯營公司之間的上游和下游交易所產生之溢利及虧損於本集團財務報表內確認，惟僅以非相關投資者所持聯營公司的權益為限。除非有關交易有證據顯示所轉讓資產已減值，否則未變現虧損將予以抵銷。聯營公司之會計政策已於必要時作改動，以確保與本集團所採用之政策一致。

於聯營公司之股權攤薄盈虧於收益表內確認。

2.4 合營安排

截至二零一二年一月一日，本集團就所有共同安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，於共同安排的投資視乎各投資者的合約權益及責任分類為共同經營或合營企業。本集團已評估其共同安排的性質，並將其釐定為合營企業。合營企業採用權益法入賬。

根據權益會計法，於合營企業的權益初步按成本確認，並隨後作出調整以確認本集團應佔收購後溢利或虧損及其他全面收益變動。倘本集團應佔合營企業虧損等於或超過其於該等合營企業的權益（包括實質上構成本集團於該等合營企業投資淨值一部分的任何長期權益），本集團不會確認進一步虧損，除非本集團代表該合營企業承擔責任或支付款項。

本集團與其合營企業交易的未變現收益會對銷，惟以本集團所持合營企業權益為限。除非有關交易有證據顯示所轉讓資產已減值，否則未變現虧損亦將予以抵銷。合營企業之會計政策已於必要時作改動，以確保與本集團所採用之政策一致。

綜合財務報表附註

2 主要會計政策概要 (續)

2.5 分部報告

經營分部的呈報方式與向主要經營決策者提供的內部報告所採用者一致。主要經營決策者負責分配資源及評核經營分部表現，為作出策略決定的執行董事。

2.6 外幣換算

(a) 功能及呈報貨幣

本集團旗下各實體之財務報表所包括之項目，乃按該實體經營所在主要經濟環境之貨幣（「功能貨幣」）計量。該等綜合財務報表以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

(b) 交易及結餘

外幣交易採用交易日期或項目重新計量估值日期之現行匯率換算為功能貨幣。結算該等交易產生之匯兌盈虧以及將外幣計值之貨幣資產及負債按年終匯率換算產生的匯兌盈虧在綜合全面收益表內確認，但當於權益中遞延作為合資格現金流量對沖及合資格淨投資對沖的時候除外。

與借貸及現金及現金等值物有關的匯兌盈虧在綜合全面收益表內的「融資收入或成本」中呈列。所有其他匯兌盈虧在綜合全面收益表內的「其他（虧損）／收益－淨額」中呈列。

(c) 集團公司

功能貨幣有別於呈報貨幣的所有集團實體（全部均非採用嚴重通脹經濟體系的貨幣），其業績及財務狀況按下列方法換算為呈報貨幣：

- (i) 各資產負債表內的資產與負債按該結算日的收市匯率換算；
- (ii) 各綜合全面收益表內的收入及開支按平均匯率換算（除非該平均數並非交易日當時現行匯率累計影響的合理約數，在該情況下收支按交易日期的匯率換算）；及
- (iii) 所產生的所有匯兌差額於其他全面收益確認。

2 主要會計政策概要 (續)

2.6 外幣換算 (續)

(c) 集團公司 (續)

因收購海外實體而引致的商譽及公平值調整，視作為該海外實體的資產及負債，並按收市匯率換算。貨幣換算差額於其他全面收益內確認。

(d) 出售境外業務及部分出售

於出售境外業務（即出售本集團於境外業務之全部權益或導致失去對包含境外業務之附屬公司控制權的出售、導致失去對包含境外業務之合營企業共同控制權的出售，或導致失去對包含境外業務之聯營公司重大影響力的出售）時，在權益內與該項業務相關並歸屬於公司權益持有人之所有累計匯兌差額均重新分類至損益。

倘部分出售不會導致本集團失去對包含境外業務之附屬公司控制權，則按比例分佔之累計匯兌差額重新歸類為非控股權益及不會於損益確認。就所有其他部分出售（即本集團於聯營公司或合營企業之所有權益有所下降，惟不會導致本集團失去重大影響力或共同控制權）而言，按比例分佔之累計匯兌差額重新分類至損益。

2.7 土地使用權

土地使用權按成本減累計攤銷及減值虧損列賬。成本主要指自相關權利授出日期起計就使用土地的權利所支付之代價。土地使用權以直線法按權利年期50年攤銷。

2.8 物業、廠房及設備

物業、廠房及設備乃按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔之開支。

只有在與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產（如適當）。已更換部分之賬面值取消確認。所有其他維修及維護則於產生之財政期間內於綜合全面收益表內扣除。

- 樓宇	20年
- 機械及設備	10年
- 辦公及電腦設備	3至5年
- 汽車	4年

綜合財務報表附註

2 主要會計政策概要 (續)

2.8 物業、廠房及設備 (續)

資產之剩餘價值及可使用年期於各報告期末進行檢討，並於適當時作出調整。

倘資產賬面值高於其估計可收回金額時，該項資產的賬面值將即時撇減至其可收回金額 (附註2.11)。

在建工程指正在建造以供生產或自用之物業。在建工程以成本減任何已確認減值虧損列賬。在建工程於完成後及可供用於擬定用途時分類為物業、廠房及設備之適當類別。出售盈虧透過比較所得款項與賬面值釐定，並於收益表之「其他 (虧損) / 收益 - 淨額」內確認。

2.9 投資物業

為長期租金收益或資本升值或上述兩者原因而持有且並非由本集團佔用之物業，均列作投資物業。

投資物業按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購該等項目直接所佔開支。

折舊採用直線法，於其估計可使用年期20年內計算。

只有在與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產 (倘適當)。所有其他維修及維護則於產生之財政期間內於全面收益表內支銷。

若資產賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額。

出售盈虧透過比較所得款項與賬面值釐定，並於綜合全面收益表內確認。

2 主要會計政策概要 (續)

2.10 無形資產

分開購入的商標及特許權按歷史成本列示。在業務合併中購入的商標及特許權按收購日期之公平值確認。商標及許可權有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法將商標及許可權的成本分攤至其估計可使用年限10年計算。

購入電腦軟件特許權按購入及將特定軟件達致使用所產生的成本基準而撥充資本。該等成本於其估計可使用年限攤銷。

2.11 非金融資產減值

無確定使用年期(例如商譽或尚未可供使用之無形資產)之資產無須攤銷，但每年須進行減值測試。須進行攤銷的各項資產於出現事件或情況改變顯示可能無法收回賬面值時進行減值檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產公平值減銷售成本與使用價值兩者之較高者為準。就評估減值而言，資產按可獨立可識別現金流量之最低水平(現金產生單位)分類。出現減值之非金融資產(除商譽外)於各報告日期檢討是否可能撥回減值。

2.12 金融資產

2.12.1 分類

本集團將其金融資產分為貸款及應收款項及可供出售。分類視乎收購金融資產之目的而定。管理層於首次確認金融資產時決定其分類。

(a) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款，且在活躍市場並無報價的非衍生金融資產。

該等項目計入流動資產，惟到期日超過報告期末起計12個月者除外。此等貸款及應收款項歸類為非流動資產。本集團的應收款項包括資產負債表內的「應收賬款、按金及預付款項」、「應收最終控股公司款項」、「應收及預付一間同系附屬公司及最終控股公司聯營公司款項」、「應收一間聯營公司及其附屬公司款項」、「應收合營企業款項」、「限制性銀行存款」及「現金及現金等值物」(附註2.16及2.17)。

(b) 可供出售金融資產

可供出售金融資產為被指定為此類別或並無分類歸入任何其他類別的非衍生工具。除非有關投資於報告期末起計12個月內到期或管理層擬於該期間出售有關投資，否則該等資產計入非流動資產。

綜合財務報表附註

2 主要會計政策概要 (續)

2.12 金融資產 (續)

2.12.2 確認及計量

正常買賣的金融資產在交易日(本集團承諾買賣該資產的日期)確認。對於所有並非按公平值透過損益列賬的金融資產，投資初步按公平值加交易成本確認。當從投資收取現金流量的權利已到期或已轉讓，且本集團已將擁有權的絕大部分風險和回報轉讓時，即取消確認金融資產。可供出售金融資產其後按公平值列賬。非上市股權金融資產按成本間減值列賬，原因為合理公平值估計的區間過大以致公平值無法可靠計量。貸款及應收款項其後使用實際利率法按攤銷成本列賬。

2.13 抵銷金融工具

當存在合法可強制執行權利抵銷已確認金額及當有意按淨額基準償付責任或變現資產與償付負債同時發生時，金融資產及負債會抵銷及於資產負債表呈報淨金額。

2.14 金融資產減值

(a) 按攤銷成本列賬的資產

本集團於各報告期末評估是否存在客觀證據顯示一項金融資產或一組金融資產出現減值。

只有存在客觀證據顯示於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產的估計未來現金流量構成的影響可合理估計，則該項金融資產或該組金融資產會出現減值及產生減值虧損。

就貸款及應收款項而言，虧損金額乃根據資產賬面值與按金融資產原實際利率折現的估計未來現金流量(不包括尚未產生的未來信用虧損)現值兩者的差額計量。資產賬面值將予削減，而虧損金額則在綜合收益表確認。倘貸款或持至到期投資附帶浮動利率，計量任何減值虧損之折現率為按合同釐定之當前實際利率。在實際應用中，本集團可利用可觀察市場價格按工具的公平值計量減值。

倘減值虧損數額於往後期間減少，而此項減少可客觀地與確認減值後發生的事件(例如債務人的信用評級有所改善)有關連，則先前已確認的減值虧損可在綜合收益表撥回。

2 主要會計政策概要 (續)

2.14 金融資產減值 (續)

(b) 分類為可供出售之資產

本集團於各報告期末評核是否有客觀證據證明一項或一組金融資產出現減值。就債務證券而言，本集團使用上文(a)所述的標準。對於分類為可供出售的權益投資，證券的公平值明顯或持續地跌至低於其成本亦為資產減值的證據。倘可供出售金融資產存在任何有關減值證據，累積虧損（按其收購成本與當前公平值之間的差額減去金融資產任何此前在損益中確認的減值虧損計量）會從權益轉出，並在損益內確認。權益工具在綜合收益表內確認的減值虧損不得透過綜合收益表轉回。倘於其後期間，分類為可供出售的債務工具的公平值增加，並且該增加客觀上與減值虧損於損益確認後發生的事項有關，則減值虧損透過綜合收益表轉回。

2.15 存貨

存貨按成本或可變現淨值兩者之較低者列賬。成本以加權平均法計算。製成品及在製品之成本包括原材料、直接勞工、其他直接成本及相關生產開支（根據正常運作能力），惟不包括貸款成本。可變現淨值乃按正常業務過程中之估計售價減去適用變動銷售開支計算。

2.16 貿易應收賬款及其他應收款項

貿易應收賬款乃就日常業務過程中出售商品或履行服務而應收客戶的款項。倘貿易應收賬款及其他應收款項預期於一年或一年以內（或如屬較長時間，則以一般營運業務週期為準）收回，則分類為流動資產，否則呈列為非流動資產。

貿易應收賬款及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本減去減值撥備計算。

2.17 現金及現金等值物

在綜合現金流量表內，現金及現金等值物包括手頭現金、可隨時提取的銀行存款及原始投資期限不超過三個月、流動性強的其他短期投資。

綜合財務報表附註

2 主要會計政策概要 (續)

2.18 股本

普通股分類為權益。

直接歸屬於發行新股份的新增成本在權益中列為所得款項的減項(扣除稅項)。

2.19 貿易應付賬款

貿易應付賬款乃就日常業務過程中購買供應商提供的產品或服務而應支付款項的責任。倘應付賬款的支付日期在一年或以內(或如屬較長時間,則以一般營運業務週期為準),則分類為流動負債,否則呈列為非流動負債。

貿易應付賬款初步按公平值確認,及隨後使用實際利率法按攤銷成本計量。

2.20 借貸

借貸初步按公平值減產生之交易費用確認,其後按攤銷成本計量。所得款項(經扣除交易費用)與贖回價值之間的差額使用實際利率法於借貸期間內在收益表確認。

在貸款很有可能部分或全部提取的情況下,就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下,該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款很有可能部分或全部提取的情況下,該費用撥充資本作為流動資金服務的預付款項,並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債務結算日期延遲至報告期末後至少12個月,否則借貸將劃分為流動負債。

2.21 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經較長一段時間處理以作其預定用途或銷售的資產)的一般及特定借貸成本乃加入該等資產的成本內,直至資產大致上備妥供作其預定用途或銷售為止。

所有其他借貸成本於產生期間內在損益確認。

2 主要會計政策概要 (續)

2.22 即期及遞延所得稅

期間的稅項開支包括即期稅項及遞延稅項。稅項乃於收益表內確認，惟與於其他全面收益或直接於權益確認的項目有關的稅項除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

(a) 即期所得稅

即期所得稅開支根據本公司附屬公司、聯營公司及合營企業經營業務及產生應課稅收入所在國家於結算日已頒佈或實質頒佈的稅法計算。管理層會就對適用稅項法規作出詮釋的情況定期評估報稅中的稅務狀況，並在恰當時按預期須向稅務機關繳納的金額設定撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅採用負債法就資產及負債的稅基與資產及負債在綜合財務報表內的賬面值之間產生的暫時性差額進行確認。然而，遞延稅項負債若產生自初步確認商譽則不予確認，若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初步確認，而在交易時不影響會計處理或應課稅盈虧，則不予列賬。遞延所得稅採用在結算日前已頒佈或實質頒佈並預期在有關遞延所得稅資產變現或遞延所得稅負債結算時適用的稅率（及法例）釐定。

遞延所得稅資產僅於有日後應課稅溢利可供抵銷暫時性差額時，方予以確認。

外部基準差異

遞延所得稅負債按投資附屬公司、聯營公司及合營安排所產生之應課稅暫時性差額作出撥備，惟撥回暫時性差額之時間可受本集團控制，且暫時性差額可能不會於可預見未來撥回之遞延所得稅負債除外。一般而言本集團無法控制聯營公司的暫時性差額的撥回。僅當在訂立有關安排的情況下，本集團才能夠控制撥回未確認的暫時性差額。

僅於暫時性差額於日後有可能撥回及日後有足夠應課稅溢利可供抵銷暫時性差額時，方就投資附屬公司、聯營公司及合營安排所產生之可抵扣暫時性差額確認遞延稅項資產。

綜合財務報表附註

2 主要會計政策概要 (續)

2.22 即期及遞延所得稅 (續)

(c) 抵銷

當有合法可強制執行權利將即期稅項資產與即期稅項負債相抵銷，且遞延所得稅資產及負債與同一稅務機關對同一應繳稅實體或者不同應繳稅實體徵收的所得稅有關，且有意按淨額將結餘結算，則可將即期所得稅資產與負債相互抵銷。

2.23 僱員福利

(a) 僱員休假權利

僱員享有年假之權利在僱員應享有時確認，並會因應僱員於截至結算日止提供服務而應享之年假之估計負債而作出撥備。

(b) 退休金責任

本集團於香港根據強制性公積金計劃（「強積金」）條例向定額供款退休計劃供款，該等計劃的資產一般由獨立受託人管理之基金持有。退休金計劃的資金一般來自僱員及本集團支付的款項。本集團向定額供款退休計劃作出的供款會於產生時支銷。

本集團亦向中國內地市政府設立的僱員退休計劃供款。市政府承諾承擔本集團現時及日後所有退休僱員的退休福利責任。向此等計劃作出的供款會於產生時在綜合全面收益表扣除。

(c) 花紅計劃

於結算日起計十二個月內悉數到期的花紅計劃撥備於合約上有責任或過往慣例訂有推定責任時確認。

2.24 政府補貼

倘可合理地保證本集團將會收到補貼及本集團將符合所有附帶條件，則政府補貼按公平值確認。與成本有關之政府補貼遞延入賬，並於將補貼與彼等擬補償之成本匹配所需之期間內於綜合全面收益表內確認。

2 主要會計政策概要 (續)

2.25 撥備

如本集團因過往事件須承擔現時法定或推定責任，而履行該責任可能須動用資源及該責任所涉及的金額能可靠地估計時，則須確認撥備。毋須就未來經營虧損確認撥備。

如出現多項類似責任，則履行該等責任是否須動用資源乃經考慮該等責任的整體類別後釐定。即使同類別責任中任何一項可能須動用資源的機會不大，但仍會確認撥備。

撥備利用反映目前市場對貨幣時間價值的評估及責任的特定風險的除稅前利率，按預計須用作履行責任的支出的現值計量。由於時間流逝導致的撥備增加，會確認為利息支出。

2.26 收益確認

收益包括本集團在正常業務過程中出售貨品及服務的已收或應收代價的公平值。收益在扣除增值稅、退貨、回佣及折扣以及對銷本集團內部銷售後列賬。

當收益的金額能夠可靠計量，未來經濟利益有可能流入有關實體，而本集團各相關業務符合下述特定條件時，本集團將確認收益。本集團會根據其過往業績並考慮客戶類別、交易種類和各項安排的特質作出估計。

- (a) 工具機及叉車銷售於貨品交付及所有權轉移時確認入賬。
- (b) 為合約客戶建造停車設備之收入依據合約完成的百分比確認入賬，惟直至完成合約前的收益、產生的成本及估計成本必須能可靠地計量。完成合約的百分比藉著參照至今產生的成本對比根據合約所導致的總成本來釐定。可預見虧損在管理層預計會出現時便即時作出撥備。
- (c) 利息收入使用實際利率法確認。當應收款項出現減值，本集團將其賬面值減至其可收回數額（即估計未來現金流量按工具的原定實際利率折現），並繼續將折現的金額作為利息收入入賬。減值應收款項的利息收入使用原定實際利率確認。

綜合財務報表附註

2 主要會計政策概要 (續)

2.26 收益確認 (續)

- (d) 維修收入於提供服務時確認。
- (e) 投資物業所得的租金收入於租賃期內按直線法於收益表確認。

2.27 停車設備合約

倘若停車設備建造合約的結果能可靠地估算，則於結算日參照合約活動之完成階段確認收益及成本，此乃按工程進行至今所產生的合約成本與估計總合約成本的比例計量。合約工程、申索及獎勵款項的變動會按與客戶所協定者計算在內。

倘不能可靠地估計停車設備建造合約的結果，則合約收益會按所產生而將有可能收回的合約成本確認。合約成本會於產生的期間確認為開支。

倘總合約成本有可能超出總合約收益，則預期之虧損即時確認為開支。

倘由產生時起計至今所產生的合約成本加已確認溢利及減去已確認虧損後，超逾按進度開發賬單的數額，則盈餘會列為應收客戶合約工程款項。倘按進度開發賬單的數額超逾至今所產生的合約成本加已確認溢利減已確認虧損，則盈餘會列為應付客戶合約工程款項。有關工程進行前已收取的款項計入綜合資產負債表之負債項下，並入賬列為應付客戶合約工程款項。就已進行工程已開發賬單而客戶尚未支付的款項計入綜合資產負債表之應收客戶合約工程款項。

2.28 經營租賃

資產所有權的大部分風險及回報由出租人保留的租賃，均歸類為經營租賃。根據經營租賃支付的款項（扣除出租人給予的任何獎勵）於租賃期內以直線法從收益表中扣除。

2.29 股息分派

分派予本公司股東的股息於股息經本公司股東或董事（如適用）批准的期間內，於本集團及本公司的財務報表中確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團業務涉及多項財務風險：外匯風險、利率風險、信貸風險及流動資金風險。本集團之整體風險管理計劃特別注意金融市場無法預計之特點，並尋求盡量降低對本集團財務表現之潛在不利影響。

(a) 外匯風險

本集團及本公司主要面臨港元、美元及歐元兌人民幣產生之外匯風險。此外匯風險因未來商業交易或已確認資產及負債以實體功能貨幣人民幣以外之貨幣列值而產生。本集團透過定期檢討本集團的外匯風險淨額管理其外匯風險，及並無對其外匯風險進行對沖。

本集團

於二零一四年十二月三十一日，倘人民幣兌港元升值／貶值5%（二零一三年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣3,382,000元（二零一三年：增加／減少約人民幣4,403,000元）。

於二零一四年十二月三十一日，倘人民幣兌美元升值／貶值5%（二零一三年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣13,444,000元（二零一三年：增加／減少約人民幣11,070,000元）。

於二零一四年十二月三十一日，倘人民幣兌歐元升值／貶值5%（二零一三年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣1,200,000元（二零一三年：增加／減少約人民幣966,000元）。

本公司

於二零一四年十二月三十一日，倘人民幣兌港元升值／貶值5%（二零一三年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣2,521,000元（二零一三年：增加／減少約人民幣3,415,000元）。

於二零一四年十二月三十一日，倘人民幣兌美元升值／貶值5%（二零一三年：5%），而所有其他變量保持不變，年內溢利將增加／減少約人民幣9,200,000元（二零一三年：增加／減少約人民幣8,157,000元）。

綜合財務報表附註

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 外匯風險 (續)

本公司 (續)

於二零一四年十二月三十一日，倘人民幣兌歐元升值／貶值5% (二零一三年：5%)，而所有其他變量保持不變，年內溢利將增加／減少約人民幣583,000元 (二零一三年：增加／減少約人民幣275,000元)。

此外，將人民幣兌換為外幣須遵守中國政府頒佈的外匯管制規則及法規。

(b) 利率風險

由於本集團除銀行存款及若干銀行貸款外，並無重大的計息資產及負債，故本集團的收入及經營現金流量大致上不受市場利率變化所影響，有關詳情分別披露於附註27及附註32。

本集團

於二零一四年十二月三十一日，倘利率上升／下跌50個基點，而所有其他變量保持不變，年內除稅後溢利將減少／增加人民幣73,000元 (二零一三年：人民幣67,000元)，主要由於浮息借貸之利息開支增加／減少所致。

本公司

於二零一四年十二月三十一日，倘利率上升／下跌50個基點，而所有其他變量保持不變，年內除稅後溢利將減少／增加人民幣28,000元 (二零一三年：人民幣27,000元)，主要由於浮息借貸之利息開支增加／減少所致。

(c) 信貸風險

於二零一四年十二月三十一日，本集團面臨的最高信貸風險產生於綜合資產負債表內呈列之應收賬款及按金、應收客戶合約工程款項、應收一名被投資方、最終控股公司、一間同系附屬公司及最終控股公司一間聯營公司、一間合營企業、一間聯營公司及其附屬公司的款項以及限制性銀行存款及現金及現金等值物。

於二零一四年十二月三十一日，本公司面臨的最高信貸風險產生於本公司資產負債表內記錄之按金、應收附屬公司款項以及限制性銀行存款及現金及現金等值物。

綜合財務報表附註

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 信貸風險 (續)

為盡量減低信貸風險，本集團管理層已委託一組人員專責釐定信貸限額、信貸批核及實施監控程序，確保採取跟進行動以收回逾期債項。此外，於各結算日，本集團檢討應收各個別貿易客戶的可收回金額，以就不可收回金額作出減值虧損。

現金及現金等值物的信貸風險被視為有限，皆因對手方均為國際信貸評級機構評為至少Baa2級（二零一三年：Baa2級）的銀行。

不計所持抵押品或其他信用保證的最高信貸風險：

	本集團最高風險	
	二零一四年 人民幣千元	二零一三年 人民幣千元
與資產負債表外項目有關的信貸風險：		
— 財務擔保 (附註23)	102,703	23,673

綜合財務報表附註

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 流動資金風險

為管理流動資金風險，本集團監察及維持現金及現金等值物以及未使用信貸額度於管理層認為足以應付本集團營運所需的水平，以及減少現金流量波動之影響。於二零一四年十二月三十一日，本集團未使用由數家金融機構授出的信貸額度為人民幣692,723,000元（二零一三年：人民幣658,958,000元）。管理層監察信貸額度的運用及銀行借貸的提取，以確保符合相關貸款契諾的規定。下表根據結算日至合約到期日之餘下期間將本集團之金融負債按相關到期組別進行分析。

本集團

	三個月內 人民幣千元	三個月至一年 人民幣千元	一年至兩年 人民幣千元	兩年至五年 人民幣千元	五年以上 人民幣千元
於二零一四年					
十二月三十一日					
應付賬款、其他應付款項及 應計費用	410,211	-	-	-	-
借貸	367,718	37,002	-	-	-
應付最終控股公司款項	1,716	-	-	-	-
應付直接控股公司款項	3,447	-	-	-	-
應付一間同系附屬公司及 最終控股公司的一間聯營 公司款項	784	-	-	-	-
應付一間聯營公司的 附屬公司款項	1,128	-	-	-	-
應付一間合營企業款項	76	-	-	-	-

綜合財務報表附註

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 流動資金風險(續)

本集團

	三個月內 人民幣千元	三個月至一年 人民幣千元	一年至兩年 人民幣千元	兩年至五年 人民幣千元	五年以上 人民幣千元
於二零一三年 十二月三十一日					
應付賬款、其他應付款項及 應計費用	449,133	-	-	-	-
借貸	348,857	23,488	-	-	-
應付最終控股公司款項	1,029	-	-	-	-
應付直接控股公司款項	2,156	-	-	-	-
應付一間同系附屬公司款項	321	-	-	-	-
應付一間聯營公司的附屬公 司款項	293	-	-	-	-
應付合營企業款項	131	-	-	-	-

本公司

	三個月內 人民幣千元	三個月至一年 人民幣千元	一年至兩年 人民幣千元	兩年至五年 人民幣千元	五年以上 人民幣千元
於二零一四年 十二月三十一日					
其他應付款項及應計費用	13,934	-	-	-	-
借貸	258,838	18,358	-	-	-
於二零一三年 十二月三十一日					
其他應付款項及應計費用	20,454	-	-	-	-
借貸	254,533	18,570	-	-	-

綜合財務報表附註

3 財務風險管理 (續)

3.2 資本風險管理

本集團管理資本以確保本集團內各實體能夠以持續經營基準繼續營運，並透過優化債務及權益比例實現股東回報最大化。本集團的整體策略與過往年度維持不變。

本集團的資本結構包括債務淨額（包括銀行借貸（扣除現金及現金等值物））及本公司權益持有人應佔權益（包括實繳資本、股份溢價及儲備）。

本公司董事定期審閱資本結構。作為此審閱之一環，本公司董事評估不同部門經考慮未來擴展計劃及資金來源後而編製的年度預算。本公司董事考慮資本成本及與各類別資本相關之風險。本公司董事亦透過支付股息、發行新股份及新增債務或贖回現有債務以平衡其整體資本結構。

	二零一四年 人民幣千元	二零一三年 人民幣千元
借貸總額（附註32）	402,079	367,752
減：現金及現金等值物（附註27）	(262,751)	(211,829)
借貸淨額	139,328	155,923
總權益	726,695	673,000
總資本	866,023	828,923
資本負債比率	16%	19%

二零一四年資本負債比率下降主要由於溢利增加。

3.3 公平值估計

於二零一四年十二月三十一日，本集團及本公司並無金融工具以公平值列賬。

由於應收款項及應付款項的短期到期性質，彼等的賬面值減去減值撥備為其公平值的合理概約估計。

4 關鍵會計估算及判斷

估算及判斷會被持續評估，並根據過往經驗及其他因素進行評價，包括在有關情況下認為對未來事件屬合理的預測。

4.1 關鍵會計估算及假設

本集團就未來作出估算及假設，所得的會計估算如其定義，很少會與其實際結果相同。很有可能導致下個財政年度的資產及負債的賬面值作出重大調整的估算及假設討論如下。

(a) 建造停車設備的收益

在能夠可靠地評估停車設備建造合約的結果時，本集團會依據完成百分比的方法，透過參照工程進行至今所產生的合約成本對比估計合約總成本作計算，將相關收益確認入賬。根據各合約將予產生的估計總成本於整個合約期間定期檢討。依據完成衡量基準確認此收益。這涉及估計過程，並面臨預測未來事件附帶的風險及不明朗因素。吾等的估計受多項內部及外部因素影響，包括所建造不同停車設備的不同成本組成部分；以及本集團承造建設工程員工的效率。已確認收益及溢利於合約一路進展至完工時須予修訂。溢利估算修訂在修訂確定期間內於綜合全面收益表扣除。因此，本集團估算的任何變動將對本集團的未來經營業績構成影響。

(b) 貿易應收賬款估計減值

本集團根據對應收賬款可收回性之估算對貿易應收賬款減值作出撥備。於出現事件或情況改變顯示可能無法收回結餘時，撥備應用於應收賬款。確認應收賬款減值時須使用估算。倘預期不同於原有估算，有關差額將會影響有關估算變動所在年度之應收賬款之賬面值及減值虧損撥備。

於二零一四年十二月三十一日，本公司確認貿易應收賬款減值撥備約人民幣36,544,000元（二零一三年：人民幣21,795,000元）。

綜合財務報表附註

4 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

(c) 物業、廠房及設備的估計可使用年期及減值

本集團釐定其物業、廠房及設備的估計可使用年期。該項估計乃根據相似性質及功能的物業、廠房及設備的實際可使用年期的歷史經驗作出。倘可使用年期較之前的估計為短，則管理層會提高折舊支出，及將已報廢或出售的技術過時或非策略資產撇銷或撇減。

倘有事件或情況變動顯示機器及設備之賬面值高於其可收回金額，則就該等資產進行減值評估。可收回金額乃參考機器及設備之公平值減銷售成本或使用價值兩者中較高者而釐定。減值虧損按資產賬面值與可收回金額之差額計量。倘可收回金額少於預期，則可能產生重大減值虧損。

(d) 存貨減值撥備

本集團檢討其存貨賬面值，以確保其以成本與可變現淨值兩者中之較低者列賬。管理層運用其判斷識別滯銷及陳舊之存貨，並考慮其物理狀況、庫齡、市場狀況及同類項目之市場價格，以評估可變現淨值及作出適當之撥備。

(e) 所得稅

本集團大部分附屬公司須繳納中國之所得稅。釐定所得稅撥備時需要作出重大判斷。在日常業務過程中存在一些不能確定其最終稅項釐定的交易及計算。倘若該等事項之最終稅項結果與最初記錄之金額有差異，則有關差異將會影響作出有關釐定之財務期間的即期稅項及遞延稅項撥備。

(f) 保證撥備

本集團通常為其工具機及叉車提供一年保證。管理層根據過往之保證索償資料，以及可能顯示過往的成本資料或有異於未來索償之近期趨勢估計未來保證索償之相關撥備金額。本集團會持續檢討估計基準，並在適當情況下予以修訂。

綜合財務報表附註

5 分類資料

主要經營決策者已確定為本公司執行董事（「執行董事」）。執行董事審閱本集團的內部報告，以評估表現及分配資源。管理層根據執行董事用於作出策略決定所審議的報告釐定經營分類。

執行董事認為本集團有三個呈報分類：(1)工具機；(2)停車設備；及(3)叉車。

執行董事根據各項毛利評估經營分類的表現。

本集團並無分配經營成本或資產至其分類，因為執行董事並無使用此資料分配資源至經營分類或評估經營分類的表現。因此，本集團並無報告各呈報分類的溢利及總資產。

	工具機 人民幣千元	停車設備 人民幣千元	叉車 人民幣千元	集團總計 人民幣千元
截至二零一四年十二月三十一日止年度				
收益（均來自外部銷售）	964,771	205,808	129,540	1,300,119
收益成本	(670,124)	(167,124)	(117,977)	(955,225)
分類溢利	294,647	38,684	11,563	344,894

綜合財務報表附註

5 分類資料(續)

	工具機 人民幣千元	停車設備 人民幣千元	叉車 人民幣千元	集團總計 人民幣千元
截至二零一三年十二月三十一日止年度				
收益(均來自外部銷售)	1,001,923	202,480	145,868	1,350,271
收益成本	(742,987)	(165,012)	(132,501)	(1,040,500)
分類溢利	258,936	37,468	13,367	309,771

本集團大部分業務及資產位於中國，及本集團主要向中國市場出售產品。

6 其他收入

	二零一四年 人民幣千元	二零一三年 人民幣千元
銷售廢料	7,542	5,065
淨匯兌收益	–	3,040
政府補貼	1,550	6,619
維修收入	6,646	4,924
投資物業所得的租金收入	2,108	65
利息收入	9,995	5,363
其他	5,679	3,662
	33,520	28,738

綜合財務報表附註

7 按性質劃分的開支

	二零一四年 人民幣千元	二零一三年 人民幣千元
已售存貨成本	868,176	956,548
銷售佣金	24,461	45,876
物業、廠房及設備折舊	26,162	24,863
投資物業折舊	20	21
無形資產攤銷	415	319
土地使用權攤銷	943	943
土地及樓宇的經營租賃租金	9,102	9,762
僱員福利開支	118,908	112,588
呆壞賬撥備，淨額	15,306	2,649
存貨撥備，淨額	7,009	5,774
核數師酬金	1,410	1,578
保證撥備	6,766	4,936
產生租金收入的投資物業所產生的直接經營開支	1,938	—
出售物業、廠房及設備的虧損	296	287
淨匯兌虧損	2,849	—
研發開支*	36,691	41,697
運輸費用	13,772	13,790
其他	54,153	54,988
收益成本、分銷及銷售開支、行政開支以及其他經營開支合計	1,188,377	1,276,619

* 研發開支內已計入物業、廠房及設備的折舊、無形資產的攤銷及僱員福利開支分別人民幣1,898,000元、人民幣286,000元及人民幣11,232,000元（二零一三年：分別為人民幣2,183,000元、人民幣356,000元及人民幣11,116,000元）。

綜合財務報表附註

8 僱員福利開支（包括董事酬金）

	二零一四年 人民幣千元	二零一三年 人民幣千元
工資及薪金	82,483	79,217
花紅	23,927	21,225
福利及其他津貼	19,498	13,686
退休成本—定額供款計劃	4,232	9,576
	130,140	123,704

(a) 董事酬金

各名董事之酬金載列如下：

截至二零一四年十二月三十一日止年度

	朱志洋# 人民幣千元	陳向榮* 人民幣千元	陳明河 人民幣千元	溫吉堂 人民幣千元	邱榮賢 人民幣千元	顧福身 人民幣千元	江俊德 人民幣千元	余玉堂 人民幣千元	總計 人民幣千元
袍金	653	653	144	144	144	200	100	100	2,138

截至二零一三年十二月三十一日止年度

	朱志洋# 人民幣千元	陳向榮* 人民幣千元	陳明河 人民幣千元	溫吉堂 人民幣千元	邱榮賢 人民幣千元	顧福身 人民幣千元	江俊德 人民幣千元	余玉堂 人民幣千元	總計 人民幣千元
袍金	180	180	144	144	144	164	82	82	1,120

主席

* 行政總裁

綜合財務報表附註

8 僱員福利開支（包括董事酬金）（續）

(b) 五名最高薪人士

本集團五名最高薪酬人士當中，無人（二零一三年：無）為本公司董事。五名（二零一三年：五名）人士的酬金如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
基本薪金及津貼	1,926	2,248
花紅	2,130	1,586
退休成本—定額供款計劃	191	106
	4,247	3,940

酬金介乎下列範圍：

酬金範圍（港元）	人數	
	人民幣千元	人民幣千元
少於1,000,000港元	3	3
1,000,001港元至1,500,000港元	1	1
1,500,001港元至2,000,000港元	1	1
2,000,001港元至2,500,000港元	—	—
2,500,001港元至3,000,000港元	—	—

截至二零一三年及二零一四年十二月三十一日止年度，本公司董事及本集團五名最高薪人士概無(i)收取本集團提供的任何酬金作為加入本集團或加入本集團時的賞金；(ii)就失去本集團任何成員公司的董事或管理層職務而收取任何補償；或(iii)放棄或同意放棄任何酬金。

綜合財務報表附註

9 財務費用

	二零一四年 人民幣千元	二零一三年 人民幣千元
利息開支：		
—須於一年內悉數償還的銀行借貸	9,174	7,964

10 所得稅開支

	二零一四年 人民幣千元	二零一三年 人民幣千元
企業所得稅	25,382	17,499
遞延稅項(附註33)	(1,624)	21
	23,758	17,520

於兩個年度內，由於本集團並無於香港產生任何應課稅溢利，因此並無就香港利得稅作出撥備。

企業所得稅(「企業所得稅」)乃就中國的企業按25%計提撥備，惟杭州友佳精密機械有限公司(「杭州友佳」)除外。於二零一四年，經有關政府機關批准，杭州友佳延續其高新技術企業稱號，可於二零一四年起計的三年期間享有15%的優惠稅率。因此，杭州友佳於二零一四年適用的稅率為15%(二零一三年：15%)。

綜合財務報表附註

10 所得稅開支(續)

本集團除稅前溢利之稅項與使用已綜合實體之溢利適用的加權平均稅率所得出之理論金額的差額如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
除所得稅前溢利	125,071	54,388
按適用於本集團主要營運實體的稅率計算的稅項	17,056	10,577
以下之稅項影響：		
不可扣稅開支	1,054	698
動用先前未確認稅項虧損	(1,152)	(372)
並無確認遞延所得稅資產之稅項虧損	2,162	1,618
未確認暫時差額	2,820	—
已呈報之聯營公司及合營企業業績(扣除稅項)	1,818	4,999
稅項支出	23,758	17,520

11 本公司權益持有人應佔溢利

於本公司財務報表處理之本公司權益持有人應佔溢利約為人民幣43,871,000元(二零一三年：虧損人民幣2,095,000元)。

12 每股盈利

每股基本盈利是按本公司權益持有人應佔溢利人民幣101,313,000元(二零一三年：人民幣36,868,000元)除以年內已發行普通股的加權平均數403,200,000股(二零一三年：403,200,000股)計算。

	二零一四年	二零一三年
每股基本及攤薄盈利(每股人民幣元)	0.25	0.09

於兩個年度內，並無具潛在攤薄效應的已發行股份。

綜合財務報表附註

13 股息

	二零一四年 人民幣千元	二零一三年 人民幣千元
已付中期股息每股普通股人民幣0.06元(二零一三年:人民幣0.05元)	24,192	20,160
建議末期股息每股普通股人民幣0.06元(二零一三年:人民幣0.05元)	24,192	20,160
	48,384	40,320

於二零一五年三月二十七日舉行之董事會會議上，董事議決就截至二零一四年十二月三十一日止年度宣派末期股息每股人民幣0.06元(二零一三年:人民幣0.05元)。此建議股息於截至二零一四年十二月三十一日止年度之綜合財務報表內未確認為應付股息。

截至二零一四年十二月三十一日止年度建議之末期股息將從本公司股份溢價賬中派發。

二零一三年及二零一四年內已支付及建議支付的總股息金額已按照香港公司條例的披露規定於綜合收益表內披露。

14 土地使用權—本集團

本集團於土地使用權的權益指於中國按10至50年的租賃持有之預付經營租賃款項，彼等的賬面淨值分析如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日	38,481	39,424
攤銷	(943)	(943)
於十二月三十一日	37,538	38,481

於二零一四年十二月三十一日，本集團抵押其賬面值約人民幣5,262,000元(二零一三年:人民幣5,394,000元)的土地使用權，以擔保其獲銀行授予的一般銀行融資(附註32)。於二零一四年十二月三十一日，本集團已動用人民幣2,896,000元(二零一三年:人民幣1,250,000元)之該等有抵押銀行融資。

綜合財務報表附註

15 物業、廠房及設備

(a) 本集團

	樓宇 人民幣千元	機器及設備 人民幣千元	辦公及 電腦設備 人民幣千元	汽車 人民幣千元	在建工程 人民幣千元	總計 人民幣千元
成本						
於二零一三年一月一日	193,932	158,484	29,738	19,042	16,909	418,105
添置	729	717	961	1,374	5,792	9,573
轉撥	5,326	–	–	–	(5,326)	–
轉撥自投資物業(附註16)	1,776	–	–	–	–	1,776
出售(附註34)	(48)	(3,010)	(848)	(1,205)	(5,000)	(10,111)
於二零一三年 十二月三十一日及 二零一四年一月一日	201,715	156,191	29,851	19,211	12,375	419,343
添置	35	3,774	674	3,597	1,381	9,461
轉撥	–	1,773	939	–	(2,712)	–
轉撥至投資物業(附註16)	(10,221)	–	–	–	–	(10,221)
出售(附註34)	–	(1,545)	(1,386)	(1,242)	–	(4,173)
於二零一四年 十二月三十一日	191,529	160,193	30,078	21,566	11,044	414,410
累計折舊及減值						
於二零一三年一月一日	38,930	71,089	18,422	11,210	–	139,651
年度撥備	9,093	12,477	2,158	3,318	–	27,046
轉撥自投資物業(附註16)	703	–	–	–	–	703
出售(附註34)	(11)	(2,445)	(731)	(970)	–	(4,157)
於二零一三年 十二月三十一日及 二零一四年一月一日	48,715	81,121	19,849	13,558	–	163,243
年度撥備	9,281	2,922	2,351	3,506	–	28,060
轉撥至投資物業(附註16)	(1,031)	–	–	–	–	(1,031)
出售(附註34)	–	(942)	(1,249)	(1,119)	–	(3,310)
於二零一四年 十二月三十一日	56,965	93,101	20,951	15,945	–	186,962
賬面淨值						
於二零一四年 十二月三十一日	134,564	67,092	9,127	5,621	11,044	227,448
於二零一三年 十二月三十一日	153,000	75,070	10,002	5,653	12,375	256,100

綜合財務報表附註

15 物業、廠房及設備(續)

(a) 本集團(續)

於「已售貨品成本」、「銷售及市場推廣開支」及「行政費用」中，已分別扣除折舊開支人民幣20,073,000元(二零一三年：人民幣20,567,000元)、人民幣1,559,000元(二零一三年：人民幣1,411,000元)及人民幣6,428,000元(二零一三年：人民幣5,068,000元)(附註7)。

綜合收益表已計入有關租賃物業的租賃租金開支人民幣9,102,000元(二零一三年：人民幣9,762,000元)(附註7)。年內，本集團訂立若干部物業、廠房及設備的新租賃協議，以出租予關聯方。因此，於改變用途當日相關物業、廠房及設備的賬面值轉撥至投資物業。

於二零一四年十二月三十一日，本集團抵押其賬面值約人民幣10,674,000元(二零一三年：無)的樓宇，以擔保其獲銀行授予的一般銀行融資(附註32)。於二零一四年十二月三十一日，本集團已動用人民幣2,896,000元(二零一三年：人民幣1,250,000元)之該等有抵押銀行融資。

於二零一四年十二月三十一日，本集團正在申請若干樓宇(總成本達人民幣99,338,000元(二零一三年十二月三十一日：人民幣99,938,000元))的房屋所有權證。

(b) 本公司

	辦公及 電腦設備 人民幣千元
成本	
於二零一三年一月一日	56
添置	10
於二零一三年十二月三十一日及二零一四年一月一日	66
添置	1
於二零一四年十二月三十一日	67
累計折舊及減值	
於二零一三年一月一日	38
年度撥備	7

綜合財務報表附註

15 物業、廠房及設備 (續)

(b) 本公司 (續)

	辦公及 電腦設備 人民幣千元
於二零一三年十二月三十一日及二零一四年一月一日	45
年度撥備	14
於二零一四年十二月三十一日	59
賬面淨值	
於二零一四年十二月三十一日	8
於二零一三年十二月三十一日	21

16 投資物業—本集團

	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日之期初賬面淨值	249	1,343
轉撥自／(至)物業、廠房及設備(附註15)	9,190	(1,073)
折舊	(20)	(21)
於十二月三十一日之期末賬面淨值	9,419	249

(a) 就投資物業於損益內確認的金額

	二零一四年 人民幣千元	二零一三年 人民幣千元
租金收入(附註6)	2,108	65
產生租金收入的投資物業所產生的直接經營開支(附註7)	(1,938)	-
	170	65

綜合財務報表附註

17 無形資產—本集團

	軟件 人民幣千元
於二零一三年一月一日	
成本	8,865
累計攤銷	(7,459)
賬面淨值	1,406
截至二零一三年十二月三十一日止年度	
期初賬面淨值	1,406
添置	727
攤銷支出(附註7)	(675)
期末賬面淨值	1,458
於二零一三年十二月三十一日	
成本	9,592
累計攤銷	(8,134)
賬面淨值	1,458
截至二零一四年十二月三十一日止年度	
期初賬面淨值	1,458
添置	939
攤銷支出(附註7)	(701)
期末賬面淨值	1,696
於二零一四年十二月三十一日	
成本	10,531
累計攤銷	(8,835)
賬面淨值	1,696

收益成本及行政費用中，已分別扣除攤銷人民幣418,000元(二零一三年：人民幣418,000元)及人民幣283,000元(二零一三年：人民幣257,000元)(附註7)。

綜合財務報表附註

18 於附屬公司的投資—本公司

	二零一四年 人民幣千元	二零一三年 人民幣千元
投資—未上市股份，按成本計：	52,837	52,837
應收附屬公司款項	331,264	331,616

應收附屬公司款項為無抵押、免息及須於要求時償還。

於二零一四年十二月三十一日，本集團的主要附屬公司如下：

名稱	註冊成立/ 經營地點	主要業務	已發行及繳足股本/ 註冊資本	持有權益
直接持有附屬公司				
永達有限公司	英屬處女群島	投資控股	普通股110美元	100%
友華控股有限公司	英屬處女群島	投資控股	普通股1,500,000美元	100%
海盛國際控股有限公司	英屬處女群島	投資控股	普通股200,000美元	100%
天盛投資有限公司	英屬處女群島	投資控股	普通股5,000,000美元	100%
佳勝集團有限公司	英屬處女群島	投資控股	普通股1美元	100%

綜合財務報表附註

18 於附屬公司的投資—本公司 (續)

名稱	註冊成立/ 經營地點	主要業務	已發行及繳足股本/ 註冊資本	持有權益
<u>間接持有附屬公司</u>				
忠盛實業有限公司	香港	閒置	普通股1港元	100%
永達香港發展有限公司	香港	投資控股	普通股1,000港元	100%
友華香港實業有限公司	香港	投資控股	普通股1,000港元	100%
海盛國際香港有限公司	香港	投資控股	普通股1,000港元	100%
天盛香港實業有限公司	香港	投資控股	普通股1,000港元	100%
杭州友佳精密機械有限公司	中國	設計及生產電腦數控加工機床、 設計及建造立體停車設備	註冊資本 11,000,000美元	100%
杭州友高精密機械有限公司	中國	設計及組裝叉車	註冊資本 10,000,000美元	100%
杭州友華精密機械有限公司	中國	設計及生產電腦數控加工機床	註冊資本 3,000,000美元	100%
杭州友達機械科技有限公司	中國	加工電腦數控加工機床	註冊資本 15,000,000美元	100%
上海友盛精密機械有限公司	中國	買賣電腦數控加工機床	註冊資本 200,000美元	100%

綜合財務報表附註

19 於合營企業的投資—本集團及本公司

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
於合營企業的投資				
年初	17,576	18,093	24,427	20,969
注入資本(附註)	3,239	3,458	3,239	3,458
分佔合營企業虧損	(2,458)	(3,975)	—	—
年終	18,357	17,576	27,666	24,427
應收合營企業款項	891	1,498	—	—

於二零一四年十二月三十一日，本公司於下列合營企業擁有直接權益：

名稱	註冊成立/ 成立日期	應佔股本權益		註冊資本	關係性質	主要業務/ 註冊成立地點及業務
		二零一四年	二零一三年			
Anest Iwata Feeler Corporation (「AIF」)	二零零九年 十一月二十三日	35%	35%	9,000,000美元	附註37	製造及銷售氣壓機和零件· 中國
Hangzhou Nippon Cable Feeler Corporation (「Nippon Cable Feeler」)	二零一零年 十月二十日	50%	50%	100,000美元	附註37	批發及出口停車設備·中國
Hangzhou Feeler Mectron Machinery Co., Ltd (「Feeler Mectron」)	二零一一年 四月十四日	45%	45%	1,110,000美元	附註37	製造及銷售加工機床及 有關產品·中國
Hangzhou Union Friend Machinery Co., Ltd. (「UFM」)	二零一三年 三月十五日	55%	55%	1,000,000美元	附註37	製造及銷售加工機床及 有關產品·中國

綜合財務報表附註

19 於合營企業的投資—本集團及本公司 (續)

附註：

於二零一四年五月，本公司向AIF注入約525,000美元（相當於人民幣3,239,000元）之額外註冊資本。AIF由本公司、第三方公司Anest Iwata Corporation（「AIC」）及本公司最終控股公司之合營企業Anest Iwata Taiwan（「AIT」）於二零零九年共同成立。於本公司作出額外資本注資後，本公司、AIC及AIT分別於AIF擁有35%、35%及30%股權。

於二零一三年三月，本公司向UFM注入約550,000美元（相當於人民幣3,458,000元）之繳足股本。UFM由本公司與高松機械工業株式會社、Yamasan鐵工株式會社及株式會社炭澤鐵工（均為第三方公司）四間公司成立。於二零一三年十二月三十一日及二零一四年十二月三十一日，各公司分別於UFM擁有55%、15%、15%及15%股權。

合營企業財務資料摘要

以下所載為採用權益法入賬的合營企業財務資料摘要。

資產負債表摘要

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		總計	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
流動										
現金	3,971	2,115	869	808	998	312	377	1,298	6,215	4,533
其他流動資產	12,979	10,312	1	1	5,551	6,838	279	161	18,810	17,312
流動資產總值	16,950	12,427	870	809	6,549	7,150	656	1,459	25,025	21,845
短期借貸	(6,084)	(5,038)	-	-	-	-	-	-	(6,084)	(5,038)
其他金融負債 (包括應付貿易款項)	(4,180)	(4,493)	(12)	(1)	(1,885)	(2,940)	418	443	(5,659)	(6,991)
流動負債總額	(10,264)	(9,531)	(12)	(1)	(1,885)	(2,940)	418	443	(11,743)	(12,029)
非流動										
資產	37,666	38,178	-	-	511	589	2,944	3,258	41,121	42,025
金融負債	(6,097)	(6,290)	-	-	-	-	-	-	(6,097)	(6,290)
非流動負債總額	(6,097)	(6,290)	-	-	-	-	-	-	(6,097)	(6,290)
資產淨值	38,255	34,784	858	808	5,175	4,799	4,018	5,160	48,306	45,551

綜合財務報表附註

19 於合營企業的投資—本集團及本公司(續)

全面收益表摘要

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		總計	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
收益	33,169	17,935	129	137	6,449	2,533	310	88	40,057	20,693
已售貨品成本	(36,153)	(23,925)	(4)	-	(5,918)	(2,667)	(872)	(542)	(42,947)	(27,134)
其他開支	(2,799)	(2,879)	(59)	(60)	(155)	(503)	(580)	(673)	(3,593)	(4,115)
除稅前溢利/(虧損)	(5,783)	(8,869)	66	77	376	(637)	(1,142)	(1,127)	(6,483)	(10,556)
所得稅開支	-	-	(16)	(5)	-	-	-	-	(16)	(5)
年內溢利/(虧損)	(5,783)	(8,869)	50	72	376	(637)	(1,142)	(1,127)	(6,499)	(10,561)
分佔合營企業溢利/(虧損)	(2,024)	(3,104)	25	36	169	(287)	(628)	(620)	(2,458)	(3,975)

所呈列財務資料摘要與其於合營企業投資的賬面值之對賬。

所呈列財務資料摘要與其於合營企業投資的賬面值之對賬。

財務資料摘要

	AIF		Nippon Cable Feeler		Feeler Mectron		UFM		總計	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
於二零一四年一月一日的期初										
資產淨值	34,784	43,653	808	736	4,799	5,436	5,160	-	45,551	49,825
注入資本	9,254	-	-	-	-	-	-	6,287	9,254	6,287
年內溢利/(虧損)	(5,783)	(8,869)	50	72	376	(637)	(1,142)	(1,127)	(6,499)	(10,561)
於二零一四年十二月三十一日的										
期末資產淨值	38,255	34,784	858	808	5,175	4,799	4,018	5,160	48,306	45,551
股本權益	35%	35%	50%	50%	45%	45%	55%	55%	-	-
於合營企業的投資	13,389	12,174	429	404	2,329	2,160	2,210	2,838	18,357	17,576
於十二月三十一日的賬面值	13,389	12,174	429	404	2,329	2,160	2,210	2,838	18,357	17,576

綜合財務報表附註

20 於一間聯營公司的投資

	二零一四年 人民幣千元	二零一三年 人民幣千元
年初	9,604	–
添置	–	32,260
分佔虧損	(8,559)	(26,321)
分佔其他全面收益	162	3,665
年終	1,207	9,604

於二零一四年十二月三十一日，本集團於下列聯營公司擁有權益：

名稱	經營地點/ 註冊成立國家	主要業務	擁有權權益%	關係性質	計量方法
二零一四年及二零一三年 十二月三十一日					
FFG Europe S.p.A. (「FFG Europe」)	意大利	製造及銷售加工機床及有關產品	30.16%	附註37	權益

FFG Europe於二零一三年一月一日完成組建，其由天盛香港實業有限公司(「天盛」)(本公司之附屬公司)、金友國際有限公司(「金友」)(由本公司最終控股公司全資擁有之附屬公司)、和騰有限公司(「和騰」)(其11.76%之已發行股本由本公司最終控股公司擁有)及Alma S.r.l.(一名獨立第三方)分別擁有約30.16%、15.05%、14.79%及40%。

本集團於FFG Europe董事會擁有兩名代表，且本集團對FFG Europe擁有重大影響力。因此，本集團於財務報表內將該項投資列賬為聯營公司。

綜合財務報表附註

20 於一間聯營公司的投資 (續)

聯營公司財務資料摘要

資產負債表摘要

	二零一四年 人民幣千元	二零一三年 人民幣千元
流動		
現金	32,989	29,794
其他流動資產	408,867	546,909
流動資產總值	441,856	576,703
短期借貸	(182,729)	(154,049)
其他金融負債(包括應付貿易款項)	(331,876)	(490,040)
流動負債總額	(514,605)	(644,089)
非流動		
資產	153,369	176,132
金融負債	(76,618)	(76,902)
資產淨值	4,003	31,844

全面收益表摘要

	二零一四年 人民幣千元	二零一三年 人民幣千元
收益	521,112	643,330
已售貨品成本	(268,077)	(375,887)
其他開支	(285,602)	(352,836)
除稅前虧損	(32,567)	(85,393)
所得稅開支	4,189	(1,877)
年內虧損	(28,378)	(87,270)
分佔一間聯營公司虧損	(8,559)	(26,321)

綜合財務報表附註

20 於一間聯營公司的投資(續)

財務資料摘要之對賬

所呈列財務資料摘要與其於一間聯營公司投資的賬面值之對賬。

財務資料摘要

	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日的期初資產淨值	31,844	-
注入資本	-	91,494
其他儲備	537	27,620
年內虧損	(28,378)	(87,270)
於十二月三十一日的期末資產淨值	4,003	31,844
股本權益	30.16%	30.16%
於一間聯營公司的投資	1,207	9,604
於十二月三十一日的賬面值	1,207	9,604

綜合財務報表附註

21 按類別劃分的金融工具—本集團及本公司

(a) 本集團

綜合資產負債表內的資產

二零一四年十二月三十一日

	貸款及應收款項 人民幣千元	可供出售 人民幣千元	二零一四年 人民幣千元
應收賬款及按金(不包括預付款項)	488,316	—	488,316
可供出售金融資產	—	571	571
應收及預付同系附屬公司及最終控股公司 一間聯營公司的款項	296	—	298
應收一名被投資方款項	12,525	—	12,525
應收最終控股公司款項	532	—	532
應收合營企業款項	891	—	891
應收一間聯營公司附屬公司款項	12,274	—	12,274
限制性銀行存款	134,681	—	134,681
現金及現金等值物(附註27)	262,751	—	262,751
初始期限超過三個月的定期存款(附註27)	98,000	—	98,000
總計	1,010,266	571	1,010,837

二零一三年十二月三十一日

	貸款及應收款項 人民幣千元	可供出售 人民幣千元	二零一三年 人民幣千元
應收賬款及按金(不包括預付款項)	603,344	—	603,344
可供出售金融資產	—	571	571
應收及預付同系附屬公司及最終控股公司 一間聯營公司的款項	1,786	—	1,786
應收一名被投資方款項	13,988	—	13,988
應收最終控股公司款項	1,912	—	1,912
應收合營企業款項	1,498	—	1,498
應收一間聯營公司附屬公司款項	12,495	—	12,495
限制性銀行存款	60,167	—	60,167
現金及現金等值物(附註27)	211,829	—	211,829
初始期限超過三個月的定期存款(附註27)	24,000	—	24,000
總計	931,019	571	931,590

綜合財務報表附註

21 按類別劃分的金融工具—本集團及本公司(續)

(a) 本集團(續)

綜合資產負債表內的負債

	按攤銷成本列賬的其他金融負債	
	二零一四年 人民幣千元	二零一三年 人民幣千元
應付賬款、其他應付款項及應計費用	410,211	449,133
應付最終控股公司款項	1,716	1,029
應付直接控股公司款項	3,447	2,156
應付一間同系附屬公司及最終控股公司的一間聯營公司款項	784	321
應付一間聯營公司的附屬公司款項	1,128	293
應付合營企業款項	76	131
借貸(附註32)	402,079	367,752
總計	819,441	820,815

(b) 本公司

資產負債表內的資產

	貸款及應收款項	
	二零一四年 人民幣千元	二零一三年 人民幣千元
應收賬款及按金(不包括預付款項)	14,655	8,694
應收附屬公司款項	331,264	331,616
限制性銀行存款	2,370	2,052
現金及現金等值物(附註27)	1,784	1,618
總計	350,073	343,980

綜合財務報表附註

21 按類別劃分的金融工具—本集團及本公司(續)

(b) 本公司(續)

資產負債表內的負債

	按攤銷成本列賬的其他金融負債	
	二零一四年 人民幣千元	二零一三年 人民幣千元
其他應付款項及應計費用	13,934	20,454
借貸(附註32)	275,706	269,214
總計	289,640	289,668

22 應收賬款、按金及預付款項—本集團及本公司

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
貿易應收賬款及應收票據	500,438	589,106	14,631	8,671
減：貿易應收賬款減值撥備	(36,544)	(21,795)	-	-
貿易應收賬款—淨額	463,894	567,311	14,631	8,671
預付款項	25,667	19,209	227	9,713
其他	24,422	36,033	24	23
應收賬款、按金及預付款項合計	513,983	622,553	14,882	18,407

本集團一般給予其客戶30至180天賒賬期。本集團亦允許客戶保留若干比例的未償還結餘作為出售產品一年保證期的保留金。

綜合財務報表附註

22 應收賬款、按金及預付款項－本集團及本公司(續)

於二零一四年及二零一三年十二月三十一日，貿易應收賬款及應收票據按到期日的賬齡分析如下：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
即期－30天	383,483	488,597	14,631	8,671
31－60天	5,141	6,679	－	－
61－90天	11,542	13,683	－	－
91－180天	20,366	21,392	－	－
180天以上	79,906	58,755	－	－
	500,438	589,106	14,631	8,671

本集團的貿易應收賬款包括總賬面值約為人民幣108,229,000元(二零一三年：人民幣110,084,000元)的應收賬款，該款項於二零一四年十二月三十一日已逾期未還，而本集團並無就此作出減值虧損撥備。經考慮該等個別貿易應收賬款的貿易關係、信用狀況及過往還款記錄後，董事認為該等尚未償還結餘將可收回。本集團並無就該等結餘持有任何抵押品。

本集團已逾期但並未減值的貿易應收賬款的賬齡分析如下：

	本集團	
	二零一四年 人民幣千元	二零一三年 人民幣千元
0－30天	21,658	27,521
31－60天	5,141	6,679
61－90天	11,542	13,683
91－180天	20,336	21,391
180天以上	49,552	40,810
	108,229	110,084

綜合財務報表附註

22 應收賬款、按金及預付款項—本集團及本公司(續)

截至二零一四年十二月三十一日，本集團為數人民幣36,544,000元（二零一三年：人民幣21,795,000元）的貿易應收賬款出現減值並作出撥備。個別出現減值的應收款項主要涉及突然陷入財務困境的客戶。該等應收款項的賬齡如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
0-30天	641	3,849
31-60天	-	-
61-90天	-	-
91-180天	30	1
6個月以上	35,873	17,945
	36,544	21,795

本集團貿易應收賬款減值撥備的變動如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日	21,795	23,240
應收款項減值撥備	15,306	2,649
年內於證實無法收回時撇銷的應收款項	(557)	(4,094)
於十二月三十一日	36,544	21,795

應收款項減值撥備的增加及解除已計入綜合收益表的「其他營運費用」內（附註7）。於撥備賬扣除的款項一般會於預期不能收回額外現金時撇銷。

於二零一四年十二月三十一日，本公司並無就其貿易應收賬款提撥減值虧損（二零一三年：無）。於二零一四年十二月三十一日，本公司的貿易應收賬款並未過期或減值（二零一三年：無）。

貿易應收賬款及其他應收款項的其他類別不包含已減值資產。

綜合財務報表附註

22 應收賬款、按金及預付款項－本集團及本公司(續)

應收賬款、按金及預付款項的賬面值以下列貨幣計值：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
人民幣	479,582	592,047	-	-
美元	17,980	12,419	3,303	425
歐元	11,329	14,917	11,327	14,912
其他貨幣	5,092	3,170	252	3,070
	513,983	622,553	14,882	18,407

於報告日期，面臨的最高信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押品作為抵押。

23 可供出售金融資產

	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日	571	-
添置	-	571
於十二月三十一日	571	571
於一間非上市公司股份之投資	571	571
應收一名被投資方款項	12,525	13,988

綜合財務報表附註

23 可供出售金融資產 (續)

於二零一四年十二月三十一日，可供出售金融資產包括以下項目：

名稱	註冊成立國家	主要業務	所持已發行股份詳情	持有權益
FFG Werke GmbH (「FFG Werke」)	德國	製造及分銷工具機、零件及配件；提供有關工具機及相關產品之培訓及維修服務。	67,500	13.5%

FFG Werke分別由和騰、金友、天盛及金輝富有限公司(一名獨立第三方)擁有約43.75%、33.75%、13.50%及9.00%股權。

於二零一四年十二月三十一日，天盛向FFG Werke提供一筆1,654,050歐元(相當於人民幣12,525,000元)(二零一三年：1,654,050歐元(相當於人民幣13,988,000元))的股東貸款，該貸款為無抵押、免息及須按要求償還。

於二零一四年七月九日，FFG Werke與天盛訂立擔保促成契據，據此，天盛同意就FFG Werke之業務經營所需而促成出具最大總額不超過10,600,000歐元(相當於人民幣79,030,000元)的銀行擔保。於二零一四年十二月三十一日，天盛已安排上述銀行擔保，總金額226,000歐元(相當於人民幣1,680,000元)。於結算日後，天盛進一步提供銀行擔保，而於二零一五年所有銀行擔保下的總金額現時為6,464,000歐元(相當於人民幣48,190,000元)。

於二零一三年十二月二十日，天盛同意安排最大金額為2,800,000歐元(約人民幣23,673,000元)的銀行擔保函，以擔保若干銀行將向FFG Werke提供的相應金額信貸。於二零一四年十二月三十一日，天盛已安排不可撤回擔保函，總金額2,745,000歐元(相當於人民幣20,466,000元)。

於二零一四年十二月三十一日，概無上述銀行擔保被開具行強制執行(二零一三年：無)。

管理層認為本集團對FFG Werke並無重大影響力或控制權，因此，於二零一四年十二月三十一日，該投資已入賬列為可供出售金融資產。

於二零一四年十二月三十一日，於FFG Werke之非上市股本投資之賬面值為人民幣571,000元(二零一三年：人民幣571,000元)，乃按成本減減值呈列，原因是合理公平值估計的範圍甚大，以致董事認為其公平值無法可靠計量。本集團無意於近期出售該投資。

綜合財務報表附註

24 存貨—本集團

	二零一四年 人民幣千元	二零一三年 人民幣千元
原材料	103,419	124,777
在製品	68,470	69,931
製成品	103,064	94,995
	274,953	289,703
撥備	(17,696)	(10,687)
	257,257	279,016

確認為開支及包括於「收益成本」的存貨成本為人民幣868,176,000元（二零一三年：人民幣956,548,000元）（附註7）。

25 應收／（應付）客戶合約工程款項—本集團

	二零一四年 人民幣千元	二零一三年 人民幣千元
已產生合約成本加經確認溢利減經確認虧損	210,070	173,630
減：工程進度款項	(220,376)	(198,938)
	(10,306)	(25,308)

	二零一四年 人民幣千元	二零一三年 人民幣千元
應收合約客戶款項	32,494	24,651
應付合約客戶款項	(42,800)	(49,959)
應付客戶合約工程款項淨額	(10,306)	(25,308)

於二零一四年十二月三十一日，應收賬款中包括客戶就合約工程持有的保留款項人民幣12,325,000元（二零一三年：人民幣7,207,000元）。

綜合財務報表附註

26 限制性銀行存款—本集團及本公司

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
限制性銀行存款	134,681	60,167	2,370	2,052

該筆款項主要乃本集團為就其所使用的貿易融資信貸發出的擔保而存放於銀行的存款。有關存款於一年內到期，並按固定年利率0.4%（二零一三年：0.4%）計息。

27 現金及銀行結餘—本集團及本公司

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
銀行及手頭現金	111,976	41,278	1,784	1,618
短期銀行存款	150,775	170,551	-	-
現金及現金等值物	262,751	211,829	1,784	1,618
初始期限超過三個月的定期存款	98,000	24,000	-	-
	360,751	235,829	1,784	1,618

(a) 銀行及手頭現金、短期存款及初始期限超過三個月的定期存款以下列貨幣計值：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
人民幣	357,423	231,732	2	204
美元	1,887	3,016	467	636
歐元	957	318	955	317
其他貨幣	484	763	360	461
	360,751	235,829	1,784	1,618

綜合財務報表附註

27 現金及銀行結餘－本集團及本公司 (續)

- (b) 短期銀行存款之實際年利率為2.35% (二零一三年：2.60%)。有關存款於一至三個月內到期。
- (c) 初始期限超過三個月的定期存款之實際年利率介乎2.35%至2.75% (二零一三年：2.85%至3.25%)。有關存款於三至十二個月內到期。

28 股本－本集團及本公司

	股份數目 (千股)	面值 人民幣千元
每股面值0.01港元的普通股		
法定：		
於二零一三年一月一日、二零一三年十二月三十一日、 二零一四年一月一日及二零一四年十二月三十一日	1,000,000	10,211
已發行及繳足：		
於二零一三年一月一日、二零一三年十二月三十一日、 二零一四年一月一日及二零一四年十二月三十一日	403,200	4,022

綜合財務報表附註

29 儲備—本集團及本公司

本集團

	股份溢價 人民幣千元	資本儲備 人民幣千元	其他儲備				保留溢利 人民幣千元	總計 人民幣千元
			一般儲備 人民幣千元	企業 擴充儲備 人民幣千元	換算 人民幣千元			
於二零一三年一月一日	122,601	77,338	35,836	9,089	(3,154)	416,159	657,869	
已付股息	(40,320)	-	-	-	-	-	(40,320)	
年內溢利	-	-	-	-	-	36,868	36,868	
分佔一間聯營公司								
其他全面收益	-	-	3,665	-	-	-	3,665	
貨幣換算差額	-	-	-	-	10,896	-	10,896	
於二零一三年十二月三十一日	82,281	77,338	39,501	9,089	7,742	453,027	668,978	
已付股息	-	-	-	-	-	(44,352)	(44,352)	
年內溢利	-	-	-	-	-	101,313	101,313	
分佔一間聯營公司								
其他全面收益	-	-	-	-	162	-	162	
貨幣換算差額	-	-	-	-	(3,428)	-	(3,428)	
於二零一四年十二月三十一日	82,281	77,338	39,501	9,089	4,476	509,988	722,673	

附註：

- (i) 根據開曼群島公司法（一九六一年法律3，經綜合及修訂）第22章第34(2)條，本公司可運用股份溢價賬支付股息予股東，惟除非緊隨擬派付股息之日後本公司能支付其於日常業務過程中到期的債項，否則概不可從股份溢價賬派付股息予股東。
- (ii) 資本儲備指於本公司股份於香港聯合交易所有限公司上市前本集團進行的公司重組中本公司按面值發行股份收購的附屬公司實繳股本／股本與股份溢價的差額。
- (iii) 一般儲備及企業擴充儲備根據中國法定規定設立。

綜合財務報表附註

29 儲備—本集團及本公司(續)

本公司

	股份溢價 人民幣千元	其他儲備 人民幣千元	保留溢利 人民幣千元	總計 人民幣千元
於二零一三年一月一日	123,101	8,941	48,655	180,697
已付股息	(40,005)	—	—	(40,005)
貨幣換算差額	—	(1,309)	—	(1,309)
年內虧損	—	—	(2,095)	(2,095)
於二零一三年十二月三十一日	83,096	7,632	46,560	137,288
已付股息	—	—	(44,352)	(44,352)
貨幣換算差額	—	341	—	341
年內溢利	—	—	43,872	43,872
於二零一四年十二月三十一日	83,096	7,973	46,080	137,149

30 應付賬款，其他應付款項及應計費用—本集團及本公司

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
貿易應付賬款	204,785	218,424	9,129	4,365
來自客戶的預付按金	118,682	161,632	370	11,780
其他應付款項	41,847	33,308	—	—
應計開支	44,897	35,769	4,435	4,309
	410,211	449,133	13,934	20,454

綜合財務報表附註

30 應付賬款，其他應付款項及應計費用—本集團及本公司(續)

本集團一般獲得30至60天的信貸期。於二零一四年及二零一三年十二月三十一日，貿易應付賬款的賬齡分析如下：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
即期- 30天	116,788	147,068	9,129	4,365
31-60天	57,515	47,603	-	-
61-90天	4,657	9,841	-	-
91-180天	9,853	10,450	-	-
180天以上	15,972	3,462	-	-
	204,785	218,424	9,129	4,365

應付賬款、其他應付款項及應計費用以下列貨幣計值：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
人民幣	388,246	423,231	-	-
美元	11,029	8,464	3,104	3,092
歐元	6,368	13,124	6,292	13,049
港元	4,568	4,314	4,538	4,313
	410,211	449,133	13,934	20,454

綜合財務報表附註

31 保證撥備—本集團

	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日	6,774	6,702
年度撥備	6,766	4,936
動用撥備	(7,211)	(4,864)
於十二月三十一日	6,329	6,774

32 借貸—本集團及本公司

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
即期				
—有抵押(附註(a))	125,331	90,115	122,435	88,865
—無抵押(附註(b))	276,748	277,637	153,271	180,349
借貸總額	402,079	367,752	275,706	269,214

本集團借貸的實際利率範圍如下：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
實際利率	每年1.83%至 6.72%	每年1.80%至 6.72%	每年1.83%至 3.60%	每年1.80%至 3.05%

於二零一四年十二月三十一日，本集團借貸的償還情況如下：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
一年內	402,079	367,752	275,706	269,214

綜合財務報表附註

32 借貸—本集團及本公司 (續)

短期借貸之賬面值與其公平值相若。

本集團借貸的賬面值以下列貨幣計值：

	本集團		本公司	
	二零一四年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元	二零一三年 人民幣千元
港元	78,949	96,956	58,572	76,646
美元	323,130	270,796	217,134	192,568
	402,079	367,752	275,706	269,214

於二零一四年十二月三十一日，本集團有下列未提取的借貸額度：

	本集團	
	二零一四年 人民幣千元	二零一三年 人民幣千元
浮動利率貸款：		
— 一年內到期	692,723	658,958

附註：

- (a) 於二零一四年十二月三十一日，本集團抵押其賬面值約人民幣5,262,000元（附註14）（二零一三年：人民幣5,394,000元）的土地使用權及賬面值約人民幣10,674,000元（附註15）（二零一三年：無）的樓宇，以擔保其獲授的一般銀行融資。於二零一四年十二月三十一日，本集團已動用人民幣2,896,000元（二零一三年：人民幣1,250,000元）之該等有抵押銀行融資。

於二零一四年十二月三十一日，本公司的銀行借款人民幣152,975,000元（二零一三年：人民幣103,660,000元）乃由中國的銀行出具的不可撤回備用信用證作擔保，其中人民幣122,435,000元（二零一三年：人民幣88,865,000元）已經動用。

- (b) 於二零一四年十二月三十一日，本公司已為若干附屬公司獲授的銀行融資人民幣235,582,000元（二零一三年：人民幣265,215,000元）提供公司擔保，其中人民幣126,382,000元（二零一三年：人民幣98,538,000元）已經動用。

於二零一四年十二月三十一日，附屬公司相互作出擔保人民幣220,000,000元（二零一三年：人民幣225,000,000元），為銀行借款提供擔保，有關貸款已動用人民幣6,211,000元（二零一三年：無）。

於二零一四年十二月三十一日，本公司一名董事就本公司的銀行借款人民幣31,135,000元（二零一三年：人民幣35,028,000元）提供個人擔保。

- (c) 一年內到期的融資額度為銀行授予的年度融資額度，該等額度須於二零一四年內多個日期接受覆審。

綜合財務報表附註

33 遞延所得稅—本集團

遞延稅項資產及遞延稅項負債的分析如下：

	本集團	
	二零一四年 人民幣千元	二零一三年 人民幣千元
遞延稅項資產：		
— 將於12個月內收回的遞延稅項資產	6,144	4,520
遞延稅項負債：		
— 將於12個月後收回的遞延稅項負債	—	—
— 將於12個月內收回的遞延稅項負債	16,118	18,775
	16,118	18,775

年內，遞延所得稅資產的變動如下：

	本集團	
	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日	4,520	4,541
於綜合全面收益表內計入／(扣除)	1,624	(21)
於十二月三十一日	6,144	4,520

綜合財務報表附註

33 遞延所得稅—本集團(續)

遞延稅項資產	本集團			
	應收款項 呆賬撥備 人民幣千元	存貨撥備 人民幣千元	保證撥備 人民幣千元	總計 人民幣千元
於二零一四年一月一日	3,243	377	921	4,541
於綜合全面收益表內(扣除)/計入	(18)	11	(14)	(21)
於二零一四年十二月三十一日	3,225	388	907	4,520
於綜合全面收益表內(扣除)/計入	1,495	224	(95)	1,624
於二零一四年十二月三十一日	4,720	612	812	6,144

年內，遞延稅項負債的總變動分析如下：

	本集團	
	二零一四年 人民幣千元	二零一三年 人民幣千元
於一月一日	18,775	23,180
已付預扣稅	(2,657)	-
出售一間附屬公司	-	(4,405)
於十二月三十一日	16,118	18,775

綜合財務報表附註

33 遞延所得稅—本集團(續)

遞延稅項負債	本集團		
	中國附屬公司 可分派溢利的 預扣稅 人民幣千元	業務合併 人民幣千元	總計 人民幣千元
於二零一三年一月一日	18,775	4,405	23,180
出售一間附屬公司	—	(4,405)	(4,405)
於二零一三年十二月三十一日	18,775	—	18,775
已付預扣稅	(2,657)	—	(2,657)
於二零一四年十二月三十一日	16,118	—	16,118

根據二零零七年十二月六日頒佈的《中國人民共和國企業所得稅法實施細則》，自二零零八年一月一日起於中國成立的公司向其境外投資者匯付的股息應按10%的稅率繳納預扣所得稅，適用於二零零七年十二月三十一日後的盈利。倘中國與外國投資者之司法權區訂有稅收協定，或可採用較低之預扣稅率。對本集團而言，適用稅率為5%。本集團因而須按5%的稅率為在中國成立之附屬公司就二零零八年一月一日起產生之盈利而分派的股息繳納預扣稅。

於二零一四年十二月三十一日，本集團擁有未使用稅項虧損約人民幣48,429,000元（二零一三年：人民幣50,855,000元）可供抵銷未來溢利。由於日後應課稅溢利應不可能抵銷未使用稅項虧損，故並未確認遞延稅項資產。

該等稅項虧損的到期日如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
於下列年度屆滿：		
二零一四年	—	6,142
二零一五年	1,590	1,595
二零一六年	16,755	16,482
二零一七年	13,043	14,758
二零一八年	6,946	11,878
二零一九年	8,648	—

綜合財務報表附註

34 營運所得現金

	二零一四年 人民幣千元	二零一三年 人民幣千元
除所得稅前溢利	125,071	54,388
調整：		
– 土地使用權攤銷 (附註14)	943	943
– 物業、廠房及設備折舊 (附註15)	28,060	27,046
– 投資物業折舊 (附註16)	20	21
– 無形資產攤銷 (附註17)	701	675
– 分佔合營企業虧損 (附註19)	2,458	3,975
– 分佔一間聯營公司虧損 (附註20)	8,559	26,321
– 出售物業、廠房及設備虧損 (附註7)	296	287
– 出售一間附屬公司及一間聯營公司之虧損	–	9,742
– 利息收入 (附註6)	(9,995)	(5,363)
– 財務費用 (附註9)	9,174	7,964
營運資金變動 (不包括收購的影響及綜合賬目的匯兌差額)：		
– 存貨	21,759	75,529
– 應收賬款、按金及預付款項	109,177	(7,326)
– 應收客戶合約工程款項	(7,843)	3,251
– 應收最終控股公司款項	1,380	(1,912)
– 應收一間同系附屬公司及最終控股公司一間聯營公司款項	1,490	588
– 應付賬款、其他應付款項及應計費用	(46,030)	49,582
– 應付客戶合約工程款項	(7,159)	12,480
– 應付最終控股公司款項	687	(4,869)
– 應付直接控股公司款項	1,291	176
– 應付合營企業款項	(55)	131
– 與一名被投資方及一間聯營公司附屬公司之結餘	2,519	(12,312)
– 應付一間同系附屬公司及最終控股公司的一間聯營公司款項	463	(1,590)
– 保證撥備	(445)	72
營運所得現金	242,521	239,799

綜合財務報表附註

34 營運所得現金 (續)

於現金流量表內，出售物業、廠房及設備所得款項包括：

本集團	二零一四年 人民幣千元	二零一三年 人民幣千元
賬面淨值 (附註15)	863	5,954
出售物業、廠房及設備虧損 (附註7)	(296)	(287)
出售物業、廠房及設備所得款項	567	5,667

35 或然負債

除綜合財務報表附註23所披露者外，本集團及本公司於二零一四年十二月三十一日概無其他或然負債 (二零一三年：無)。

36 承擔

(a) 資本承擔

於報告期末已訂約但尚未產生的資本支出分析如下：

本集團	二零一四年 人民幣千元	二零一三年 人民幣千元
就下列各項已訂約，但尚未於綜合財務報表撥備的資本支出： — 收購機器及設備	743	984

(b) 經營租賃承擔

本集團作為承租人

於結算日，本集團根據不可撤銷之經營租賃而須就未來最低租金支出履行之承擔如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
一年內	4,090	2,650
一年後及五年內	241	54
	4,331	2,704

綜合財務報表附註

37 關連人士交易及結餘

除附註23所披露外，本集團與其關連人士於年內曾進行以下交易：

(a) 交易

公司名稱	關係	交易性質	二零一四年 人民幣千元	二零一三年 人民幣千元
友嘉實業股份有限公司 (「友嘉實業」)	最終控股公司	銷售貨品	682	720
		採購貨品	19,948	18,592
杭州友嘉高松機械有限 公司(「友嘉高松」)	最終控股公司的 聯營公司	銷售貨品	756	601
		採購貨品	49	4
		租金收入	15	65
友佳實業(香港)有限公司 (「友佳實業(香港)」)	直接控股公司	採購貨品	44,434	87,352
杭州友維機電有限公司 (「友維」)	同系附屬公司	銷售貨品	3	8
		租金收入	653	—
AIF(由溫吉堂先生控制)	合營公司	銷售貨品	90	45
		採購貨品	421	141
		租金收入	26	—
Hangzhou Best Friend Technology Co., Ltd. (「Best Friend」)	最終控股公司的 聯營公司	銷售貨品	6	12

綜合財務報表附註

37 關連人士交易及結餘 (續)

(a) 交易 (續)

公司名稱	關係	交易性質	二零一四年 人民幣千元	二零一三年 人民幣千元
SANCO Machine & Tools Co., Ltd. (「SANCO」)	同系附屬公司	採購貨品	20,885	12,095
Jobs Automazione S.p.A. (「Jobs」)	本集團一間聯營公司之附屬公司	採購貨品	198	-
SIGMA technology S.r.l (「SIGMA」)	本集團一間聯營公司之附屬公司	採購貨品	-	4,622
Feeler Mectron	合營公司	銷售貨品	37	140
		採購貨品	1,051	1,049
		租金收入	36	-
UFM	共同控制實體	銷售貨品	24	-
		採購貨品	170	-
Sky Thrive Rambaudi S.r.l (「Rambaudi」)	本集團一間聯營公司之附屬公司	銷售貨品	-	6
Nippon Cable Feeler	合營公司	銷售貨品	4	8
		採購貨品	129	-
		租金收入	6	-

附註：

(a) 上述買賣交易的條款乃根據本公司與各關連人士訂立的框架協議規管。

(b) 租金收入乃根據訂約方協定之條款收取。

綜合財務報表附註

37 關連人士交易及結餘 (續)

(b) 結餘

公司名稱	關係	結餘性質	二零一四年 人民幣千元	二零一三年 人民幣千元
友嘉實業	最終控股公司	貿易應收賬款(附註(a))	532	1,912
		貿易應付賬款(附註(b))	(1,716)	(1,029)
友佳實業(香港)	直接控股公司	貿易應付賬款(附註(b))	(3,447)	(2,156)
友維(由陳明河先生控制)	同系附屬公司	其他應收賬款(附註(b))	258	152
SANCO	同系附屬公司	貿易應收賬款(附註(a))	-	1,616
		貿易應付賬款(附註(b))	(776)	(321)
Best Friend	最終控股公司的聯營公司	貿易應收賬款(附註(a))	2	-
友嘉高松	最終控股公司的聯營公司	其他應收賬款(附註(b))	36	18
		貿易應付賬款(附註(b))	(8)	-
AIF(由溫吉堂先生控制)	合營公司	貿易應收賬款(附註(a))	470	1,093
		貿易應付賬款(附註(b))	-	(41)
Feeler Mectron	合營公司	貿易應收賬款(附註(a))	421	405
		貿易應付賬款(附註(b))	-	(90)
UFM	合營公司	貿易應付賬款(附註(b))	(76)	-
SIGMA	本集團一間聯營公司之 附屬公司	貿易應收賬款(附註(a))	2,275	2,569
		貿易應付賬款(附註(b))	(200)	(226)
SIGMA Machinery Co., Ltd	本集團一間聯營公司之 附屬公司	貿易應付賬款(附註(b))	(67)	(67)

綜合財務報表附註

37 關連人士交易及結餘(續)

(b) 結餘(續)

公司名稱	關係	結餘性質	二零一四年 人民幣千元	二零一三年 人民幣千元
Jobs	本集團一間聯營公司之 附屬公司	貿易應收賬款(附註(a))	403	330
		其他應收賬款(附註(b))	9,596	—
		貿易應付賬款(附註(b))	(861)	—
Rimbaudi	本集團一間聯營公司之 附屬公司	其他應收賬款(附註(b))	—	9,596

附註：

(a) 就與同系附屬公司、最終控股公司及其聯營公司以及聯營公司之附屬公司進行的銷售而言，本集團一般給予的信貸期為90天。結餘為無抵押及免息。於二零一四年及二零一三年十二月三十一日，上列結餘的賬齡大部分為六至十二個月內。

(b) 結餘為無抵押、免息及須於要求時償還。

(c) 主要管理人員報酬

年內，董事及其他主要管理人員的酬金如下：

	二零一四年 人民幣千元	二零一三年 人民幣千元
薪金及其他津貼	4,078	3,440

38 控股公司

董事分別將友佳實業(香港)有限公司(一間於香港註冊成立之公司)及友嘉實業股份有限公司(一間於台灣註冊成立之公司)視為直接控股公司及最終控股公司。

39 結算日後事項

除附註23所披露者外，本公司及本集團於結算日後概無其他重大事項。

五年財務概要

經營業績

截至十二月三十一日止年度

	二零一零年 人民幣千元	二零一一年 人民幣千元	二零一二年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元
收益	1,374,183	1,884,132	1,540,856	1,350,271	1,300,119
毛利	355,535	439,216	308,947	309,771	344,894
除稅前溢利	193,806	197,032	60,440	54,388	125,071
本公司權益持有人應佔年內溢利	158,746	153,690	42,022	36,868	101,313
每股盈利－基本（人民幣元）	0.41	0.38	0.10	0.09	0.25

資產與負債

於十二月三十一日

	二零一零年 人民幣千元	二零一一年 人民幣千元	二零一二年 人民幣千元	二零一三年 人民幣千元	二零一四年 人民幣千元
非流動資產	322,262	371,929	345,271	330,119	302,380
流動資產淨值	318,503	332,239	339,800	361,656	440,433
總資產減流動負債	640,765	704,168	685,071	691,775	742,813
股本	4,022	4,022	4,022	4,022	4,022
儲備	614,341	678,346	657,869	668,978	722,673
股東權益	618,363	682,368	661,891	673,000	726,695
非流動負債	22,402	21,800	23,180	18,775	16,118
	640,765	704,168	685,071	691,775	742,813