



HOW TO READ FINANCIAL STATEMENTS IN HONG KONG

XYZ Group

Statement of financial position as at 31 December 20X4

(Amounts expressed in /// dollars)

	<u>20X4</u>	<u>20X3</u>
ASSETS		
Non-current assets		
Property, plant and equipment	xxx	xxx
Goodwill	xxx	xxx
Other intangible assets	xxx	xxx
Investments in associates	xxx	xxx
Available-for-sale financial assets	xxx	xxx
	<hr/> xxx	<hr/> xxx
Current assets		
Inventories	xxx	xxx
Trade receivables	xxx	xxx
Other current assets	xxx	xxx
Cash and cash equivalents	xxx	xxx
	<hr/> xxx	<hr/> xxx
Total assets	<hr/> <hr/> xxx	<hr/> <hr/> xxx



EQUITY AND LIABILITIES

Equity attributable to owners of the parent

Share capital	xxx	xxx
Retained earnings	xxx	xxx
Other components of equity	xxx	xxx
	xxx	xxx

Non-controlling interests

	xxx	xxx
	xxx	xxx

Non-current liabilities

Long-term borrowings	xxx	xxx
Deferred tax	xxx	xxx
Long-term provisions	xxx	xxx
	xxx	xxx

Current liabilities

Trade and other payables	xxx	xxx
Short-term borrowings	xxx	xxx
Current portion of long-term borrowings	xxx	xxx
Current tax payable	xxx	xxx
Short-term provisions	xxx	xxx
	xxx	xxx

Total current liabilities

	xxx	xxx
	xxx	xxx

Total equity and liabilities

	xxx	xxx
	xxx	xxx
	xxx	xxx



XYZ Group

Statement of profit or loss and other comprehensive income for the year ended 31 December 20X4

(Amounts expressed in /// dollars)

	<u>20X4</u>	<u>20X3</u>
Revenue	xxx	xxx
Cost of sales	xxx	xxx
Gross profit	<hr/> xxx	<hr/> xxx
Other income	xxx	xxx
Distribution costs	xxx	xxx
Administrative expenses	xxx	xxx
Other expenses	xxx	xxx
Finance costs	xxx	xxx
Share of profit of associates	xxx	xxx
Profit before tax	<hr/> xxx	<hr/> xxx
Income tax expense	xxx	xxx
PROFIT FOR THE YEAR	<hr/> xxx	<hr/> xxx
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gains on property revaluation	xxx	xxx
Remeasurements of defined benefit pension plans	xxx	xxx
	<hr/> xxx	<hr/> xxx
	<hr/>	<hr/>



**DOING BUSINESS IN
HONG KONG**

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations	xxx	xxx
Available-for-sale financial assets	xxx	xxx
	<hr/>	<hr/>
	xxx	xxx
	<hr/>	<hr/>
Other comprehensive income for the year, net of tax	xxx	xxx
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	xxx	xxx
	<hr/>	<hr/>

Profit attributable to:

Owners of the parent	xxx	xxx
Non-controlling interests	xxx	xxx
	<hr/>	<hr/>
	xxx	xxx
	<hr/>	<hr/>

Total comprehensive income attributable to:

Owners of the parent	xxx	xxx
Non-controlling interests	xxx	xxx
	<hr/>	<hr/>
	xxx	xxx
	<hr/>	<hr/>

Earnings per share*

Basic and diluted	xxx	xxx
	<hr/>	<hr/>

* Applicable to listed companies



XYZ Group

Statement of cash flows for the year ended 31 December 20X4

(Amounts expressed in /// dollars)

	<u>20X4</u>	<u>20X3</u>
Cash flows from operating activities		
Profit before taxation	xxx	xxx
Adjustments for:		
Depreciation	xxx	xxx
Foreign exchange loss	xxx	xxx
Investment income	xxx	xxx
Interest expense	xxx	xxx
	<hr/>	<hr/>
Increase in trade and other receivables	xxx	xxx
Decrease in inventories	xxx	xxx
Decrease in trade payables	xxx	xxx
	<hr/>	<hr/>
Cash generated from operations	xxx	xxx
Interest paid	xxx	xxx
Income taxes paid	xxx	xxx
	<hr/>	<hr/>
<i>Net cash from operating activities</i>	xxx	xxx
	<hr/>	<hr/>



Cash flows from investing activities

Acquisition of subsidiary net of cash acquired	xxx	xxx
Purchase of property, plant and equipment	xxx	xxx
Proceeds from sale of equipment	xxx	xxx
Interest received	xxx	xxx
Dividends received	xxx	xxx
<i>Net cash used in investing activities</i>	<u>xxx</u>	<u>xxx</u>

Cash flows from financing activities

Proceeds from issue of share capital	xxx	xxx
Proceeds from long-term borrowings	xxx	xxx
Payment of finance lease liabilities	xxx	xxx
Dividends paid	xxx	xxx
<i>Net cash used in financing activities</i>	<u>xxx</u>	<u>xxx</u>

Net increase in cash and cash equivalents

xxx xxx

Cash and cash equivalents at beginning of period

xxx xxx

Cash and cash equivalents at end of period

xxx xxx