



Dragonite International Limited
叁龍國際有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

(Stock Code : 329)
(股份代號: 329)

ANNUAL REPORT 年報

2016

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Feng Hai (*Chairman*)

(*appointed as Executive Director on 11 November 2016
and appointed as Chairman on 28 November 2016*)

Ms. Chan Mee Sze (*Managing Director*)

Mr. Lam Suk Ping

Mr. Li Yi

(*appointed on 11 November 2016*)

Ms. Xiao Qing

(*appointed on 16 December 2016*)

Mr. Lee Kien Leong

(*resigned as Chairman and Executive Director on 28 November 2016*)

Mr. Liu Zheng

(*appointed on 11 November 2016 and resigned on 16 December 2016*)

NON-EXECUTIVE DIRECTORS

Mr. Du Peng

(*appointed on 17 February 2017*)

Ms. Zheng Xiaosu

(*appointed on 17 February 2017*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Man Sum, Albert

Mr. Chang Tat Joel

Mr. Wong Stacey Martin

AUDIT COMMITTEE

Mr. Chang Tat Joel (*Chairman*)

Mr. Lam Man Sum, Albert

Mr. Wong Stacey Martin

COMPANY SECRETARY

Ms. Chan Mee Sze

AUDITOR

Crowe Horwath (HK) CPA Limited

執行董事

馮海先生(*主席*)

(*於二零一六年十一月十一日
獲委任為執行董事，並於二零一六年
十一月二十八日獲委任為主席*)

陳美思女士(*董事總經理*)

林叔平先生

李毅先生

(*於二零一六年十一月十一日獲委任*)

肖青女士

(*於二零一六年十二月十六日獲委任*)

李健龍先生

(*於二零一六年十一月二十八日
辭任主席及執行董事*)

劉征先生

(*於二零一六年十一月十一日獲委任，
並於二零一六年十二月十六日辭任*)

非執行董事

杜朋先生

(*於二零一七年二月十七日獲委任*)

鄭小粟女士

(*於二零一七年二月十七日獲委任*)

獨立非執行董事

林聞深先生

鄭達祖先生

黃偉誠先生

審核委員會

鄭達祖先生(*主席*)

林聞深先生

黃偉誠先生

公司秘書

陳美思女士

核數師

國富浩華(香港)會計師事務所有限公司

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

in Hong Kong:

The Hong Kong and Shanghai Banking Corporation Limited

in the PRC:

China Construction Bank

Shenyang Economic and Technology Development Zone Branch

WEBSITE

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STOCK CODE

0329

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P.O. Box 2681
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Cayman Islands

**中華人民共和國香港特別行政區
〔香港〕總辦事處及主要營業地點**

香港

九龍尖沙咀廣東道9號
港威大廈6座32樓3205室

股份過戶登記總處

Royal Bank of Canada Trust Company
(Cayman) Limited

4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港
皇后大道東183號
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主要往來銀行

於香港：

香港上海滙豐銀行有限公司

於中國：

中國建設銀行

瀋陽經濟技術開發區分行

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www.dragonite.com.hk

股份代號

0329

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

BUSINESS REVIEW

The Group recorded an audited consolidated net loss of approximately HK\$449,897,000 for the year ended 31 December 2016 (the "Year") (2015 net profit: approximately HK\$33,369,000). Total revenue generated from continuing and discontinued operations for the Year were approximately HK\$32,224,000 (2015: approximately HK\$60,009,000). The substantial decrease of revenue was due to the halt of securities trading and investment since the second half of 2015. The loss incurred for the Year was mainly attributable to the impairment losses on unlisted available-for-sale ("AFS") investments amounting to approximately HK\$167,566,000 and the losses on disposal of subsidiaries engaged in AFS investments amounting to approximately HK\$252,353,000. As a result of the aforesaid losses on disposal of subsidiaries and impairment losses, the net asset value of the Group decreased from approximately HK\$889,907,000 as at 31 December 2015 to approximately HK\$398,581,000 as at 31 December 2016, representing a 55.2% decrease.

Health Care and Pharmaceutical Products

Sales performance of healthcare products was weak for the Year as a result of decline of premium market in Mainland China. Revenue from Chenlong Baoling Longevity Ginseng products for the Year amounted to approximately HK\$308,000 (2015: approximately HK\$2,560,000), representing a significant decrease. The segment loss of approximately HK\$21,942,000 (2015: approximately HK\$22,041,000) was mainly due to an allowance of slow moving ginseng products of approximately HK\$12,971,000 (2015: approximately HK\$8,632,000) included in the result of discontinued operations.

Sales of the pharmaceutical products during the Year was largely contributed by two key products, Azithromycin Granules (II) (「阿奇霉素顆粒(II)」) and Rosiglitazone Hydrochloride Capsules (「鹽酸洵格列酮膠囊」). The sales performance of pharmaceutical products for the Year was stable. Revenue of pharmaceutical products for the Year was approximately HK\$19,560,000, representing a slight decrease of 3.1% from approximately HK\$20,178,000 as compared to last year. The segment profit for the Year amounted to approximately HK\$1,725,000 (2015: approximately HK\$2,331,000).

業務回顧

本集團於截至二零一六年十二月三十一日止年度(「本年度」)錄得經審核綜合虧損淨額約449,897,000港元(二零一五年溢利淨額:約33,369,000港元)。本年度來自持續及已終止經營業務的收益約為32,224,000港元(二零一五年:約60,009,000港元)。收益大幅下降乃由於證券交易及投資自二零一五年下半年起暫停營運所致。本年度產生的虧損主要由於非上市可供出售(「可供出售」)投資減值虧損約167,566,000港元及出售附屬公司虧損約252,353,000港元所致。由於上述出售從事可供出售投資之附屬公司的虧損及減值虧損,本集團的資產淨值由二零一五年十二月三十一日約889,907,000港元下跌至二零一六年十二月三十一日約398,581,000港元,跌幅為55.2%。

保健及醫藥產品

由於中國內地的高端市場萎縮,本年度保健產品的銷售表現疲弱。本年度辰龍保齡參產品的收益約為308,000港元(二零一五年:約2,560,000港元),較去年大幅下跌。分類虧損約21,942,000港元(二零一五年:約22,041,000港元),主要由於計算在已終止經營業務業績之內的滯銷人參產品撥備約12,971,000港元(二零一五年:約8,632,000港元)所致。

本年度醫藥產品的大部分銷售額來自阿奇霉素顆粒(II)及鹽酸洵格列酮膠囊兩種主要產品。本年度醫藥產品的銷售表現穩定,收益約為19,560,000港元,較去年約20,178,000港元輕微下降3.1%。本年度分類溢利約為1,725,000港元(二零一五年:約2,331,000港元)。

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

Results of the trading and manufacturing of healthcare and pharmaceutical products were classified as discontinued operations and were treated as held for sale in accordance with the applicable accounting standards due to the entering into of a sale and purchase agreement as mentioned hereinbelow in the section headed "Prospects for the Year 2017 and Development Plan". As at the date of this statement, the Group has not yet completed the disposal of these business segments.

Securities Trading and Investments

Since July 2015, trading and investment in listed securities has come to a halt and therefore, trading and investment in listed securities no longer generated any revenue during the Year (2015: approximately HK\$28,038,000), leading to a significant decline in revenue of the Group for the Year as compared to previous financial year.

Available-for-sale investments

All AFS investments of the Group were sold during the Year. Hence, as at 31 December 2016, there was no AFS investment of the Group (31 December 2015: three overseas entities at carrying amount/fair value in an aggregate of approximately HK\$534,200,000 and two unlisted investment funds at fair value of approximately HK\$26,385,000 in aggregate). The followings set out further information on the disposal of AFS investments of the Group for the Year.

由於訂立本報告下文「二零一七年展望及發展計劃」一節所提及的買賣協議，而根據適用會計準則下，保健及醫藥產品的買賣及生產業績獲分類為已終止經營業務，並按持作出售處理。於本報告日期，本集團並未完成出售此等業務分類。

證券買賣及投資

上市證券買賣及投資自二零一五年七月起經已暫停營運，因此並無於本年度產生任何收益(二零一五年：約28,038,000港元)，導致本集團本年度收益較上一個財政年度大幅下跌。

可供出售投資

本集團所有可供出售投資已於本年度出售。因此，於二零一六年十二月三十一日，本集團並無可供出售投資(二零一五年十二月三十一日：賬面值／公平值合共約為534,200,000港元的三間海外實體以及公平值合共約為26,385,000港元的兩項非上市投資基金)。下文載列有關本集團於本年度出售可供出售投資的進一步資料。

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During the Year, the Group recognized impairment of approximately HK\$126,074,000 against the carrying amount of Joint Global Limited ("JGL"), a company incorporated in the Marshall Islands with limited liability principally engaged in private equity investment and debt securities investment, due to the substantial loss incurred and the decrease in net asset value of JGL with reference to the unaudited management accounts of JGL. During the Year, JGL engaged in debt securities investment and distributed the convertible note in its investment portfolio to the members. Therefore, by way of distribution in species of JGL in April 2016, the Group entitled to a convertible note (the "CN") in the principal amount of approximately HK\$19,855,000 bearing the interest rate of 5% per annum convertible into 26,633,094 ordinary shares of Up Energy Development Group Limited ("Up Energy"), a company incorporated in Bermuda with limited liability and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (representing approximately 0.58% of the enlarged issued share capital upon full conversion of the Group's entitlement) at the conversion price of HK\$0.7455 due 31 December 2018. In November 2016, the Group disposed of its entire interest of 8.63% (31 December 2015: 8.89%) in JGL and the CN at the consideration of HK\$10,000,000. As at 31 December 2016, the carrying amount of JGL was HK\$Nil (31 December 2015: HK\$137,500,000).

Having reviewed the unaudited management accounts of Freewill Holdings Limited ("FHL") and considered the unaudited net asset value of FHL as at 30 June 2016 in principle, an impairment of approximately HK\$41,492,000 was recognized for the Year. In December 2016, the Group disposed of its entire interest of 5.71% (31 December 2015: 6.09%) in FHL, a company incorporated in the Marshall Islands with limited liability principally engaged in property investment, financial services and money lending in Hong Kong, at the consideration of HK\$35,000,000. As at 31 December 2016, the carrying amount of FHL was HK\$Nil (31 December 2015: HK\$180,000,000).

於本年度，經參考Joint Global Limited(「JGL」)(一間於馬紹爾群島註冊成立的有限公司，主要從事私募投資及債務證券投資)的未經審核管理賬目，由於JGL虧損嚴重及資產淨值減少，本集團於JGL賬面值確認減值約126,074,000港元。於本年度，JGL從事債務證券投資，並向股東分派其投資組合內的可換股票據。因此，透過JGL於二零一六年四月進行的實物分派，本集團享有本金額約為19,855,000港元的可換股票據(「可換股票據」)，年利率5%，可按兌換價每股0.7455港元兌換為優派能源發展集團有限公司(「優派能源」)(一間於百慕達註冊成立的有限公司，並於香港聯合交易所有限公司(「聯交所」)上市)的26,633,094股普通股(約佔本集團權益全部轉換後經擴充已發行股本的0.58%)，到期日為二零一八年十二月三十一日。於二零一六年十一月，本集團出售其於JGL及可換股票據全部權益的8.63%(二零一五年十二月三十一日：8.89%)，代價為10,000,000港元。於二零一六年十二月三十一日，JGL的賬面值為零港元(二零一五年十二月三十一日：137,500,000港元)。

經審閱Freewill Holdings Limited(「FHL」)的未經審核管理賬目及考慮FHL於二零一六年六月三十日的未經審核資產淨值為原則，於本年度，約41,492,000港元減值已獲確認。於二零一六年十二月，本集團出售其於FHL(一間於馬紹爾群島註冊成立的有限公司，主要從事物業投資、金融服務及於香港從事放貸業務)全部權益的5.71%(二零一五年十二月三十一日：6.09%)，代價為35,000,000港元。於二零一六年十二月三十一日，FHL的賬面值為零港元(二零一五年十二月三十一日：180,000,000港元)。

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主席報告及管理層討論與分析

During the Year, the fair value change of Co-Lead Holdings Limited ("CoL"), a company incorporated in the British Virgin Islands principally engaged in securities investments, amounted to approximately HK\$186,700,000 was booked as other comprehensive expense. In December 2016, the Group disposed of its entire interest of 9.66% (31 December 2015: 9.73%) in CoL at the consideration of HK\$30,000,000. All the cumulative gain or loss previously accumulated in the investment revaluation reserve resulting from the change in fair value was reclassified to profit or loss amounting approximately HK\$ 147,419,000 for the Year. As at 31 December 2016, the carrying amount of CoL was HK\$Nil (31 December 2015: HK\$216,700,000).

In August 2016, the Group realized two unlisted investment funds at market value of approximately HK\$27,462,000 (31 December 2015: approximately HK\$26,385,000) with a net loss on disposal of approximately HK\$2,537,000. All the cumulative gain or loss previously accumulated in the investment revaluation reserve was reclassified to profit or loss for the Year.

Money Lending Business

In 2016, the Group continued to utilize part of its surplus cash to provide short-term financing to corporate and individual borrowers. During the Year, the Group enlarged the loan portfolio and the interest income generated from the money lending business amounted to approximately HK\$9,540,000 (2015: approximately HK\$7,596,000), representing an increase of approximately 25.6% as compared to last year. In November 2016, the Group disposed of the entire equity interest in its wholly-owned subsidiary which carried out money lending business, at a consideration of HK\$30,000,000. Therefore, the Group did not record any loan receivables as at 31 December 2016 (31 December 2015: HK\$142,714,000).

Wine Trading

Revenue generated from trading of wine products for the Year increased to approximately HK\$2,816,000 (2015: approximately HK\$1,637,000). However, the Group recorded a loss of approximately HK\$778,000 (2015: profit of approximately HK\$592,000) in this business segment.

於本年度，Co-Lead Holdings Limited(「CoL」) (一間於英屬處女群島註冊成立的公司，主要從事證券投資)的公平值變動約186,700,000港元以其他全面開支列賬。於二零一六年十二月，本集團出售其於CoL全部權益的9.66%(二零一五年十二月三十一日：9.73%)，代價為30,000,000港元。因公平值變動而產生且先前於投資重估儲備累計的全部累計損益約147,419,000港元已獲重新分類至損益。於二零一六年十二月三十一日，CoL的賬面值為零港元(二零一五年十二月三十一日：216,700,000港元)。

於二零一六年八月，本集團按市值約27,462,000港元(二零一五年十二月三十一日：約26,385,000港元)變現兩項非上市投資基金，出售虧損淨額約2,537,000港元。於本年度，先前於投資重估儲備累計的全部累計損益已獲重新分類至損益。

貸款業務

二零一六年，本集團繼續利用其部分現金盈餘向公司及個人借款人提供短期融資。於本年度，本集團擴充貸款組合，貸款業務所得利息收入約為9,540,000港元(二零一五年：約7,596,000港元)，較去年增加約25.6%。於二零一六年十一月，本集團以代價30,000,000港元出售其從事貸款業務的全資附屬公司全部股權。因此，於二零一六年十二月三十一日，本集團並無錄得任何應收貸款(二零一五年十二月三十一日：142,714,000港元)。

葡萄酒買賣

於本年度，買賣葡萄酒產品產生的收益增至約2,816,000港元(二零一五年：約1,637,000港元)。然而，本集團於該業務分類錄得虧損約778,000港元(二零一五年：溢利約592,000港元)。

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

LIQUIDITY, FINANCIAL ANALYSIS AND CAPITAL STRUCTURE

As at 31 December 2016, the Group had no outstanding secured bank borrowing (31 December 2015: HK\$10,000,000) as the amount was fully repaid during the Year. However, as at 31 December 2016, the Group had other unsecured borrowing at fixed interest rate classified under "liabilities of a disposal group classified as held for sale" of approximately HK\$11,164,000 (31 December 2015: HK\$Nil). Such borrowing was denominated in Renminbi, and thus, there was exposure to fluctuations in exchange rate. Gearing ratio of the Group as at 31 December 2016 was approximately 2.8% (31 December 2015: 1.12%). This calculation is based on net borrowing mentioned above and shareholders' funds of approximately HK\$398,581,000 (31 December 2015: approximately HK\$889,907,000). Cash and bank balances amounted to approximately HK\$414,263,000 (31 December 2015: approximately HK\$180,342,000) and total assets were approximately HK\$446,345,000 (31 December 2015: approximately HK\$930,923,000). Net current assets of the Group on the same date amounted to approximately HK\$395,965,000 (31 December 2015: approximately HK\$302,474,000). As at 31 December 2016, total inventories, including those under "Assets of disposal group classified as held-for-sale", amounted to approximately HK\$4,668,000, representing a substantial decrease of approximately HK\$11,598,000 when compared with the amount as at 31 December 2015. The Group had no material capital commitment as at 31 December 2016.

As at 31 December 2016, the issued share capital of the Company was 1,059,749,920 shares of HK\$0.01 each.

流動資金、財務分析及資本結構

於二零一六年十二月三十一日，由於款項已於本年度悉數償還，故本集團並無尚未償還的有抵押銀行借款(二零一五年十二月三十一日：10,000,000港元)。然而，於二零一六年十二月三十一日，本集團於「分類為持作出售的出售集團負債」項下有其他無抵押固定息率借款約11,164,000港元(二零一五年十二月三十一日：零港元)。該借款以人民幣計值，因此存在匯率波動風險。本集團於二零一六年十二月三十一日的資本負債比率約2.8%(二零一五年十二月三十一日：1.12%)，乃基於上述借款淨額及股東資金約398,581,000港元(二零一五年十二月三十一日：約889,907,000港元)計算。現金及銀行結餘約414,263,000港元(二零一五年十二月三十一日：約180,342,000港元)，而資產總額約446,345,000港元(二零一五年十二月三十一日：約930,923,000港元)。本集團於同日的流動資產淨額約395,965,000港元(二零一五年十二月三十一日：約302,474,000港元)。於二零一六年十二月三十一日，存貨總額(包括「分類為持作出售的出售集團資產」項下的項目)約4,668,000港元，較二零一五年十二月三十一日的金額大幅減少約11,598,000港元。本集團於二零一六年十二月三十一日並無重大資本承擔。

於二零一六年十二月三十一日，本公司已發行股本為1,059,749,920股每股面值0.01港元的股份。

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主席報告及管理層討論與分析

FOREIGN EXCHANGE RISKS

The Group's operations conducted in the PRC are mainly settled in Renminbi while wine trading billings are mainly settled in Euro. However, securities trading and investments as well as money lending are conducted in Hong Kong. Therefore, the Group was exposed to fluctuations in foreign exchange rate to a certain extent during the Year. Currently, the Group has no formal hedging policies in place. The Group has not entered into any foreign currency exchange contracts or derivatives to hedge against the Group's currency risks.

PROSPECTS FOR THE YEAR 2017 AND DEVELOPMENT PLAN

Notwithstanding the Group had attempted to promote and repackage its ginseng products in China in previous years, the sales performance remained weak during the Year. In the last quarter of 2016, the Group entered into an agreement to dispose of the entire issued share capital of Captain Wise Limited and its subsidiaries at the consideration of HK\$10 million so as to sell its entire interest in manufacturing and trading of pharmaceutical and healthcare business, pursuant to which the Group was granted an option to terminate the disposal at its sole discretion before end of 2017. The Board will appraise the performance of such business and other business opportunities prior to proceeding with the completion.

Looking forward, with the breadth of experience and knowledge of the new board members, the Group will strive to develop some core businesses in fund management as well as in cross-border direct investment and in particular the fixed income investment in various business sectors. The Company will explore the opportunities of partnership arrangement and some external financial resources and banking facilities to finance such business developments. Meanwhile, the Group is in the midst of appraising some investment proposals mainly in healthcare, life-science and education industries which have yet to be materialized and may or may not proceed.

外匯風險

本集團在國內開展的業務主要以人民幣結算，而葡萄酒買賣主要以歐元結算。然而，證券買賣及投資以及貸款以港元進行。因此，本集團於本年度僅面臨一定程度的匯率波動風險。現時，本集團並無正式對沖政策，亦無訂立任何外匯合約或衍生工具，以對沖本集團的貨幣風險。

二零一七年展望及發展計劃

儘管本集團過往幾年嘗試在中國推廣及重新包裝人參產品，惟本年度的銷售業績仍然疲弱。於二零一六年最後一個季度，本集團訂立協議以代價為10,000,000港元出售Captain Wise Limited及其附屬公司的全部已發行股本，從而出售其於生產及買賣醫藥及保健產品業務的全部權益，據此，本集團獲授於二零一七年年終前全權酌情終止該出售事項的選擇權。於落實完成前，董事會將評估該等業務表現及其他商機。

展望未來，憑藉新董事會成員的豐富經驗及知識，本集團將致力發展基金管理及各各行各業的跨境直接投資核心業務，特別是固定收益投資。本公司將探討合夥安排以及一些外部財政資源及銀行融資的機遇，以便為該等業務發展提供資金。同時，本集團正在評估主要針對醫療保健、生命科學及教育行業的若干投資建議，該等投資尚未作實且未必會進行。

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

U.K. Prime Minister Theresa May is preparing to trigger Brexit in the last week of March 2017 after securing the permission of the parliament to begin two years of talks with European Union and the decline in sterling pound following the Brexit vote has become a lure to foreign investors. The Board will certainly take into account the global economy in evaluating overseas investments if and when suitable opportunities arise. It is expected that under the stewardship of new board members, the Group will have a new direction in future business developments.

On 24 February 2017, the Board announced the proposed change of the English name of the Company from Dragonite International Limited to "OCI International Holdings Limited" and to adopt the Chinese name "東建國際控股有限公司" as the new dual foreign name of the Company in place of its existing Chinese name "叁龍國際有限公司". The proposed change of company name is subject to the shareholders' approval at the forthcoming annual general meeting of the Company and the Registrar of Companies in the Cayman Islands granting the approval. It is expected that the new name can provide the Company with a fresh corporate image and identity which will benefit the Company's future business development.

DETAILS OF MATERIAL DISPOSAL OF SUBSIDIARIES

In November 2016, the Group disposed of the entire issued share capital of Smart State Developments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability for the consideration of HK\$10,000,000 to an independent third party to enable the Company to exit the loss making AFS investment in JGL. A loss on disposal of approximately HK\$1,426,000 was recorded for the Year.

In November 2016, the Group also disposed of the entire issued share capital of Dragonite Resources Limited, a company incorporated in the British Virgin Islands with limited liability, for the consideration of HK\$30,000,000 to an independent third party as the Group determined to cease its money lending business. A loss on disposal of approximately HK\$189,000 was recorded for the Year.

於取得議會許可後，英國首相文翠珊 (Theresa May) 準備在二零一七年三月最後一周啟動脫歐程序，開始與歐盟進行為期兩年的談判，而英國脫歐公投後英鎊的下跌已成為吸引外國投資者的因素。於出現合適機會時，董事會將必定會於評估海外投資過程中考慮全球經濟因素。預計在新董事會成員管理下，本集團將於未來業務發展中有新的方向。

於二零一七年二月二十四日，董事會宣佈，建議將本公司英文名稱由「Dragonite International Limited」改為「OCI International Holdings Limited」，並採納中文名稱「東建國際控股有限公司」作為本公司的新雙重外語名稱，以取代其現有中文名稱「叁龍國際有限公司」。建議更改公司名稱須待股東於本公司的應屆股東週年大會上批准及開曼群島公司註冊處處長授出一般批准後方告作實。預計新名稱將賦予本公司全新公司形象及標識，這將有利於本公司未來業務發展。

重大附屬公司出售事項詳情

於二零一六年十一月，本集團出售駿域發展有限公司（一間於英屬處女群島註冊成立從事投資控股的有限責任公司）的全部已發行股本予一名獨立第三方，代價為10,000,000港元，讓本公司得以退出其於JGL錄得虧損的可供出售投資。本年度錄得出售虧損約1,426,000港元。

由於本集團決定終止其貸款業務，故本集團亦於二零一六年十一月出售Dragonite Resources Limited（一間於英屬處女群島註冊成立的有限責任公司）全部已發行股本予一名獨立第三方，代價為30,000,000港元。本年度錄得出售虧損約189,000港元。

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

In December 2016, the Group further completed the disposal of the entire issued share capital of two subsidiaries, Colour State Limited and Silvermoon Developments Limited, both the investment holding companies incorporated in the British Virgin Islands with limited liability for the consideration of HK\$30,000,000 and HK\$35,000,000 respectively, to two independent third parties to enable the Company to exit the loss making AFS investments in CoL and FHL. Losses resulting from the said disposals of approximately HK\$147,419,000 and HK\$103,508,000 were recorded for the Year respectively.

DIVIDEND

The Board does not recommend any dividend payment for the Year. (2015: HK\$Nil)

PLEDGE OF ASSETS

At 31 December 2016, no secured short-term borrowing (31 December 2015: HK\$10,000,000) was reported. (31 December 2015: secured by the unlisted investments funds included in AFS investments with the carrying amount of approximately HK\$26,385,000)

CONTINGENT LIABILITIES

As at 31 December 2015, the Group was subject to a claim of approximately HK\$9.4 million from an external consultant pursuant to a so-called consulting agreement alleged by him and the outstanding retainer fee and expenses in relation to the disposal of electronic cigarette business taken place during the year ended 31 December 2013. On 12 April 2016, a notice of discontinuance which stipulated that the proceedings against the Company be wholly discontinued was filed in the High Court of the Hong Kong Special Administrative Region by the plaintiffs. Therefore, at end of the Year, the Group was not liable to any legal proceedings of which provision for contingent liabilities was required.

EMPLOYEE POLICY

As at 31 December 2016, the Group employed approximately 100 employees in the PRC and Hong Kong. The remuneration package of the employees is determined with reference to market conditions, their performance, experience and their positions, duties and responsibilities in the Group.

於二零一六年十二月，本集團進一步完成出售兩間附屬公司彩邦有限公司及Silvermoon Developments Limited (兩者均為於英屬處女群島註冊成立從事投資控股的有限責任公司)的全部已發行股本予兩名獨立第三方，代價分別為30,000,000港元及35,000,000港元，讓本公司得以退出其於CoL及FHL錄得虧損的可供出售投資。本年度自上述出售事項錄得的虧損分別為約147,419,000港元及103,508,000港元。

股息

董事會不建議派付本年度的任何股息(二零一五年：零港元)。

資產抵押

於二零一六年十二月三十一日，本集團並無有抵押短期借款(二零一五年十二月三十一日：10,000,000港元)呈報(二零一五年十二月三十一日：以賬面值約26,385,000港元的計入可供出售投資的非上市投資基金作擔保)。

或然負債

於二零一五年十二月三十一日，就於截至二零一三年十二月三十一日止年度進行的出售電子煙業務，本集團面對外聘顧問根據其聲稱的所謂顧問協議及未支付服務費及開支索償約9,400,000港元。於二零一六年四月十二日，原告向香港特別行政區高等法院申請發出終止通知，全面終止對本公司的訴訟。因此，本集團於年末毋須就要求作出或然負債撥備的任何法律程序承擔責任。

僱員政策

於二零一六年十二月三十一日，本集團在中國和香港聘用約100名僱員。僱員薪酬待遇經參考市況、績效、經驗及在本集團的職位、職責及責任釐定。

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論與分析

APPRECIATION

The Board would like to express our gratitude and sincere appreciation to all our business partners, management, staff members, and shareholders for their continuous support.

On Behalf of the Board
Dragonite International Limited

Feng Hai
Chairman

24 March 2017

致謝

董事會衷心感謝本公司所有業務夥伴、管理層、員工及股東一直以來的支持。

代表董事會
叁龍國際有限公司

主席
馮海

二零一七年三月二十四日

The board of directors (the “Board”) of Dragonite International Limited (the “Company”) is committed to maintaining and ensuring a high standard of corporate governance. The Board takes the view that a high standard of corporate governance lays down a solid foundation for enhancing a high degree of accountability and transparency, maintaining sound and effective internal control, improving the performance of the Group and safeguarding the interests of the shareholders of the Company.

The Board has adopted the code provisions set out in the Corporate Governance Code (the “Code”) as contained in Appendix 14 to Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). During the year ended 31 December 2016 (the “Year”), the Company has complied with the Code except the deviations from code provisions A.4.1, A.6.7 and D.1.4 of the Code. The Board will continue to review and recommend such steps as appropriate in a timely manner in order to comply with the requirements of the Code.

THE BOARD

As at 31 December 2016, the Board was comprised of Mr. Feng Hai (Chairman), Ms. Chan Mee Sze (Managing Director and Chief Executive Officer), Mr. Lam Suk Ping, Mr. Li Yi and Ms. Xiao Qing as Executive Directors; and Mr. Lam Man Sum, Albert, Mr. Chang Tat Joel and Mr. Wong Stacey Martin as Independent Non-executive Directors. Mr. Feng Hai and Mr. Li Yi have been appointed as Executive Directors on 11 November 2016. Mr. Lee Kien Leong resigned as Chairman and Executive Director on 28 November 2016 and Mr. Feng Hai has been appointed as Chairman of the Board upon the resignation of Mr. Lee Kien Leong. Mr. Liu Zheng had been appointed as Executive Director for the period from 11 November 2016 to 16 December 2016 and Ms. Xiao Qing has been appointed as Executive Director on 16 December 2016 to take the place of him. Mr. Du Peng and Ms. Zheng Xiaosu have been appointed as Non-executive Directors on 17 February 2017.

參龍國際有限公司(「本公司」)董事會(「董事會」)致力維持並確保高水準之企業管治，乃因董事會認為高水準之企業管治可為提升問責性和透明度、保持合理有效的內部監控並改善本集團表現及保障本公司股東利益奠定穩固基礎。

董事會已採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四企業管治守則(「守則」)所載守則條文。截至二零一六年十二月三十一日止年度(「本年度」)，本公司已遵守守則，惟偏離守則第A.4.1條、A.6.7條及D.1.4條守則條文者除外。董事會將繼續適時檢討有關步驟並作適當建議，以符合守則規定。

董事會

於二零一六年十二月三十一日，董事會成員包括執行董事馮海先生(主席)、陳美思女士(董事總經理兼行政總裁)、林叔平先生、李毅先生及肖青女士；及獨立非執行董事林聞深先生、鄭達祖先生及黃偉誠先生。於二零一六年十一月十一日，馮海先生及李毅先生獲委任為執行董事。於二零一六年十一月二十八日，李健龍先生辭任主席兼執行董事職務，而馮海先生於李健龍先生辭任後獲委任為董事會主席。劉征先生於二零一六年十一月十一日獲委任為執行董事，直至二零一六年十二月十六日止，而肖青女士於二零一六年十二月十六日獲委任為執行董事以代替其職位。於二零一七年二月十七日，杜朋先生及鄭小粟女士獲委任為非執行董事。

Corporate Governance Report

企業管治報告

The biographies of the Directors are set out in pages 29 to 32. The composition of Board members demonstrates a diversity of skills, expertise, experience and qualifications.

The Board is responsible for the overall strategic development of the Company and its subsidiaries (collectively the “Group”) and is also responsible for the financial performance, internal control policies and business operations of the Group. The daily operations of the Group are delegated to the Group's management. All Directors are provided with updated information relating to corporate governance and regulatory matters. During the Year, all Directors had been provided with monthly management updates giving a balanced and understandable assessment of the Company's performance, position and prospects to enable the Directors to discharge their duties under the Listing Rules.

The Board is responsible for performing corporate governance functions with written terms of reference. The primary duties are:

1. To develop and review the Company's policies and practices on corporate governance.
2. To review and monitor the training and continuous professional development of Directors and senior management.
3. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.
4. To develop, review and monitor the code of conduct applicable to employees and Directors.
5. To review the Company's compliance with code and disclosure in the corporate governance report.

董事履歷載於第29至32頁。董事會成員的組成顯示董事各具不同技能、專業知識、經驗和資歷。

董事會負責本公司及其附屬公司(統稱「本集團」)之整體策略發展，亦負責本集團之財務表現、內部監控政策及業務營運。本集團之日常業務授權予本集團管理層負責。全體董事均會獲提供有關企業管治及監管事項之最新資料。於本年度，管理層向全體董事提供每月之更新資料，當中載列有關本公司表現、狀況及前景之公正且易於理解之評估，有助董事履行上市規則規定的職責。

董事會負責按照書面職權範圍執行企業管治職能。主要職責為：

1. 制定及檢討本公司之企業管治政策及常規。
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行為守則。
5. 檢討本公司遵守守則之情況及於企業管治報告之披露。

BOARD MEETINGS

The Executive Directors meet on a regular basis to discuss the ordinary business of the Company. Board meetings are held to discuss the overall development, operation, financial performance, interim results, annual results and other business of the Company that requires approval from the Board. Reasonable notice has been given to Board members to give them an opportunity to attend. All Board members are provided relevant documentation covering the subject matter of the board meetings. Board members are also provided with sufficient information in a timely manner to review and consider matters to be discussed at Board meetings and also for passing written resolutions. The Company utilizes telephone conferencing for Directors who are not able to attend in person.

During the Year, the Board held seven board meetings. The following table shows the attendance of Directors at board meetings during the Year:

董事會會議

執行董事定期召開會議，商討本公司日常業務。召開董事會會議乃為討論本公司整體發展、營運、財務表現、中期業績、年度業績及須董事會審批之其他業務。本公司會給予董事會成員合理通知，以便彼等安排出席會議。董事會全體成員均獲得涵蓋董事會議題的有關文件，亦適時獲提供充足資料以審閱和考慮董事會會議上商討的事項及通過書面決議案。對於不能親身出席之董事，本公司使用電話會議方式以便彼等參與。

於本年度，董事會舉行七次董事會會議。下表列示本年度董事出席董事會會議的情況：

Name of Directors 董事姓名		Attendance 出席會議次數
Executive Directors	執行董事	
Feng Hai (<i>Chairman</i>)(<i>appointed as Executive Director on 11 November 2016 and appointed as Chairman on 28 November 2016</i>)	馮海(主席)(於二零一六年十一月十一日獲委任為執行董事，並於二零一六年十一月二十八日獲委任為主席)	1/1
Chan Mee Sze (<i>Managing Director & Chief Executive Officer</i>)	陳美思(董事總經理兼行政總裁)	6/7
Lam Suk Ping	林叔平	7/7
Li Yi (<i>appointed on 11 November 2016</i>)	李毅(於二零一六年十一月十一日獲委任)	1/1
Xiao Qing (<i>appointed on 16 December 2016</i>)	肖青(於二零一六年十二月十六日獲委任)	1/1
Lee Kien Leong (<i>resigned as Chairman and Executive Director on 28 November 2016</i>)	李健龍(於二零一六年十一月二十八日辭任主席兼執行董事職務)	6/6
Liu Zheng (<i>appointed on 11 November 2016 and resigned on 16 December 2016</i>)	劉征(於二零一六年十一月十一日獲委任，並於二零一六年十二月十六日辭任)	N/A不適用
Independent Non-executive Directors	獨立非執行董事	
Lam Man Sum, Albert	林聞深	4/7
Chang Tat Joel	鄭達祖	2/7
Wong Stacey Martin	黃偉誠	4/7

Corporate Governance Report

企業管治報告

During the Year, all Directors discharged their duties in a dedicated, diligent and proactive manner with reasonable prudence. They have executed their duties in accordance with statutory requirements, the articles of association of the Company (the "Articles of Association") and the Listing Rules. All Directors have exercised due care in monitoring corporate matters of the Company and provided sufficient time and attention to all significant issues of the Group.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors are encouraged to enroll in professional development courses and programs so that they can continuously update and refresh their knowledge and skills. The training received by each Director is set out below:

於本年度，全體董事以合理審慎之方式專注、盡職及主動履行職責。彼等根據法定要求、本公司組織章程細則（「組織章程細則」）及上市規則履行職責。全體董事謹慎監督本公司的企業事務，並充分投入時間及精力關注本集團所有重大問題。

董事之持續專業發展

董事獲鼓勵參加專業發展課程及計劃，以持續吸收新知識和技能並溫故知新。各董事的培訓紀錄如下：

Directors 董事		Corporate Governance/ Updates on Laws, Rules & Regulations 企業管治／法律、 規則及條例的 最新資料	Accounting/ Financial/ Management or Other Professional Skills 會計／財務／ 管理或其他 專業技能
Executive Directors	執行董事		
Feng Hai (<i>appointed as Executive Director on 11 November 2016 and appointed as Chairman on 28 November 2016</i>)	馮海(於二零一六年十一月十一日獲委任為執行董事，並於二零一六年十一月二十八日獲委任為主席)	—	—
Chan Mee Sze	陳美思	✓	—
Lam Suk Ping	林叔平	✓	—
Li Yi (<i>appointed on 11 November 2016</i>)	李毅(於二零一六年十一月十一日獲委任)	—	—
Xiao Qing (<i>appointed on 16 December 2016</i>)	肖青(於二零一六年十二月十六日獲委任)	—	—
Lee Kien Leong (<i>resigned as Chairman and Executive Director on 28 November 2016</i>)	李健龍(於二零一六年十一月二十八日辭任主席兼執行董事職務)	—	—
Liu Zheng (<i>appointed on 11 November 2016 and resigned on 16 December 2016</i>)	劉征(於二零一六年十一月十一日獲委任，並於二零一六年十二月十六日辭任)	—	—
Independent Non-executive Directors	獨立非執行董事		
Lam Man Sum, Albert	林闡深	✓	✓
Chang Tat Joel	鄭達祖	—	—
Wong Stacey Martin	黃偉誠	✓	—

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Following enquiries with the Directors, the Company has received confirmation from each of the Directors confirming that he or she has complied with the required standard of dealings set out in the Model Code for the Year.

SEGREGATION OF DUTIES

Chairman and Managing Director positions are held by separate individuals with a view to maintain an effective segregation of duties in respect of the management of the Board and the day-to-day management of the Group's business. The Chairman is responsible for the management of the Board and the strategic developments of the Group. The Managing Director is responsible for the Group's day-to-day corporate administration.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors bring independent judgment to the Board. Each Independent Non-executive Director sent a written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules to the Company. Based on these confirmations, the Board considers that all Independent Non-executive Directors have met the qualifications of Rule 3.13 of the Listing Rules for the Year.

董事之證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易之標準守則(「標準守則」)。經本公司向董事作出查詢，各董事均確認於本年度遵守標準守則所載交易標準。

職責分工

主席及董事總經理之職務由不同人士擔任，以有效區分董事會之管理與本集團業務之日常管理職責。主席負責董事會管理及本集團策略發展，董事總經理負責本集團日常企業行政。

獨立非執行董事

獨立非執行董事向董事會提出獨立判斷。各獨立非執行董事根據上市規則第3.13條就本身的獨立性向本公司發出確認書。根據該等確認書，董事會認為本年度全體獨立非執行董事均符合上市規則第3.13條所述資格。

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APPOINTMENT AND RE-ELECTION OF DIRECTORS

Directors are appointed in accordance with their qualifications and experience to ensure they are capable to perform their duties and protect the interests of the stakeholders. Every newly appointed Director receives a comprehensive and formal introduction to ensure that he/she has an understanding of the Group's business and operation, his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements, and the Model Code.

Article D.1.4 of the Code stipulates that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. As three of the newly appointed executive directors, namely Mr. Feng Hai, Mr. Li Yi and Ms. Xiao Qing have not entered into service contracts with the Company for their appointments as directors of the Company, which constitutes a deviation from D.1.4 of the Code. Three of them do not receive any remuneration for their appointment as directors of the Company and the Company is in the course of finalizing the service contracts with them. The Board believes that such deviation from D.1.4 of the Code can be resolved soon.

Article A.4.1 of the Code stipulates that non-executive directors shall be appointed for a specific term and be subject to re-election. Save as the appointment of Mr. Lam Man Sum, Albert as an Independent Non-executive Director has no specific term of office, which constitutes a deviation from A.4.1 of the Code, all the Independent Non-executive Directors and Non-executive Directors have been appointed for an initial term of 3 years. However, all Independent Non-executive Directors and Non-executive Directors are subject to retirement by rotation at the Annual General Meeting of the Company in accordance with the Articles of Association. The Board therefore considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those of the Code.

According to the provisions of the Articles of Association and the Listing Rules, any Director appointed by the Board to fill a casual vacancy shall hold office until the next following general meeting of the Company, and in the case of an addition to the existing Board, until the next following Annual General Meeting of the Company. Furthermore, each Director, including those appointed for a specific term or holding office as Chairman and/or Managing Director, are subject to retirement by rotation at least once every three years.

委任及重選董事

董事之委任視乎資歷及經驗而定，確保能夠履行職責及保障股權持有人利益。本公司會向每名新任董事作出全面正式介紹，確保彼等了解本集團的業務和經營以及上市規則、有關監管規定及標準守則規定的職責。

守則條文第D.1.4條規定，發行人須就董事委任發出委任函，當中載列董事委任的主要條款及條件。由於新委任的三名執行董事馮海先生、李毅先生及肖青女士並無就彼等獲委任為本公司董事與本公司訂立服務合約，有關情況構成違反守則條文第D.1.4條。該三名董事並無就獲委任為本公司董事收取任何酬金，而本公司正與彼等商定有關服務合約。董事會相信，有關違反守則條文第D.1.4條的情況將於不久將來得以糾正。

守則第A.4.1條規定，非執行董事應有指定任期，惟可膺選連任。除獨立非執行董事林聞深先生並無特定任期而構成偏離守則第A.4.1條的規定外，全體獨立非執行董事及非執行董事獲委任之初步任期為三年。然而，全體獨立非執行董事及非執行董事須遵照組織章程細則於本公司股東週年大會輪席退任。因此，董事會認為已採取足夠措施確保本公司的企業管治慣例並不較守則的規定寬鬆。

按照組織章程細則條文及上市規則，任何獲董事會委任填補臨時空缺之董事的任期至本公司下屆股東大會為止，若是新加入現有董事會，則任期至本公司下屆股東週年大會為止。此外，各董事(包括有特定任期或擔任主席及/或董事總經理之董事)須至少每三年輪席退任一次。

NOMINATION OF DIRECTORS

In March 2012, the Company established the nomination committee which is responsible for the selection of individuals nominated as Director. The Board considers the experience, qualification, general market conditions and composition of the Board in selecting and recommending candidates as Directors of the Company.

Detailed information relating to educational, professional qualifications and relevant work experience are provided at the board meeting to approve the proposed appointment of new Directors. The criteria for selecting Directors are mainly based on the candidate's qualifications, experience, professional knowledge, ethics and integrity.

BOARD DIVERSITY POLICY

The Board has adopted the Board Diversity Policy pursuant to which the Board considers a number of aspects, including but not limited to gender, age, culture and educational background, ethnicity, professional experience, skills, knowledge and length of services in designing the Board's composition. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and to monitor the implementation of the Board Diversity Policy.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

In determining the remuneration of Directors and senior management, the Company took into account (i) prevailing market conditions; (ii) time commitment requirements; (iii) duties and responsibilities; (iv) contribution to the Group; (v) qualifications and (vi) experience, to ensure sufficient remuneration levels to attract and retain high caliber personnel without paying excessively.

提名董事

於二零一二年三月，本公司成立提名委員會，負責甄選提名為董事的人士。董事會於甄選及推薦本公司董事候選人時，會考慮經驗、資歷、整體市況及董事會組成。

有關教育、專業資格及相關工作經驗的詳細資料會提呈董事會會議，以批准新董事的建議任命。董事的甄選標準主要以候選人的資格、經驗、專業知識、操守和誠信為基礎。

董事會成員多元化政策

董事會已採納董事會成員多元化政策，確定董事會組成時會全面考慮性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期等。最終決定將根據經篩選候選人將為董事會帶來的惠益及貢獻作出。提名委員會將審閱董事會成員多元化政策(如適用)以確保其成效，並監督實施董事會成員多元化政策。

董事及高級管理層之薪酬

釐定董事及高級管理人員薪酬時，本公司考慮(i)當前市況；(ii)所須時間投入；(iii)職責及責任；(iv)對本集團之貢獻；(v)資格及(vi)經驗，確保以充足但非過高的薪酬水平吸引及留任高素質人才。

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THE COMMITTEES

Audit Committee

The audit committee of the Company (the “Audit Committee”) was established in 2001 and the Company adopted written terms of reference for the Audit Committee. In December 2015, the Board adopted a set of revised terms of reference of the Audit Committee in which risk management has been specifically included as the responsibility of the Audit Committee. During the Year and up to the date of this report, the Audit Committee is comprised of the following Independent Non-executive Directors:

Mr. Chang Tat Joel (*Chairman*)

Mr. Lam Man Sum, Albert

Mr. Wong Stacey Martin

The primary duties of the Audit Committee include, among other things, review and supervision of the financial reporting process, risk management and the Company’s internal control policies and procedures. The Audit Committee also acts as the communication bridge between the Board and the external auditors in relation to the planning and scope of audit work. The appointment of members to the Audit Committee was based on members’ breadth of experience in various commercial sectors and professional knowledge of financial reporting and general management.

During the Year, the Audit Committee held two meetings to review interim and annual results of the Group, internal control and risk management issues. The Risk Management Policies and Procedures was adopted during the Year and the Enterprise Risk Management Advising Service Report prepared by an external advisor was reviewed by the Audit Committee. The attendance records of the meetings are shown below.

委員會

審核委員會

本公司審核委員會(「審核委員會」)於二零零一年成立，本公司已採用審核委員會之書面職權範圍。於二零一五年十二月，董事會採納一套審核委員會之經修訂職權範圍，當中訂明風險管理為審核委員會的職責。於本年度及截至本報告日期，審核委員會由以下獨立非執行董事組成：

鄭達祖先生(主席)

林聞深先生

黃偉誠先生

審核委員會之主要職責包括(但不限於)檢討及監察財務報告程序、風險管理及本公司之內部監控政策和程序。審核委員會亦擔任董事會與外部核數師有關核數工作策劃及範圍的溝通橋樑。審核委員會成員之委任乃根據有關成員於商界多個領域之廣泛經驗及對財務報告和一般管理之專業知識而確定。

於本年度，審核委員會舉行兩次會議，以審閱本集團的中期及年度業績、內部監控、風險管理問題。風險管理政策及程序於年內獲採納，而外聘顧問所編製的企業風險管理顧問服務報告則由審核委員會審閱。會議之出席紀錄載於下文。

Remuneration Committee

The remuneration committee of the Company (the “Remuneration Committee”) was established in 2005. In March 2012, the Board adopted a set of revised terms of reference of the Remuneration Committee which included changes in line with the new requirements of the Code. During the Year and up to the date of this report, the Remuneration Committee is comprised of the following Independent Non-executive Directors:

Mr. Chang Tat Joel (*Chairman*)
Mr. Lam Man Sum, Albert
Mr. Wong Stacey Martin

The primary duties of the Remuneration Committee include, among other things, determining the policy for the remuneration of Executive Directors, assessing performance of Executive Directors and approving the terms of Executive Directors’ service contracts. The Remuneration Committee review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

During the Year, the Remuneration Committee held one meeting to review and recommend the remunerations of the Directors. The attendance record of the meeting is shown below.

Nomination Committee

The Company established a nomination committee (the “Nomination Committee”) in March 2012 with written terms of reference. During the Year and up to the date of this report, the Nomination Committee is comprised of the following Directors:

Mr. Lam Man Sum, Albert (*Chairman*)
Ms. Chan Mee Sze
Mr. Chang Tat Joel
Mr. Wong Stacey Martin

薪酬委員會

本公司薪酬委員會(「薪酬委員會」)於二零零五年成立。於二零一二年三月，董事會採納一套薪酬委員會之經修訂職權範圍，其中包含符合守則新規定之變動。於本年度及截至本報告日期，薪酬委員會由以下獨立非執行董事組成：

鄭達祖先生(主席)
林聞深先生
黃偉誠先生

薪酬委員會之主要職責包括(但不限於)釐定執行董事之薪酬政策、評估執行董事表現以及批准執行董事之服務合約條款。薪酬委員會根據董事會之企業目標及方針審閱及批准管理人員薪酬方案，就個別執行董事及高級管理人員之薪酬待遇向董事會提出建議。

於本年度，薪酬委員會舉行一次會議，以檢討及建議董事之薪酬。會議之出席紀錄載於下文。

提名委員會

本公司於二零一二年三月成立提名委員會(「提名委員會」)並書面界定其職權範圍。於本年度及截至本報告日期，提名委員會由以下董事組成：

林聞深先生(主席)
陳美思女士
鄭達祖先生
黃偉誠先生

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The primary duties of the Nomination Committee include (i) reviewing the structure, size and composition of the Board; (ii) selection of individuals nominated for directorships; (iii) assess the independence of Independent Non-executive Directors; and (iv) make recommendations to the Board.

During the Year, the Nomination Committee held four meetings to (i) review the structure, size, composition and diversity of the Board, including the mix of skills, competence and experience of the directors; (ii) consider the proposed appointment of Mr. Feng Hai, Mr. Li Yi, Ms. Xiao Qing and Mr. Liu Zheng as Directors; (iii) consider the proposed appointment of Mr. Feng Hai as Chairman of the Company upon the resignation of Mr. Lee Kien Leong; and (iv) review the independence of the Independent Non-executive Directors. The attendance record of the meeting is shown below.

Attendance Record

The following table shows the attendance of Directors at meetings of the Audit Committee, Remuneration Committee and Nomination Committee during the Year:

提名委員會之主要職責包括(i) 審閱董事會之架構、規模及組成；(ii) 甄選提名為董事的人士；(iii) 評估獨立非執行董事的獨立性；及(iv) 向董事會提出建議。

於本年度，提名委員會舉行四次會議，以(i) 檢討董事會之架構、人數、組成及成員多元化，包括董事技能、才幹及經驗之組合；(ii) 考慮建議委任馮海先生、李毅先生、肖青女士及劉征先生為董事；(iii) 考慮於李健龍先生辭任後建議委任馮海先生為本公司主席；及(iv) 檢討獨立非執行董事之獨立性。會議之出席紀錄載於下文。

出席紀錄

下表列示本年度審核委員會、薪酬委員會及提名委員會會議之董事出席情況：

Name of Directors 董事姓名		Attendance 出席情況		
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Lam Man Sum, Albert	林聞深	2/2	1/1	4/4
Chang Tat Joel	鄭達祖	2/2	1/1	3/4
Wong Stacey Martin	黃偉誠	2/2	1/1	4/4
Chan Mee Sze	陳美思	N/A不適用	N/A不適用	4/4

INVESTOR RELATIONS AND COMMUNICATIONS

Company general meetings are valuable platform to allow the Board to communicate with shareholders and answer questions regarding proposed resolutions. Individual resolutions were stipulated at general meetings for each substantial issue and Board members are available to answer questions raised by shareholders. The attendance of each Director at the general meeting of the Company for the Year is set out below:

投資者關係及溝通

本公司股東大會為董事會與股東溝通及回答有關所提呈決議案之問題的寶貴平台。股東大會就各重大問題制定個別決議案，而董事會成員均會列席大會回答股東提問。各董事於本年度出席本公司股東大會的情況如下：

Name of Directors 董事名稱		Attendance 出席情況
Executive Directors		
執行董事		
Feng Hai (Chairman)(appointed as Executive Director on 11 November 2016 and appointed as Chairman on 28 November 2016)	馮海(主席)(於二零一六年十一月十一日獲委任為執行董事，並於二零一六年十一月二十八日獲委任為主席)	N/A不適用
Chan Mee Sze (Managing Director & Chief Executive Officer)	陳美思(董事總經理兼行政總裁)	1/1
Lam Suk Ping	林叔平	1/1
Li Yi (appointed on 11 November 2016)	李毅(於二零一六年十一月十一日獲委任)	N/A不適用
Xiao Qing (appointed on 16 December 2016)	肖青(於二零一六年十二月十六日獲委任)	N/A不適用
Lee Kien Leong (resigned as Chairman and Executive Director on 28 November 2016)	李健龍(於二零一六年十一月二十八日辭任主席兼執行董事職務)	1/1
Liu Zheng (appointed on 11 November 2016 and resigned on 16 December 2016)	劉征(於二零一六年十一月十一日獲委任，並於二零一六年十二月十六日辭任)	N/A不適用
Independent Non-executive Directors		
獨立非執行董事		
Lam Man Sum, Albert	林聞深	1/1
Chang Tat Joel	鄭達祖	0/1
Wong Stacey Martin	黃偉誠	1/1

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Under the code provision of A.6.7 of the Code, all independent non-executive directors and non-executive director should attend general meetings of the Company and develop a balanced understanding of shareholders' view. For the Annual General Meeting held on 26 May 2016, Mr. Chang Tat Joel, the Independent Non-executive Director of the Company was unable to attend due to other business engagement.

In March 2012, the Board adopted a Shareholder's Communication Policy aiming to provide Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. Information of the Group was disseminated to Shareholders and investors as follows:

- Delivery of interim reports and annual reports to all shareholders of the Company and other interested parties;
- Announce interim results and annual results on the Stock Exchange's website and the Company's website; and issue and publication of other announcements and shareholders' circulars in accordance with the continuing disclosure obligation under the Listing Rules; and
- Inside Information is disclosed to the public by way of announcement as required by the Listing Rules and pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

Procedures for directing shareholders' enquiries to the Board

Shareholders may direct enquiries to the Board at any time. Such enquiries can be addressed to the Company Secretary by mail to the Company's principal office in Hong Kong at Suite 3205, 32/F., Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

根據守則第A.6.7之守則條文，全體獨立非執行董事及非執行董事應出席本公司股東大會，並對股東意見有公正的了解。本公司獨立非執行董事鄭達祖先生因須處理其他事務而未能出席本公司於二零一六年五月二十六日的股東週年大會。

於二零一二年三月，董事會採納與股東溝通政策，旨在使股東及潛在投資者即時及適時獲得均衡及易於理解的本公司資料。本集團之資料會以下述方式發佈予股東及投資者：

- 向本公司全體股東及其他利益關係方發送中期報告及年報；
- 在聯交所網站及本公司網站公佈中期業績及年度業績，及按上市規則所規定之持續披露責任發表和刊發其他公告及股東通函；及
- 按照上市規則以及證券及期貨條例第XIVA部內幕消息條文之規定以公告方式向公眾披露內幕消息。

向董事會傳達股東查詢之程序

股東可隨時直接向董事會作出查詢。該等查詢可郵寄至本公司香港主要辦事處(地址為香港九龍尖沙咀廣東道9號港威大廈6座32樓3205室)，並註明公司秘書為收件人。

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an Extraordinary General Meeting and putting forward proposals at shareholders' meetings

There are no provisions allowing shareholders to propose new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association. Shareholders who wish to move a resolution may request the Company to convene an Extraordinary General Meeting following the procedures set out below.

Pursuant to Article 58 of the Articles of Association, any one or more members 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 Company Secretary of the Company, to require an Extraordinary General Meeting to be called by the Board for the transaction of any business specified in such requisition.

If the requisition is in order, then the meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for proposing a person for election as a Director

Procedures for proposing a person for election as a Director, please refer to the procedures available on the Company's website at www.dragonite.com.hk.

股東權利

股東召開股東特別大會及於股東大會上提呈議案之程序

開曼群島公司法或組織章程細則並無條文批准股東於股東大會上提呈新決議案。股東如欲動議決議案，可依循下文所載程序要求本公司召開股東特別大會。

根據組織章程細則第58條，任何一名或多名於送達請求當日持有附本公司股東大會投票權之本公司繳足股本不少於十分之一的股東可隨時向本公司董事會或公司秘書發出書面請求，要求董事會召開股東特別大會，處理該請求中指明之任何事務。

倘請求屬恰當，則大會須於有關請求送達後兩(2)個月內舉行。倘請求送達後二十一(21)日內董事會未能召開會議，則請求人可自行以同樣方式召開大會，且本公司將補償請求人因董事會未能召開大會而產生的合理費用。

建議任何人士當選董事之程序

有關建議任何人士當選董事之程序可於本公司網站 www.dragonite.com.hk 查閱。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for overseeing the preparation of the financial statements of the Group and believe these statements give a true and fair view of the Group's affairs and its results. The Directors are also responsible for the timely publication of financial statements of the Group and to ensure they are prepared in accordance with statutory requirements and applicable financial reporting standards. The Directors are also committed to making appropriate announcements in accordance with the requirements of the Listing Rules, and to disclose all information necessary for shareholders of the Company to assess the financial performance and other aspects of the Company.

On 9 January 2017, Deloitte Touche Tohmatsu resigned as the auditor of the Group and Crowe Horwath (HK) CPA Limited has been appointed as the new auditor of the Group to fill the causal vacancy following the resignation of Deloitte Touche Tohmatsu and will continue as such until the forthcoming Annual General Meeting of the Company. The annual consolidated financial statements of the Group for the Year have been audited by Crowe Horwath (HK) CPA Limited. The auditors' responsibilities for the Group's financial statements are set out in the Independent Auditor's Report on pages 45 to 51 of the Company's 2016 Annual Report.

The Audit Committee is responsible for evaluating the external auditors of the Group, including but not limited to their independence and objectivity.

The fees of the external auditors of the Group for audit services amounted to HK\$1,750,000 and for non-audit services amounted to approximately HK\$453,000 for the Year.

問責及審核

董事確認負責監督本集團財務報表之編製，並認為該等報表真確公允反映本集團的事務及業績。董事亦負責適時刊發本集團財務報表，並確保財務報表乃根據法定要求及適用財務報告準則編製。董事亦致力按照上市規則之規定作出適當公佈及披露本公司股東就評估本公司財務表現及其他事宜所需的全部資料。

於二零一七年一月九日，德勤•關黃陳方會計師行已辭任本集團核數師職務，國富浩華(香港)會計師事務所有限公司已獲委任為本集團之新任核數師，以填補德勤•關黃陳方會計師行辭任後的臨時空缺，並將任職至本公司應屆股東週年大會結束。本集團於本年度之年度綜合財務報表經國富浩華(香港)會計師事務所有限公司審核。核數師對本集團財務報表之責任載於本公司二零一六年年報第45至51頁之獨立核數師報告。

審核委員會負責評估本集團之外部核數師，包括但不限於彼等之獨立性和客觀性。

本年度本集團之外部核數師有關核數服務及非核數服務之費用分別為1,750,000港元及約453,000港元。

INTERNAL CONTROL

The Board is responsible to ensure that an adequate system of internal control is maintained within the Group, and to review its effectiveness through the Audit Committee. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable, but not absolute assurance against misstatement or loss and to manage, but not to eliminate, risks of failure in achieving the Group's objectives. Practicable and effective control systems and procedures have been implemented by the Group to enhance internal control in an ongoing basis. The Board, through the Audit Committee, has conducted reviews of the effectiveness and the adequacy of the Group's system of internal control twice a year.

During the Year, the Executive Directors are responsible for the overall risk management functions. The Company does not have internal audit department to oversee the control procedures to perform the risk management functions. However, the Company engaged an external advisor to conduct assessment on the internal control systems of the Group's major business and operational processes on annual basis. The results of the assessment have been reported to the Audit Committee and areas of the recommended actions have been identified and taken into consideration by the Board for improvements.

The Company has developed its code of conduct which provides a general guideline to the Company's Directors and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

During the Year, based on the evaluations made by the Audit Committee, the Board was satisfied that nothing has come to its attention to cause the Board to believe that the risk management and system of internal control are ineffective and inadequate; and there is an ongoing process to identify, evaluate and manage significant risks encountered by the Group.

內部監控

董事會負責確保本集團維持足夠內部監控系統，並透過審核委員會檢討系統成效。內部監控系統專為應付本集團具體需要及承受之風險而設，因性質使然，僅能提供有關錯誤陳述或損失之合理（並非絕對）保證，以及管理（並非消除）無法達致本集團目標之風險。本集團已實施實用有效的監控系統及程序，以持續加強內部監控。董事會（透過審核委員會）每年對本集團內部監控系統之有效性和足夠性進行兩次檢討。

年內，執行董事負責執行整體風險管理職能。本公司並無內部審核部門，以監管執行風險管理職能的控制程序。然而，本公司聘請外部顧問對本集團主要業務及營運程序的內部控制系統每年進行評估。評估結果已向審核委員會匯報，而董事會已識別建議行動範疇並考慮予以改進。

本公司已設定其行為守則，為本公司董事及相關僱員處理保密資料、監控資料披露及回應查詢提供一般指引。

董事會於本年度基於審核委員會之評估，信納並無任何事項將導致董事會相信風險管理及內部監控系統並非有效充分，另已實施程序識別、評估及管理本集團承受之重大風險。

Corporate Governance Report

企業管治報告

GOING CONCERN

The Directors confirm that, to the best of their knowledge, information and belief and having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cause significant doubt upon the Company's ability to continue as a going concern. The Board therefore continues to adopt the going concern approach in preparing the financial statements for the Year.

On Behalf of the Board
Dragonite International Limited

Feng Hai
Chairman

24 March 2017

持續經營

就作出一切合理查詢後所深知、全悉及確信，董事確認並無任何事項或情況的重大不確定因素可能引致本公司持續經營能力遭重大質疑。因此，董事會仍然採用持續經營方法編製本年度財務報表。

代表董事會
叁龍國際有限公司

主席
馮海

二零一七年三月二十四日

Directors and Senior Management Profile 董事及高級管理人員簡介

DIRECTORS

Executive Directors

Mr. Feng Hai, aged 38, is the Chairman of the Company. Mr. Feng holds a Master's degree in Management Science from Fudan University and is awarded both Bachelor of Laws and Bachelor of Management degree from Nankai University. Mr. Feng has over 12 years of experience in investment banking and private equity in China. Mr. Feng currently serves as Deputy General Manager of Shanghai Orient Securities Capital Investment Co. Limited, and General Manager of Orient Ruide (Shanghai) Investment Management Co., Limited. Mr. Feng started his career in Sinochem's Shanghai subsidiary, and has subsequently served at Orient Securities, Morgan Stanley Huaxin Securities and Citi Orient Securities as an investment banker. Mr. Feng was a Sponsor Representative registered under China Securities Regulatory Commission ("CSRC") and Securities Association of China ("SAC").

Ms. Chan Mee Sze, aged 42, is the Managing Director, Chief Executive Officer and Company Secretary of the Company. Ms. Chan holds a Bachelor's Degree in Laws from University of London and a Master's Degree in Business Administration from University of Dundee. She is also a fellow member of The Hong Kong Institute of Company Secretaries with Practitioner's Endorsement and a fellow member of The Institute of Chartered Secretaries and Administrators. She has 18 years of experience in corporate administration and corporate finance. Ms. Chan is currently an independent non-executive director of Mingyuan Medicare Development Company Limited, a company listed on the main board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

董事

執行董事

馮海先生，38歲，為本公司主席。馮先生持有復旦大學頒發之管理學碩士學位及南開大學頒發之法學學士學位和管理學學士學位。馮先生於中國投資銀行及私募基金方面擁有逾12年經驗。馮先生現為上海東方證券資本投資有限公司之副總經理及東方睿德(上海)投資管理有限公司之總經理。馮先生的職業始於中化集團上海公司，其後曾作為投資銀行家任職於東方證券、摩根士丹利華鑫證券及東方花旗證券。馮先生曾為中國證券監督管理委員會(「中國證監會」)及中國證券業協會(「中國證券業協會」)之註冊保薦代表人。

陳美思女士，42歲，為本公司董事總經理、行政總裁兼公司秘書。陳女士持有倫敦大學法律學士學位及鄧迪大學(University of Dundee)工商管理碩士學位。彼亦為香港特許秘書公會資深會員，持有執業者認可證明，並為特許秘書及行政人員公會資深會員。陳女士於企業行政及企業財務方面擁有18年經驗。陳女士現為香港聯合交易所有限公司(「聯交所」)主板上市公司銘源醫療發展有限公司之獨立非執行董事。

Directors and Senior Management Profile

董事及高級管理人員簡介

Mr. Lam Suk Ping, aged 59, joined the Group in 2011 to oversee the accounts department. Mr. Lam holds a Master's Degree in Business Administration from the University of Hull and a Master's Degree in Corporate Governance from the Open University of Hong Kong. He has over 30 years of experience in auditing, finance and accounting, investment and business management. Mr. Lam is currently an independent non-executive director of Mingyuan Medicare Development Company Limited, a company listed on the main board of the Stock Exchange.

Mr. Li Yi, aged 35, holds a Master's degree in Law (International Relations) from Fudan University and a Bachelor's degree in Philosophy from Renmin University of China. Mr. Li has over 10 years of experience in investment banking and private equity in China and Hong Kong. Mr. Li currently serves as Deputy General Manager of Orient Ruide (Shanghai) Investment Management Co., Limited. Before joining Orient Ruide, Mr. Li served at Guotai Junan Securities, Morgan Stanley Huaxin Securities and Citi Orient Securities as an investment banker. Mr. Li was a Sponsor Representative registered under CSRC and SAC.

Ms. Xiao Qing, aged 48, holds a Bachelor's degree in Economics. Ms. Xiao has over 20 years of experience in investment banking and private equity. Ms. Xiao currently serves as Chief Operating Officer and Board Secretary of Orient Securities Capital Investment Co., Ltd., and Deputy General Manager of Orient Ruide (Shanghai) Investment Management Co., Ltd. Before joining Orient Securities Co., Ltd., Ms. Xiao worked in Foreign Economy Office of Shanghai Second Commercial Bureau and China Economic Development Trust & Investment Corporation. Ms. Xiao joined Orient Securities Co., Ltd. in 2001 and has subsequently served at Headquarter of Brokerage Business Department, Headquarter of Investment Banking Department, Preparation Office of Orient Securities Co., Ltd.'s Direct Investment Department, and Orient Securities Capital Investment Co., Ltd.

林叔平先生，59歲，於二零一一年加入本集團，監管會計部。林先生持有赫爾大學 (University of Hull) 工商管理碩士學位及香港公開大學企業管治碩士學位。彼擁有逾30年審計、金融及會計、投資及商業管理經驗。林先生現為聯交所主板上市公司銘源醫療發展有限公司之獨立非執行董事。

李毅先生，35歲，持有復旦大學法律碩士(國際關係)學位及中國人民大學哲學學士學位。李先生於中港兩地之投資銀行及私募基金方面擁有逾10年經驗。李先生現擔任東方睿德(上海)投資管理有限公司之副總經理。加盟東方睿德前，李先生曾作為投資銀行家任職於國泰君安證券、摩根士丹利華鑫證券及東方花旗證券。李先生曾為中國證監會及中國證券業協會之註冊保薦代表人。

肖青女士，48歲，持有經濟學學士學位。肖女士在投資銀行及私募股權業務方面擁有逾20年經驗。肖女士現時擔任東方證券資本投資有限公司之首席營運官兼董事會秘書及東方睿德(上海)投資管理有限公司副總經理。於加入東方證券股份有限公司前，肖女士任職於上海二商局對外經濟辦事處及中國經濟開發信託投資公司。肖女士於二零零一年加入東方證券股份有限公司，其後任職於經紀業務部總部、投資銀行業務部總部、東方證券有限公司直接投資部籌備辦事處及東方證券資本投資有限公司。

Directors and Senior Management Profile 董事及高級管理人員簡介

Non-executive Directors

Mr. Du Peng, aged 36, is a Non-executive Director of the Company. Mr. Du holds a Master's degree in business from Victoria University and a Bachelor's degree in business from Beijing Jiaotong University in China. Mr. Du has around ten years of experience in investment banking and asset management in Hong Kong. Mr. Du has started his career in CCB International Asset Management Limited since 2007 to present. He currently serves as Managing Director of CCB International Asset Management Limited.

Ms. Zheng Xiaosu, aged 31, is a Non-executive Director of the Company. Ms. Zheng holds a Bachelor's degree in Mathematics, Accounting and Financial Management from Loughborough University in the United Kingdom. Ms. Zheng has around eight years of experience in investment banking and asset management in Hong Kong. Ms. Zheng currently serves as Managing Director of CCB International Asset Management Limited.

Independent Non-executive Directors

Mr. Lam Man Sum, Albert, aged 61, is an Independent Non-executive Director of the Company. Mr. Lam is a member of the Institute of Chartered Accountants in England & Wales, Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, the Hong Kong Securities Institute, Society of Chinese Accountants & Auditors, Australia • New Zealand Institute of Chartered Accountants, Taxation Institute of Hong Kong and Certified Tax Adviser. Mr. Lam is currently an independent non-executive director of Junefield Department Store Group Limited, a company listed on the Main Board of the Stock Exchange and was head of department in Southwest Securities International Securities Limited. Mr. Lam was the director and is the shareholder and Consultant of Jonten Hopkins & Aoba Group and was the proprietor of Albert Lam & Co. CPA. Mr. Lam holds a Bachelor Degree in Arts (Economics) from the University of Manchester, the United Kingdom.

非執行董事

杜朋先生，36歲，為本公司非執行董事。杜先生持有維多利亞大學(Victoria University)商業碩士學位及中國北京交通大學商業學士學位。杜先生於香港投資銀行及資產管理業務方面擁有近十年經驗。杜先生自二零零七年起至今於建銀國際資產管理有限公司任職並開展事業，現為建銀國際資產管理有限公司之董事總經理。

鄭小粟女士，31歲，為本公司非執行董事。鄭女士持有英國羅浮堡大學(Loughborough University)的數學、會計及金融管理學士學位。鄭女士於香港投資銀行及資產管理業務方面擁有近八年經驗。鄭女士現為建銀國際資產管理有限公司之董事總經理。

獨立非執行董事

林聞深先生，現年61歲，為本公司獨立非執行董事。林先生為英格蘭及威爾斯特許會計師公會、英國特許公認會計師公會、香港會計師公會、香港證券學會、香港華人會計師公會、澳洲•紐西蘭特許會計師公會、香港稅務學會會員及註冊稅務師。林先生現為莊勝百貨集團有限公司之獨立非執行董事，上述公司為聯交所主板上市公司及曾任西證國際證券股份有限公司之部門總監。林先生曾為中天運浩勤、青葉集團之董事及現任股東及顧問。彼亦曾為林聞深會計師事務所之東主。林先生持有英國曼徹斯特大學經濟系文學士學位。

Directors and Senior Management Profile

董事及高級管理人員簡介

Mr. Chang Tat Joel, aged 48, is an Independent Non-executive Director of the Company. Mr. Chang has considerable strategic, financial and advisory experience. He is the co-founder of AID Partners Capital Limited and a founder of Genius Link Assets Management Limited, both are private equity investment companies. He is an investment committee member of AID Partners Capital Limited, and is responsible for its strategic investment planning. Prior to founding AID Partners Capital Limited, he was the chief investment officer of Investec Asia Limited, a managing director of China Everbright Capital Limited and an executive director of BNP Prime Peregrine Capital Limited. He is also a member of the Australian Society of Certified Practising Accountants and the Hong Kong Institute of Certified Public Accountants. He obtained a bachelor's degree in Economics from Monash University in 1990.

Mr. Chang is a non-executive director of AID Partners Technology Holdings Limited (Stock Code: 8088) and an executive director and chief operating officer of Mason Financial Holdings Limited (Stock Code: 273), and an independent non-executive director of Hailiang International Holdings Limited (Stock Code: 2336), all of the above-mentioned companies are listed on the Stock Exchange. He was formerly a non-executive director of Kong Sun Holdings Ltd. (Stock Code: 295), and was an independent non-executive director of Kingsoft Corporation Limited (Stock Code: 3888), and was an executive director and the chief financial officer of Orange Sky Golden Harvest Entertainment (Holdings) Limited (Stock Code: 1132), both of which are listed on the Stock Exchange. He was an independent director of China Mobile Games and Entertainment Group Limited, a company previously listed on NASDAQ.

Mr. Wong Stacey Martin, aged 49, is an Independent Non-executive Director of the Company. Mr. Wong holds a Bachelor's Degree of Arts and a Master's Degree of Arts from University of Cambridge. Mr. Wong has over 20 years of investment banking experience. Mr. Wong is currently the Chief Operating Officer of CMBC International Holdings Limited.

鄭達祖先生，48歲，為本公司獨立非執行董事。鄭先生擁有豐富的策略、財務及諮詢經驗。彼為滙友資本有限公司的共同創辦人及滙智資產管理有限公司的創辦人，兩間公司均為私募股權投資公司。彼為滙友資本有限公司的投資委員會成員，負責其策略投資規劃。在創立滙友資本有限公司前，彼為天達集團(亞洲)有限公司投資總監、中國光大融資有限公司董事總經理兼法國國家巴黎百富勤融資有限公司執行董事。彼亦為澳洲執業會計師公會及香港會計師公會會員。彼於一九九零年獲得蒙納殊大學經濟學學士學位。

鄭先生為滙友科技控股有限公司(股份代號：8088)非執行董事、民信金控有限公司(股份代號：273)執行董事兼營運總監及海亮國際控股有限公司(股份代號：2336)獨立非執行董事，上述公司均在聯交所上市。彼曾為江山控股有限公司(股份代號：295)非執行董事、金山軟件有限公司(股份代號：3888)獨立非執行董事及橙天嘉禾娛樂(集團)有限公司(股份代號：1132)執行董事兼首席財務官，三間公司均在聯交所上市。彼曾為一間曾在納斯達克上市的公司中國手遊娛樂集團有限公司的獨立董事。

黃偉誠先生，49歲，本公司獨立非執行董事。黃先生持有劍橋大學文學學士學位及文學碩士學位。黃先生擁有逾20年投資銀行業務經驗。黃先生現為民生商銀國際控股有限公司首席營運官。

The directors of Dragonite International Limited (the "Company") present the annual report and the audited consolidated financial statements for the year ended 31 December 2016 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Company and its subsidiaries (collectively the "Group") for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 52.

The directors do not recommend the payment of a dividend for the Year (2015: Nil).

BUSINESS REVIEW

The business review and future developments of the Group for the Year are contained in the Chairman's Statement and Management Discussion and Analysis section of this annual report. Key sources of estimation uncertainty, capital risk management and financial risk management are disclosed in pages 92 to 104 of this annual report. There were no important events affecting the Group that have occurred since the end of the Year. During the Year, there was no material non-compliance concerning the environmental protection e.g. air pollution and wastage reported in respect of the production of health care and pharmaceutical products and the Group has used its best effort to minimize the hazardous waste. The Group had maintained proper license for provision of financial services during the Year and no material non-compliance with the relevant laws and regulations that have a significant impact on the Group's other businesses was noted. Detailed information of the Group's corporate governance is contained in the Corporate Governance Report of this annual report.

參龍國際有限公司(「本公司」)董事會謹此提呈截至二零一六年十二月三十一日止年度(「本年度」)之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司。本公司主要附屬公司之主要業務載於綜合財務報表附註1。

業績及股息

本公司及其附屬公司(統稱「本集團」)本年度之業績載於第52頁之綜合損益及其他全面收益表。

董事不建議派付本年度股息(二零一五年：無)。

業務回顧

本集團本年度之業務回顧及未來發展載於本年報之主席報告及管理層討論與分析。主要不確定估計來源、資本風險管理及金融風險管理於本年報第92頁至第104頁披露。自本年度末以來，並無發生影響本集團之重大事件。本年度，並無發生有關環保之重大不合規事件(例如有關生產保健及醫藥產品之已匯報空氣污染及損耗情況)，本集團已盡力減少有害廢料。本集團於本年度一直持有關於提供金融服務的適當牌照，且並無發現對本集團其他業務有重大影響之相關法律及法規不合規事件。本集團企業管治之詳細資料載於本年報之企業管治報告。

Directors' Report

董事會報告

The Company considers employees are the most valuable assets of the Group. Safe and healthy workplace is provided. Workstations for officer workers are equipped with the most suitable office furniture, equipment, tools and practices for people based on the physical features of human body, for the purpose of enhancing productivity and work efficiency, simplifying working procedures and reducing the possibility of mistakes and even work injuries and accidents. The Company encourages employees to take part in worklife balance activities and also encourages employees to participate in continuing training. The Company believes that to strengthen the career development of the employees may benefit the Group in the long run. In order to ensure the business is conducted with fit and proper entities, the Company values business/professional ethics as one of the criterions in dealing with vendors and service providers. The Group also evaluates the performance and reliability of its vendors and service providers from time to time. Through the interactions and communications with the customers in some marketing events, the Group has learnt more about the customers' needs. Moreover, the direct dialogues with the customers may also enhance the communications efficiency and effectiveness.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distributions to shareholders as at 31 December 2016 comprised the share premium plus retained profits with an aggregate amount of approximately HK\$390,108,000 (2015: HK\$828,221,000 (restated)).

本公司視僱員為本集團最寶貴的資產。本公司提供安全及健康的工作環境。為提高生產力及工作效率、簡化工作流程及減少發生錯誤以至工傷及事故的機會，職員的工作場所已配備符合人體物理特徵的辦公家具、設備、工具及實務。本公司鼓勵僱員參與維持工作與生活平衡的活動，亦鼓勵僱員參與持續培訓。本公司相信，加強僱員職業發展，長遠而言對本集團有利。為確保業務合作方為適當機構，本公司與賣方及服務供應商合作時，視商業／專業操守為其中一項準則。本集團亦不時評估賣方及服務供應商的表現及是否可靠。本集團透過在若干市場推廣活動與客戶互動及溝通，加深了解客戶的需要。此外，與客戶直接對話可提升溝通的效率和效果。

物業、廠房及設備

本集團於本年度的物業、廠房及設備之變動詳情載於綜合財務報表附註16。

股本

本公司之股本於本年度之變動詳情載於綜合財務報表附註27。

本公司之可分派儲備

於二零一六年十二月三十一日，本公司可供分派予股東之儲備包括股份溢價加上保留溢利之總額約390,108,000港元(二零一五年：828,221,000港元(經重列))。

DIRECTORS

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

Executive Directors:

Mr. Feng Hai (*appointed as Executive Director on 11 November 2016 and appointed as Chairman on 28 November 2016*)

Ms. Chan Mee Sze

Mr. Lam Suk Ping

Mr. Li Yi (*appointed on 11 November 2016*)

Mr. Xiao Qing (*appointed on 16 December 2016*)

Mr. Lee Kien Leong (*resigned as Chairman and Executive Director on 28 November 2016*)

Mr. Liu Zheng (*appointed on 11 November 2016 and resigned on 16 December 2016*)

Non-executive Directors:

Mr. Du Peng (*appointed on 17 February 2017*)

Mr. Zheng Xiaosu (*appointed on 17 February 2017*)

Independent Non-executive Directors:

Mr. Lam Man Sum, Albert

Mr. Chang Tat Joel

Mr. Wong Stacey Martin

In accordance with Article 86(3) of the Company's Articles of Association, Mr. Feng Hai, Mr. Li Yi, Ms. Xiao Qing, Mr. Du Peng and Ms. Zheng Xiaosu shall retire as directors and be eligible for re-election at the forthcoming annual general meeting.

董事

本公司於本年度及截至本報告日期之董事為：

執行董事：

馮海先生(於二零一六年十一月十一日獲委任為執行董事，並於二零一六年十一月二十八日獲委任為主席)

陳美思女士

林叔平先生

李毅先生(於二零一六年十一月十一日獲委任)

肖青女士(於二零一六年十二月十六日獲委任)

李健龍先生(於二零一六年十一月二十八日辭任主席兼執行董事職務)

劉征先生(於二零一六年十一月十一日獲委任，並於二零一六年十二月十六日辭任)

非執行董事：

杜朋先生(於二零一七年二月十七日獲委任)

鄭小粟女士(於二零一七年二月十七日獲委任)

獨立非執行董事：

林聞深先生

鄭達祖先生

黃偉誠先生

根據本公司組織章程細則第86(3)條，馮海先生、李毅先生、肖青女士、杜朋先生及鄭小粟女士須退任董事職務並合資格於應屆股東週年大會膺選連任。

Directors' Report

董事會報告

In accordance with Article 87(1) and 87(2) of the Company's Articles of Association, Messrs. Chang Tat Joel and Wong Stacey Martin shall be retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The appointment of Mr. Lam Man Sum, Albert as an Independent Non-executive Director has no specific term of office but is subject to retirement by rotation, and being eligible, offers himself for re-election, in accordance with the Company's Articles of Association. The appointments of Mr. Du Peng and Ms. Zheng Xiaosu as the Non-executive Directors and the appointments of Messrs. Chang Tat Joel and Wong Stacey Martin as the Independent Non-executive Directors shall commence for a term of three years and they are subject to retirement by rotation, and being eligible, offer themselves for re-election, in accordance with the Company's Articles of Association.

DIRECTORS' SERVICE CONTRACTS

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

CHANGES IN DIRECTORS' INFORMATION

Since 20 May 2016, both (i) Ms. Chan Mee Sze, the Managing Director of the Company and (ii) Mr. Lam Suk Ping, the Executive Director of the Company have been appointed as independent non-executive directors of Mingyuan Medicare Development Company Limited, a company listed on the main board of the Stock Exchange.

Since 8 September 2016, Mr. Chang Tat Joel, the Independent Non-executive Director of the Company has been appointed as an executive director and chief operating officer of Mason Financial Holdings Limited. Since 3 October 2016, Mr. Chang has been re-designated from an executive director to a non-executive director of AID Partners Technology Holdings Limited. Since 24 January 2017, Mr. Chang has resigned as a non-executive director of Kong Sun Holdings Limited. All of the above-mentioned companies are listed on the Stock Exchange.

Save as disclosed above, there had not been any other changes to Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules

根據本公司組織章程細則第87(1)及87(2)條，鄭達祖先生及黃偉誠先生須退任，惟符合資格在應屆股東週年大會膺選連任。

獨立非執行董事林聞深先生之委任並無設定任期，根據本公司組織章程細則之規定須輪流退任，惟符合資格膺選連任。非執行董事杜朋先生及鄭小粟女士以及獨立非執行董事鄭達祖先生及黃偉誠先生之委任為期三年，根據本公司組織章程細則之規定須輪流退任，惟符合資格膺選連任。

董事服務合約

應屆股東週年大會上獲提名候選連任之董事，概無訂立於一年內本集團須作出賠償(法定賠償除外)方可予以終止之服務合約。

董事資料變動

自二零一六年五月二十日起，(i)本公司董事總經理陳美思女士及(ii)本公司執行董事林叔平先生已獲委任為聯交所主板上市公司銘源醫療發展有限公司之獨立非執行董事。

自二零一六年九月八日起，本公司獨立非執行董事鄭達祖先生已獲委任為民信金控有限公司執行董事兼營運總監。自二零一六年十月三日起，鄭先生已由滙友科技控股有限公司執行董事調任為非執行董事。自二零一七年一月二十四日起，鄭先生已辭任江山控股有限公司之非執行董事。上述公司均在聯交所上市。

除上文所披露者外，概無任何其他董事資料變動須根據上市規則第13.51B(1)條予以披露。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, so far as is known to the directors, none of the directors and the chief executive of the Company and their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) ("SFO")) which were to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("Model Code"), to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY

At no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any associated corporations, and none of the directors of the Company, or their spouses or children under age of 18, had any right to subscribe for the shares or debt securities of the Company or had exercised any such right during the Year.

DIRECTORS' INTEREST IN CONTRACTS

There was no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

董事及主要行政人員於股份及相關股份中之權益及短倉

於二零一六年十二月三十一日，就董事所知，本公司董事及主要行政人員及彼等之聯繫人於本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中，概無擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益或短倉(包括根據證券及期貨條例有關規定當作或視作擁有之權益及短倉)；或須根據證券及期貨條例第352條之規定載入該條所述登記冊內之權益或短倉；或根據上市規則上市發行人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之權益或短倉。

董事購買本公司股份或債券之權利

於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事透過收購本公司或任何相聯法團之股份或債務證券(包括公司債券)而獲得利益，且於本年度內，本公司董事或彼等配偶或十八歲以下子女並無任何認購本公司股份或債券的權利，亦無行使任何該等權利。

董事於合約之權益

於本年度末或本年度任何時間，本公司、其控股公司、附屬公司或同系附屬公司概無訂立任何本公司董事於其中直接或間接擁有重大利益關係之重大合約。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS

So far as is known to directors of the Company, as at 31 December 2016, the persons or companies (other than directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to the Company under Part XV of the SFO, or which were recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the ordinary shares of the Company as at 31 December 2016:

主要股東

就本公司董事所知，於二零一六年十二月三十一日，於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部向本公司披露，或須根據證券及期貨條例第336條之規定載入本公司存置之主要股東登記冊的權益或短倉的人士或公司(除本公司董事或主要行政人員外)載列如下：

於二零一六年十二月三十一日，本公司普通股的好倉載列如下：

Name of Shareholders 股東名稱	Capacity 身份	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比
Golden Power Group Limited (Note 1) Golden Power Group Limited (附註1)	Beneficial Owner 實益擁有人	314,000,000	29.63%
East Milestone Company Limited (Note 1) 東石發展有限公司(附註1)	Interest of controlled corporation 受控制法團權益	314,000,000	29.63%
Orient Ruiyi (Shanghai) Investment Management Co., Limited (Note 1) 東方睿義(上海)投資管理有限公司(附註1)	Interest of controlled corporation 受控制法團權益	314,000,000	29.63%
Shanghai Orient Securities Capital Investment Co., Limited (Note 1) 上海東方證券資本投資有限公司(附註1)	Interest of controlled corporation 受控制法團權益	314,000,000	29.63%
東方證券股份有限公司(附註1)	Interest of controlled corporation 受控制法團權益	314,000,000	29.63%
Central Huijin Investment Ltd. (Note 2) 中央匯金投資有限責任公司 (附註2)	Interest of controlled corporation 受控制法團權益	202,220,000	19.08%
China Construction Bank Corporation (Note 2) 中國建設銀行股份有限公司 (附註2)	Interest of controlled corporation 受控制法團權益	202,220,000	19.08%
CCB International Group Holdings Limited (Note 2) 建行國際集團控股有限公司 (附註2)	Interest of controlled corporation 受控制法團權益	202,220,000	19.08%
CCB Financial Holdings Limited (Note 2) 建行金融控股有限公司 (附註2)	Interest of controlled corporation 受控制法團權益	202,220,000	19.08%
CCB International (Holdings) Limited (Note 2) 建銀國際(控股)有限公司 (附註2)	Interest of controlled corporation 受控制法團權益	202,220,000	19.08%
CCBI Investments Limited (Note 2) CCBI Investments Limited (附註2)	Interest of controlled corporation 受控制法團權益	202,220,000	19.08%
Cheer Hope Holdings Limited (Note 2) Cheer Hope Holdings Limited (附註2)	Beneficial owner 實益擁有人	202,220,000	19.08%

Notes:

1. 東方證券股份有限公司(Orient Securities Co., Ltd.) directly holds 100% of the equity interest in Shanghai Orient Securities Capital Investment Co., Ltd., which in turn holds 100% of the equity interest in Orient Ruiyi (Shanghai) Investment Management Co., Ltd., which in turn holds 100% of the issued share capital of East Milestone Company Limited, which in turn holds 100% of the issued share capital of Golden Power Group Limited. Therefore, 東方證券股份有限公司(Orient Securities Co., Ltd.), Shanghai Orient Securities Capital Investment Co., Ltd., Orient Ruiyi (Shanghai) Investment Management Co., Ltd. and East Milestone Company Limited are taken to be interested in the number of Shares held by Golden Power Group Limited pursuant to Part XV of the SFO.
2. Central Huijin Investment Ltd. directly holds 57.31% of the equity interest in China Construction Bank Corporation, which in turn holds 100% of the issued share capital of CCB International Group Holdings Limited, which in turn holds 100% of the issued share capital of CCB Financial Holdings Limited, which in turn holds 100% of the issued share capital of CCB International (Holdings) Limited, which in turn holds 100% of the issued share capital of CCBI Investments Limited, which in turn holds 100% of the issued share capital of Cheer Hope Holdings Limited. Therefore, Central Huijin Investment Ltd., China Construction Bank Corporation, CCB International Group Holdings Limited, CCB Financial Holdings Limited, CCB International (Holdings) Limited and CCBI Investments Limited are taken to be interested in the number of Shares held by Cheer Hope Holdings Limited pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 December 2016, no person, other than the directors of the Company, whose interests are set out herein this report, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

附註：

1. 東方證券股份有限公司直接持有上海東方證券資本投資有限公司100%股權，上海東方證券資本投資有限公司持有東方睿義(上海)投資管理有限公司100%股權，東方睿義(上海)投資管理有限公司持有東石發展有限公司100%已發行股本，而東石發展有限公司則持有Golden Power Group Limited之100%已發行股本。因此，根據證券及期貨條例第XV部，東方證券股份有限公司、上海東方證券資本投資有限公司、東方睿義(上海)投資管理有限公司及東石發展有限公司被視為於Golden Power Group Limited所持有股份數目中擁有權益。
2. 中央匯金投資有限責任公司直接持有中國建設銀行股份有限公司57.31%股權，中國建設銀行股份有限公司持有建行國際集團控股有限公司100%已發行股本，建行國際集團控股有限公司持有建銀金融控股有限公司100%已發行股本，建銀金融控股有限公司持有建銀國際(控股)有限公司100%已發行股本，建銀國際(控股)有限公司持有CCBI Investments Limited的100%已發行股本，而CCBI Investments Limited則持有Cheer Hope Holdings Limited的100%已發行股本。因此，根據證券及期貨條例第XV部，中央匯金投資有限公司、中國建設銀行股份有限公司、建行國際集團控股有限公司、建銀金融控股有限公司、建銀國際(控股)有限公司及CCBI Investments Limited被視為於Cheer Hope Holdings Limited所持有股份數目中擁有權益。

除上文所披露者外，於二零一六年十二月三十一日，概無任何人士(除於本報告中載有其權益的本公司董事外)於本公司股份或相關股份中擁有須根據證券及期貨條例第336條登記之權益或短倉。

Directors' Report

董事會報告

SHARE OPTION SCHEME

A new share option scheme (the "Share Option Scheme") has been adopted by the Company pursuant to a shareholder's resolution passed on 17 December 2012. The purpose of the Share Option Scheme is to reward any Directors and employees of the Group, any director or employee of a company or entity in which the Group has invested in and any advisors (professional or otherwise), consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, any director or employee of any service partners of any member of the Group who the Board considers, in its sole discretion, have contributed to or will contribute to the Group (the "Participants") and to encourage Participants to work towards enhancing the value of the Company and its shares (the "Shares") for the benefit of the Company and its shareholders (the "Shareholders") as a whole.

The maximum number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company (if any) shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the date of the annual general meeting approving the refreshment of scheme mandate limit on 27 May 2015 i.e. 105,974,992 Shares which also represents 10% of the total shares in issue of the Company as at the date of this report. The maximum number of Shares issued and to be issued upon exercise of the options granted to each grantee under the Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of the Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being, unless further grant of options being approved by Shareholders in general meeting with such Participant and his associates abstaining from voting. Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled or outstanding) to such person in

購股權計劃

本公司已依據於二零一二年十二月十七日通過之股東決議案採納新購股權計劃(「購股權計劃」)。購股權計劃旨在獎勵董事會全權認為曾經或將會對本集團作出貢獻的任何董事與本集團僱員、本集團所投資公司或實體的任何董事或僱員、本集團任何成員公司的任何顧問(無論專業與否)、諮詢人士、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人及任何服務供應商的任何董事或僱員(「參與者」)並鼓勵參與者為本公司及其股東(「股東」)的整體利益努力提升本公司及其股份(「股份」)的價值。

未經股東批准，因行使根據購股權計劃及本公司任何其他購股權計劃(如有)授出的所有購股權而發行的股份上限，合計不得超過於批准更新計劃授權限額之股東週年大會日期(即二零一五年五月二十七日)已發行股份面值總額的10%，即105,974,992股股份，亦即本報告日期本公司已發行股份總數的10%。每名承授人在任何12個月內因行使根據購股權計劃獲授的購股權(包括已行使及未行使的購股權)而已獲發行及將獲發行的股份上限，連同於有關期間根據本公司任何其他購股權計劃獲授的購股權(經股東於股東大會特別批准而獲授的購股權除外)所涉股份不得超過當時已發行股份的1%，惟增授購股權獲股東於有關參與者及其聯繫人不得投票的股東大會上批准除外。若向本公司主要股東或獨立非執行董事或其任何聯繫人授出購股權，會令截至有關人士獲授購股權當日(包括該日)止12個月內因所有已經或即將授出的購股權(包括已行使、已註銷或尚未行使的購股權)獲行使而已經或即將發行予彼等的股份

the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5 million, such further grant of options shall be subject to prior approval by resolution of the Shareholders (voting by way of poll).

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the Board to the grantee at the time of grant of the option which shall not expire later than 10 years from the date of grant. The Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its discretion, such term(s) on the grant of an option, which decision may vary on a case by case basis. A remittance in favour of the Company of HK\$1.00 as consideration for the grant of option is payable by the grantee upon acceptance of the grant of option within a period of 28 days from the date of grant. Such remittance is not refundable in any circumstances.

The exercise price shall be determined by the Board in its absolute discretion but in any event shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheets by the Stock Exchange on the date of grant which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date i.e. 18 December 2012. The provisions of the Share Option Scheme shall remain in full force and effect in all other respects until 17 December 2022.

No options have been granted under the Share Option Scheme since the adoption of the Share Option Scheme and up to the date of this report.

As at the date of this report, there is no option granted or outstanding under any of the Company's share option scheme.

(i) 合計超過授出日期已發行股份的0.1%；及(ii) 按授出日期當天聯交所日報表所載股份收市價計算的總值超過5,000,000港元，則該次增授購股權須經股東以投票表決方式通過決議案事先批准。

購股權可於董事會決定並於授出購股權時知會承授人之期限(不得遲於授出日期起計10年屆滿)期間隨時根據購股權計劃的條款行使。購股權計劃概無指定須持有購股權之最短期限或須達成之表現目標方可行使購股權。然而，購股權計劃之規則規定董事會可酌情決定授出購股權之條款(有關決定可因個別情況而有所不同)。承授人須於授出日期起計28天內接納授出購股權時支付予本公司1.00港元作為購股權授出代價。有關款項在任何情況下概不退回。

行使價由董事會全權釐定，惟無論如何不得低於下列各項中的最高者：(i) 股份在授出日期(須為營業日)的收市價(以聯交所日報表所載者為準)；(ii) 股份在授出日期前5個營業日的平均收市價(以聯交所日報表所載者為準)；或(iii) 股份面值。

購股權計劃自採納日期(即二零一二年十二月十八日)起計十年內有效。購股權計劃條文的的所有其他規定直至二零二二年十二月十七日仍然全面有效。

自採納購股權計劃起直至本報告日期，概無根據購股權計劃授出購股權。

於本報告日期，概無根據任何本公司購股權計劃授出或尚未行使的購股權。

Directors' Report

董事會報告

CONVERTIBLE SECURITIES, OPTIONS OR OTHER SIMILAR RIGHTS

The Company has no outstanding convertible securities, options or similar rights in issue as at 31 December 2016.

BORROWINGS

As at 31 December 2016, the Group did not have any secured short-term borrowing and the unsecured short-term borrowing amounted to HK\$11,164,000.

RETIREMENT SCHEME

The Group provides a defined contribution retirement scheme under the Mandatory Provident Fund Scheme (the "Scheme") in Hong Kong. Under the Scheme, employer and employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 and a minimum level of relevant income of HK\$7,100 for the employees' contribution.

MANAGEMENT CONTRACTS

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

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the remuneration committee of the Company (the "Remuneration Committee") on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance, time, commitment, duties and responsibilities, contribution to the Group, comparable market statistics and prevailing marketing practice and trends.

可換股證券、購股權或其他同類權利

於二零一六年十二月三十一日，本公司並無尚未行使的可換股證券、購股權或同類權利。

借貸

於二零一六年十二月三十一日，本集團並無任何有抵押短期借款，而無抵押短期借款則為11,164,000港元。

退休計劃

本集團根據香港強制性公積金計劃(「強積金計劃」)提供定額供款退休計劃。根據強積金計劃，僱主及僱員均須按僱員相關收入的5%向強積金計劃供款，惟僱員供款的相關每月收入最高及最低限額分別為30,000港元及7,100港元。

管理合約

本年度內並沒有訂立或存在有關管理本公司及本集團整體或任何重大部分業務之合約。

獨立非執行董事的獨立性

本公司已從各獨立非執行董事接獲根據上市規則第3.13條確認其獨立性之年度確認書，並認為全體獨立非執行董事均具獨立身份。

薪酬政策

本公司薪酬委員會(「薪酬委員會」)按本集團僱員之功績、資歷及能力釐定其薪酬政策。

薪酬委員會視乎本公司之營運業績、個人表現及董事之年期、承諾、職責及職務、對集團之貢獻、可作比較之市場統計數字以及當前市場慣例及趨勢建議本公司董事之薪酬。

PRE-EMPTIVE RIGHTS

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

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, the largest supplier of the Group by itself and together with the next four suppliers accounted for about 17% and 40%, respectively, of the Group's purchases.

During the Year, the five largest customers of the Group accounted for less than 45% of the Group's turnover.

At no time during the Year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors own more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers.

RELATED PARTY TRANSACTION

The related party transaction set out in note 31 to the consolidated financial statements did not fall within the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

優先購買權

本公司組織章程細則或開曼群島法例中並無載列優先購買權條文，規定本公司須按持股比例向其現有股東提呈發售新股。

主要供應商及客戶

於本年度，本集團最大供應商連同另外四名最大供應商分別佔本集團總採購額約17%及40%。

於本年度，本集團五大客戶佔本集團營業額不足45%。

於本年度任何時間，本公司各董事、董事之聯繫人或股東(據董事所知擁有本公司股本超過5%者)，概無於本集團五大供應商擁有任何權益。

關連人士交易

綜合財務報表附註31所載之關連人士交易並非屬上市規則第十四A章關連交易或持續關連交易之定義範圍內。

購買、出售或贖回證券

於本年度內，本公司或其任何附屬公司亦無購買、出售或贖回本公司任何上市證券。

足夠公眾持股量

於本報告日期，基於本公司所得之公開資料及就董事所知，本公司一直維持上市規則規定之充足公眾持股量。

Directors' Report

董事會報告

AUDITOR

On 9 January 2017, Deloitte Touche Tohmatsu resigned as the auditor of the Group and Crowe Horwath (HK) CPA Limited has been appointed as the new auditor of the Group to fill the causal vacancy following the resignation of Deloitte Touche Tohmatsu and will continue as such until the forthcoming Annual General Meeting of the Company.

The consolidated financial statements of the Group for the Year have been audited by Crowe Horwath (HK) CPA Limited and the consolidated financial statements of the Company for each of the two years ended 31 December 2015 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming Annual General Meeting of the Company to re-appoint Crowe Horwath (HK) CPA Limited as auditor of the Company.

On behalf of the Board

Dragonite International Limited

Feng Hai

Chairman

24 March 2017

核數師

於二零一七年一月九日，德勤•關黃陳方會計師行已辭任本集團核數師職務，國富浩華(香港)會計師事務所有限公司已獲委任為本集團之新任核數師，以填補德勤•關黃陳方會計師行辭任後的臨時空缺，並將任職至本公司應屆股東週年大會結束。

本集團於本年度之年度綜合財務報表經國富浩華(香港)會計師事務所有限公司審核，而本公司截至二零一五年十二月三十一日止兩個年度各年的綜合財務報表均由德勤•關黃陳方會計師行審核。本公司將於應屆股東週年大會上提呈續聘國富浩華(香港)會計師事務所有限公司為本公司核數師之決議案。

代表董事會

叁龍國際有限公司

主席

馮海

二零一七年三月二十四日

Independent Auditor's Report 獨立核數師報告



國富浩華（香港）會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF DRAGONITE INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Dragonite International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 159, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致：叁龍國際有限公司股東

(於開曼群島註冊成立之有限公司)

意見

我們已審核載列於第52至159頁叁龍國際有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，該等綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒布的香港財務報告準則（「香港財務報告準則」）真實而公平地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基礎

我們根據香港會計師公會頒布的香港審計準則（「香港審計準則」）進行審核。在該等準則下，我們的責任在我們的報告內核數師就審核綜合財務報表須承擔的責任一節進一步闡述。根據香港會計師公會的專業會計師道德守則（「守則」）連同有關我們就綜合財務報表作出審核的開曼群島的任何道德規定，我們獨立於 貴集團，並已遵循有關規定及守則履行其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Classification of disposal group held for sale and discontinued operations

Refer to notes 4(a)(i) and 12(a) to the consolidated financial statements and the accounting policy note 2(t) on pages 80 to 82.

The Key Audit Matter

關鍵審核事項

Following a sale and purchase agreement made between the Group and an independent third party in respect of the disposal of the manufacturing and trading of pharmaceutical and healthcare businesses on 7 November 2016, and which is expected to be completed in the year ending 31 December 2017, the Group classified the pharmaceutical and healthcare businesses as held for sale and also classified these two business segments as discontinued operations.

The classification as held for sale involves judgement as it requires consideration of whether specific criteria set out in the Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" are present at the year end, in particular, whether such disposal transaction is highly probable at the end of the reporting period with reference to the facts and circumstances at the time.

貴集團與一名獨立第三方於二零一六年十一月七日訂立買賣協議，以出售生產及買賣醫藥產品及保健產品業務，預期有關交易將於截至二零一七年十二月三十一日止年度內完成。其後，貴集團將醫藥產品及保健產品業務分類為持作出售，並將兩個業務分類為已終止經營業務。

分類為持作出售涉及判斷，原因為當中涉及考慮於年終時是否存在香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」的特定條件，特別是，參考當時之事實及情況，有關出售交易於報告期間結束時是否極有可能進行。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期間的綜合財務報表中最重要的事項。我們在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

持作出售之出售集團及已終止經營業務的分類

請參閱綜合財務報表附註4(a)(i)及12(a)以及載於第80至82頁的會計政策附註2(t)。

How the matter was addressed in our audit

我們於審核中處理有關事項的方法

Our audit procedure to assess the classification of disposal group relating to the pharmaceutical and healthcare businesses as held for sale included the following:

- assessing the available documentation relating to the proposed disposal and making a critical assessment as to the appropriateness of classifying these two businesses as held for sale applying the facts and circumstances present at the year end to the criteria set out in the HKFRS 5; and
- assessing the carrying value of these two businesses based on a fair value less cost to sales equivalent to the likely sale price.

我們進行審核程序以評估有關醫藥產品及保健產品業務的出售集團分類為持作出售，包括以下各項：

- 評估有關建議出售事項的可取得文件，並就該兩項業務是否適合分類為持作出售，以及於年終時是否存在香港財務報告準則第5號所載述條件作出重要評估；及
- 根據公平值減銷售成本（相當於可能銷售價）評估該兩項業務的賬面值。

Assessment of whether impairment of available-for-sale investments and losses on disposals of available-for-sale investments incurred in the current period should have been recognised in prior period

Refer to notes 4(b)(i), 8 and 17 to the consolidated financial statements and the accounting policy note 2(g)(i) on pages 66 to 69.

The Key Audit Matter

關鍵審核事項

Given the HK\$422 million of losses incurred in the impairment and disposals of available-for-sale investments, the management has undertaken a detailed assessment to determine whether any of losses should have been recognised in prior period.

This exercise was inherently judgemental as it required the reassessment of the valuation of available-for-sale investments as at the end of prior period using information which was available or should reasonably have been available at that point in time without using the benefit of hindsight and in accordance with the requirements of Hong Kong Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Management concluded from this exercise that no error relating to prior period was found and accordingly the consolidated financial statements for the year ended 31 December 2015 have not been restated.

鑒於減值及出售可供出售投資產生虧損4.22億港元，管理層已進行詳細評估，以釐定是否應於過往期間確認任何虧損。

是項工作無可避免涉及判斷，原因為當中需要根據可取得資料或於當時原應合理可取得資料，而非使用事後所得資料，並根據香港會計準則第8號「會計政策、會計估算變動及誤差」的規定，重新評估於上一期間結束時的可供出售投資估值。

管理層就是項工作所得結論為，並無發現過往期間的誤差，因此並無重列截至二零一五年十二月三十一日止年度的綜合財務報表。

評估本期間所產生可供出售投資減值及出售可供出售投資虧損是否於過往期間已確認

請參閱綜合財務報表附註4(b)(i)、8及17，以及載於66至69頁的會計政策附註2(g)(i)。

How the matter was addressed in our audit

我們於審核中處理有關事項的方法

Our audit procedure to assess whether losses on disposals of available-for-sale investments incurred in the current period should have been recognised in prior period included:

- understanding the reasons for the disposals of available-for-sale investments;
- evaluating management's assessment of impairment of available-for-sale investments at the end of the prior reporting period as to whether objective evidence of impairment exist; and
- assessing the appropriateness of valuation model used by management for the valuation of available-for-sale investments and the reasonableness of the relevant inputs made by management.

我們進行審核工作，以評估於本期間產生的出售可供出售投資虧損是否應於過往期間確認，包括：

- 了解出售可供出售投資的理由；
- 評估管理層就於過去報告期間期終時可供出售投資的減值評估，以評估是否存在客觀減值因素；及
- 評估管理層就可供出售投資估值所使用估值模型是否適合，以及管理層所用參數是否合理。

Independent Auditor's Report

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報表及其核數師報告以外年報所載的資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘我們基於已進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。就此，我們並無報告事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例之披露規定，編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

審核委員會協助董事履行彼等監督貴集團的財務報告流程的責任。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

核數師就審核綜合財務報表須承擔的責任

我們的目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。本報告僅向閣下作為整體而發出，除此之外不作其他用途。我們並無就本報告的內容承擔任何責任或向任何其他人士負責。

合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤而產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審核的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及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、設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟並非旨在對貴集團內部監控的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們意見。我們結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

我們與審核委員會就(其中包括)審核的計劃範圍、時間安排及重大審核發現溝通，該等發現包括我們在審核過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

Independent Auditor's Report 獨立核數師報告

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe Horwath (HK) CPA Limited

Certified Public Accountants

Hong Kong, 24 March 2017

Yau Hok Hung

Practising Certificate Number P04911

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

國富浩華(香港)會計師事務所有限公司

執業會計師

香港，二零一七年三月二十四日

邱學雄

執業證書編號：P04911

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Continuing operations	持續經營業務			
<i>Revenue</i>	<i>收益</i>			
Sales of goods	銷售貨品		2,816	1,637
Cost of goods sold	銷貨成本		(2,318)	(948)
			498	689
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值變動		—	28,038
			498	28,727
Other income	其他收入		140	7,879
Other gains and losses	其他盈虧	8	(422,484)	32,007
Selling and distribution costs	出售及經銷費用		(184)	—
Administrative expenses	行政支出		(15,559)	(17,694)
Finance costs	財務費用	9	(144)	(102)
(Loss) profit before tax	稅前(虧損)溢利		(437,733)	50,817
Income tax expense	所得稅支出	10	(59)	(3,769)
(Loss) profit for the year from continuing operations	本年度持續經營業務 (虧損)溢利	11	(437,792)	47,048
Discontinued operations	已終止經營業務			
Loss for the year from discontinued operations	本年度已終止經營業務虧損	12(b)(i)	(12,105)	(13,679)
(Loss) profit for the year	本年度(虧損)溢利		(449,897)	33,369

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Other comprehensive (expense) income	其他全面(支出)收入			
Items that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益之項目：			
Available-for-sale investments:	可供出售投資：			
Net movement in fair value reserve	公平值儲備變動淨額			
– Changes in fair value recognised during the year	– 於本年度確認之公平值變動		(185,622)	56,335
– Reclassification adjustments for amounts transferred to profit or loss:	– 轉至損益之金額重新分類調整：			
Loss (gain) on disposal of available-for-sale investments	出售可供出售投資虧損(收益)		149,956	(20,669)
			(35,666)	35,666
Exchange differences arising on translation of foreign operations	換算外國業務產生之匯兌差額		(5,763)	(1,710)
			(41,429)	33,956
Total comprehensive (expenses) income for the year	本年度全面(支出)收入總額		(491,326)	67,325
(Loss) earnings per share	每股(虧損)盈利	15		
Basic and diluted	基本及攤薄			
– Continuing operations	– 來自持續經營業務		HK\$(0.41) (0.41) 港元	HK\$0.04 0.04 港元
– Discontinued operations	– 來自已終止經營業務		HK\$(0.01) (0.01) 港元	HK\$(0.01) (0.01) 港元
			HK\$(0.42) (0.42) 港元	HK\$0.03 0.03 港元

The notes on pages 59 to 159 form part of these financial statements.

載於第59至159頁的附註為此等財務報表的一部份。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	648	24,541
Available-for-sale investments	可供出售投資	17	—	560,585
Prepaid lease payments	預付租賃款項	18	—	2,307
Rental deposits	租賃按金	22	1,968	—
			2,616	587,433
Current assets	流動資產			
Inventories	存貨	19	305	16,266
Trade receivables	應收貿易賬項	20	29	1,790
Loans receivable	應收貸款	21	—	142,714
Deposits, prepayments and other receivables	按金、預付款項及 其他應收賬項	22	827	2,296
Prepaid lease payments	預付租賃款項	18	—	82
Bank balances and cash	銀行結餘及現金	23		
– Bank Balances and cash	– 銀行結餘及現金		401,007	180,342
– Bank Balances and cash of disposal group	– 出售集團之銀行結餘及現金		13,256	—
			414,263	180,342
			415,424	343,490
Assets of disposal group classified as held for sale	分類為持作出售之出售 集團資產	12(a)(i)	28,305	—
			443,729	343,490
Current liabilities	流動負債			
Trade payables	應付貿易賬項	24	—	949
Accruals and other payables	應計款項及其他應付賬項	25	12,815	29,969
Taxation payable	應付稅項		—	98
Borrowings	借款	26	—	10,000
			12,815	41,016
Liabilities of disposal group classified as held for sale	分類為持作出售之出售 集團負債	12(a)(ii)	34,949	—
			47,764	41,016
Net current assets	流動資產淨值		395,965	302,474
NET ASSETS	資產淨值		398,581	889,907

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		NOTES	2016	2015
		附註	二零一六年	二零一五年
			HK\$'000	HK\$'000
			千港元	千港元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	10,598	10,598
Reserves	儲備		387,983	879,309
TOTAL EQUITY	權益總額		398,581	889,907

The consolidated financial statements on pages 59 to 159 were approved and authorised for issue by the board of directors on 24 March 2017, and are signed on its behalf by:

第59至159頁之綜合財務報表於二零一七年三月二十四日獲董事會批准及授權刊發，並由下列董事代表簽署：

Feng Hai
馮海
Director
董事

Li Yi
李毅
Director
董事

The notes on pages 59 to 159 form part of these financial statements.

載於第59至159頁的附註為此等財務報表的一部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Share capital	Share premium	Translation reserve	Non-distributable reserve	Special reserve	Investment revaluation reserve	Retained earnings	Attributable to owners of the Company
		股本	股份溢價	匯兌儲備	非供分派儲備	特別儲備	投資重估儲備	保留盈利	本公司擁有人應佔權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note a) (附註 a)	(note b) (附註 b)			
Balance at 1 January 2015	二零一五年一月一日結餘	10,598	217,190	61,053	24,737	3,142	—	505,862	822,582
Changes in equity for 2015:	二零一五年權益變動：								
Profit for the year	本年度溢利	—	—	—	—	—	—	33,369	33,369
Other comprehensive (expense) income for the year	本年度其他全面(支出)收入	—	—	(1,710)	—	—	35,666	—	33,956
Total comprehensive (expense) income	全面(支出)收入總額	—	—	(1,710)	—	—	35,666	33,369	67,325
Balance at 31 December 2015 and 1 January 2016	二零一五年十二月三十一日及二零一六年一月一日之結餘	10,598	217,190	59,343	24,737	3,142	35,666	539,231	889,907
Changes in equity for 2016:	二零一六年權益變動：								
Loss for the year	本年度虧損	—	—	—	—	—	—	(449,897)	(449,897)
Other comprehensive expense for the year	本年度其他全面支出	—	—	(5,763)	—	—	(35,666)	—	(41,429)
Total comprehensive expense	全面支出總額	—	—	(5,763)	—	—	(35,666)	(449,897)	(491,326)
Balance at 31 December 2016	二零一六年十二月三十一日結餘	10,598	217,190	53,580	24,737	3,142	—	89,334	398,581

Notes:

- (a) The non-distributable reserve represents statutory reserves appropriated from profit after tax of the Company's subsidiaries in the People's Republic of China ("PRC") under the PRC laws and regulations.
- (b) The special reserve of the Group represents reserve arising pursuant to a group reorganisation that was effected in during the year ended 31 December 2000.

附註：

- (a) 非供分派儲備指本公司於中華人民共和國(「中國」)之附屬公司根據中國法律及法規從除稅後溢利中撥出之法定儲備。
- (b) 本集團之特別儲備指集團重組於截至二零零零年十二月三十一日止年度生效時產生之儲備。

The notes on pages 59 to 159 form part of these financial statements.

載於第59至159頁的附註為此等財務報表的一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating activities	經營活動		
(Loss) profit before taxation	除稅前(虧損)溢利		
including discontinued operations		(449,062)	37,728
Adjustments for:	就以下項目作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,235	3,968
Amortisation of prepaid lease payments	預付租賃款項攤銷	78	83
Write-down of inventories	存貨撇減	13,495	8,632
Allowance for bad and doubtful debts	呆壞賬撥備	205	2,443
Write-back of allowance for bad and doubtful debts	呆壞賬撥備撥回	(251)	—
Impairment loss recognised in respect of other receivables	就其他應收賬項 確認減值虧損	—	366
Finance costs	財務費用	490	102
Reclassification from equity on disposal of available-for-sale investments	自可供出售投資的出售 權益重新分類	8 149,956	(20,669)
Impairment losses on available-for-sale investments	可供出售投資減值虧損	8 167,566	—
Bank interest income	銀行利息收入	(12)	(224)
Effective interest income on deferred consideration	遞延代價之實際利息收入	—	(7,651)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損	18	78
Loss (gain) on disposal of subsidiaries	出售附屬公司之虧損(收益)	8 104,934	(11,338)
Loss on disposal of a discontinued operation	出售終止經營業務之虧損	12(b) 189	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(9,159)	13,518
Increase in inventories	存貨增加	(7,251)	(719)
Decrease/(increase) in trade receivables	應收貿易賬項減少/(增加)	181	(484)
Increase in deposits, prepayments and other receivables	按金、預付款項及 其他應收賬項增加	(8,756)	(4,185)
Decrease/(increase) in loans receivable	應收貸款減少/(增加)	112,714	(5,217)
Decrease in financial assets at fair value though profit or loss	按公平值計入損益之 金融資產減少	—	228,513
Decrease in trade payables	應付貿易賬項減少	(663)	(425)
Increase/(decrease) in accruals and other payables	應計款項及其他應付賬項 增加/(減少)	15,059	(8,460)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash generated from operations	經營所產生現金		102,125	222,541
Bank interest received	已收銀行利息		12	224
Income tax paid	已繳所得稅		(552)	(590)
Net cash generated from operating activities	經營活動所得現金淨額		101,585	222,175
Investing activities	投資活動			
Payments for purchase of property, plant and equipment	購入物業、廠房及設備支付之款項		(749)	(392)
Payments for purchase of available-for-sale investments	購入可供出售投資支付之款項		—	(210,000)
Proceeds from disposals of available-for-sale investments	出售可供出售投資之所得款項			
– through disposal of subsidiaries	– 透過出售附屬公司	28(b)	75,000	—
– direct disposal	– 直接出售		27,463	—
Proceeds from disposal of assets	出售資產所得款項		—	77,500
Proceeds from disposals of subsidiaries (net of cash disposed)	出售附屬公司所得款項 (扣除已出售現金)	28(a)	29,867	937
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額		131,581	(131,955)
Financing activities	融資活動			
New borrowings raised	已籌集新借款		11,538	10,000
Repayment of bank borrowing	償還銀行借款		(10,000)	—
Interest paid on bank borrowing	銀行借款已付利息		(144)	(102)
Net cash generated from financing activities	融資活動所得現金淨額		1,394	9,898
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額		234,560	100,118
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目		180,342	83,697
Effect of changes in exchange rate	匯率變動之影響		(639)	(3,473)
Cash and cash equivalents at end of the year, represented by bank balances and cash	年終之現金及現金等值項目 即銀行結餘及現金		414,263	180,342

The notes on pages 59 to 159 form part of these financial statements.

載於第59至159頁的附註為此等財務報表的一部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

I. GENERAL

Dragonite International Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in production and sales of a series of health care products, pharmaceutical products, securities trading and investments, money lending and trading of wines in the PRC and Hong Kong. During the year ended 31 December 2016, the Company ceased the money lending business upon disposal of a wholly-owned subsidiary, Dragonite Resources Limited (“DRL”). Details of disposal of DRL and discontinued operation were disclosed in note 28 and note 12 respectively. During the year ended 31 December 2016, the Company entered into an agreement (the “Agreement”) with an independent third party to sell its entire interest in the operations of pharmaceutical and healthcare businesses. Pursuant to the Agreement, completion of the disposal will take place on or before 31 December 2017 if the termination right is not exercised by the Company at its sole discretion. Assets and liabilities attributable to the businesses were classified as disposal group held for sale and their results of operations were classified as discontinued operations in note 12.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the Company’s functional and the Group’s presentation currency.

I. 一般資料

叁龍國際有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處地址及主要營業地點已於年報之公司資料內披露。

本公司為一間投資控股公司，其附屬公司之主要業務為生產及銷售一系列保健產品、醫藥產品、證券買賣與投資、於中國及香港進行貸款及葡萄酒買賣。截至二零一六年十二月三十一日止年度，本公司於出售全資附屬公司Dragonite Resources Limited(「DRL」)後終止貸款業務。DRL出售事項及已終止業務的詳情分別於附註28及附註12披露。截至二零一六年十二月三十一日止年度，本公司與一名獨立第三方訂立協議(「協議」)以出售其於醫藥及保健業務營運之全部權益。根據協議，倘本公司並無行使其全權酌情終止權利，出售事項將於二零一七年十二月三十一日或之前完成。業務應佔之資產及負債已分類為持作出售之出售集團，而其經營業績已分類為已終止經營業務並載於附註12。

綜合財務報表乃以港元(「港元」)呈列，港元為本公司的功能貨幣及本集團的呈列貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments classified as available-for-sale or as trading securities are stated at their fair value as explained in the accounting policy set out in note 2(d) below:

2. 重大會計政策

a) 合規聲明

此等財務報表乃根據所有適用的香港財務報告準則(「香港財務報告準則」)編製，當中包括香港會計師公會(「香港會計師公會」)頒佈的所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港一般公認的會計原則以及香港公司條例的披露規定。此等財務報表亦符合有關香港聯合交易所有限公司證券上市規則的適用披露條文。本集團採用的主要會計政策於下文披露。

香港會計師公會已頒佈於本集團本會計期間首次生效或可供提早採用的若干新訂及經修訂的香港財務報告準則。此等財務報表內所反映於本會計期間及過往會計期間首次採納該等與本集團有關的發展引致的會計政策變動資料載於附註3。

b) 財務報表編製基準

截至二零一六年十二月三十一日止年度綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

編製財務報表時所用的計量基準為歷史成本法，惟於下文附註2(d)載列的會計政策所述之按公平值列賬的分類為可供出售或交易證券的金融工具除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements (Continued)

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(t)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

2. 重大會計政策(續)

b) 財務報表編製基準(續)

非流動資產及持作出售的出售集團乃按賬面值及公平值減銷售成本(以較低者為準)列賬(參見附註2(t))。

編製符合香港財務報告準則的財務報表須經管理層作出影響政策的應用及資產、負債、收入及支出的報告金額的判斷、估計及假設。估計及相關假設乃根據過往經驗及多項其他因素得出，倘若沒有其他現成數據可供參考，則會採用該等估計及假設作為判斷有關資產及負債的賬面值的基礎。實際結果可能有別於此等估計。

本集團持續就所作估計及相關假設作出評估。會計估計之修訂如只影響當期，則有關會計估計修訂於當期確認。如該項會計估計之修訂影響當期及往後期間，則有關修訂於當期及往後期間確認。

有關管理層在應用財務準則時所作出對本財務報表有重大影響的判斷，以及估計不明朗因素的主要來源，載列於附註4。

c) 附屬公司

附屬公司為本集團控制的實體。當本集團面對或享有來自參與該實體的可變回報的風險或權利，或有能力透過其於該實體的權力影響該等回報，則本集團對該實體有控制權。評估本集團是否有權力時，僅計及(本集團及其他人士所持有的)實質權利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries (Continued)

Investments in subsidiaries are consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 2(g)), unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(t)).

2. 重大會計政策(續)

c) 附屬公司(續)

於附屬公司的投資自控制權生效當日起至控制權終止當日於綜合財務報表內綜合入賬。編製財務報表時，集團內公司間結餘、交易及現金流量及任何因集團內公司間交易而產生的未變現溢利已全數抵銷。倘僅出現無法證明減值虧損的情況，因集團內公司間交易而產生的未變現虧損亦以與未變現利潤相同的方法抵銷。

本集團未有失去控制權而於一間附屬公司的權益有所變動乃列作權益交易入賬，並對內綜合權益內控股及非控股權益的金額作出調整以反映相關權益的變動，惟並不會對商譽作出調整，亦不會確認收益或虧損。

當本集團失去對一間附屬公司的控制權，則列作出售於該附屬公司的全部權益入賬，所產生的收益或虧損亦不會於損益內確認。任何在失去控制權當日於有關前附屬公司保留的權益按公平值確認，而此金額被視為金融資產的初始確認公平值或(倘適用)於一間聯營公司或合營公司的投資的初始確認成本。

於本公司財務狀況表內，除非有關投資分類為持作出售(或包括在分類為持作出售的出售集團之內)(參見附註2(t))，於附屬公司的投資按成本減減值虧損列賬(參見附註2(g))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in equity securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends earned on these investments as these are recognised in accordance with the policy set out in note 2(q)(iii).

Investments in equity securities which do not fall into the above category are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the consolidated statement of financial position at cost less impairment losses (see note 2(g)). Dividend income from equity securities are recognised in profit or loss in accordance with the policy set out in note 2(q)(iii).

2. 重大會計政策(續)

d) 於股本證券的投資

本集團及本公司在附屬公司投資以外的股本證券投資政策如下：

股本證券投資初步按公平值列值，除非經已確定初步確認公平值有別於交易價格，而有關公平值已獲相同資產或負債的活躍市場上報價證明，或運用只應用可觀察市場數據的估值方法，否則公平值即其交易價格。除非下文另有指明，否則成本包括應佔交易成本。此等投資隨後視乎其分類而按下文所列方式入賬：

持作買賣的股本證券投資分類為流動資產。任何應佔交易成本於產生時在損益中確認。公平值於各報告期末重新計量，而所產生的任何收益或虧損於損益內確認。於損益內確認的收益或虧損淨額並不包括任何從此等投資賺取的股息，此乃由於有關股息已根據附註2(q)(iii)所載政策確認所致。

不屬於上述分類的股本證券投資將分類作可供出售證券。公平值於各報告期末重新計量，而所產生的收益或虧損於其他全面收益內確認，並獨立累計於投資重估儲備的權益。例外情況為未獲相同工具的活躍市場報價證明且公平值無法以其他方法可靠地計量的股本證券投資於綜合財務狀況表內按成本減減值虧損確認(參見附註2(g))。來自股本證券的股息收入已根據附註2(q)(iii)所載政策於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Investments in equity securities

When the investments are derecognised or impaired (see note 2(g)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (see note 2(g)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Buildings	Over the shorter of the terms of the lease or 50 years
Leasehold improvement	Over the shorter of the terms of the lease or 5 years
Plant and machinery	9% - 20%
Furniture, fixtures and equipment	18% - 20%
Motor vehicles	9% - 20%

Where parts of an item of plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 重大會計政策(續)

d) 於股本證券的投資(續)

當投資已取消確認或減值(參見附註2(g))，於權益內確認的累計收益或虧損獲重新分類至損益。投資於本集團承諾購買/出售有關投資當日或屆滿時確認/取消確認。

e) 物業、廠房及設備

物業、廠房及設備以成本減其後累計折舊及累計減值虧損列賬(參見附註2(g))。

報廢或處置物業、廠房及設備項目所產生的收益或虧損是以處置所得款項淨額與項目賬面值兩者之差額釐定，並於報廢或處置日期在損益中確認。

物業、廠房及設備項目之折舊乃按下列估計可使用年期，在扣除其估計殘值(如有)後，以直線法計算：

樓宇	租賃期內或50年 (以較短者為準)
租賃改良	租賃期內或5年 (以較短者為準)
廠房及機器	9%-20%
傢具、固定設施及設備	18%-20%
汽車	9%-20%

廠房及設備項目的部分具有不同的使用年期，而有關項目的成本按照合理原則在各部分分配，每部分均獨立折舊。資產的使用年期及殘值(如有)將每年檢討。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance lease. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

2. 重大會計政策(續)

f) 租賃資產

倘本集團確定一項安排透過轉讓於所協定期間使用特定資產的權利而獲取金錢回報或一連串金錢回報，則安排(包括一項或一連串交易)為交易或包括交易。本集團經評估該項安排的實際內容後作出上述決定，不論該項安排是否屬一項租賃的法定形式。

i) 分類作向本集團租賃資產

倘本集團根據租賃持有資產，而其中擁有權絕大部分風險及回報均轉移至本集團之租賃，乃分類為根據融資租賃持有之資產。擁有權絕大部分風險及回報未轉移至本集團之租賃，則分類為經營租賃。

ii) 經營租賃支出

倘本集團根據經營租賃持有資產使用權，除非其他方法更能代表來自所租賃資產的利益的模式，否則將根據租賃支付的款項按每期同等金額在租賃期內涵蓋的會計期間於損益中扣除。所收取租賃獎勵已於損益內作為租賃款項總淨額的重要部分確認。或然租金已在其產生的會計期間於損益內扣除。

根據經營租賃所持有土地的收購成本已按直線法於整個租賃期內攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets

i) *Impairment of investments in equity securities and other receivables*

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 重大會計政策(續)

g) 資產減值

i) *股本證券投資及其他應收款項減值*

按成本或攤銷成本列賬或分類作可供出售證券的股本證券投資及其他流動及非流動應收款項於各報告期末檢討，以釐定是否具有減值的客觀證據。減值的客觀證據包括引起本集團注意的有關以下一項或以上的虧損事件的可觀察數據：

- 債務人面臨重大經濟困難；
- 違反合約，例如拖欠支付利息或償還本金；
- 債務人可能會破產或須進行債務重組；
- 技術、市場、經濟或法律環境的重大變動對債務人構成重大不利影響；及
- 股本工具投資的公平值大幅或長期下滑至低於成本的水平。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2. 重大會計政策(續)

g) 資產減值(續)

i) 股本證券投資及其他應收款項減值(續)

倘存在上述任何證據，減值虧損將獲釐定及確定如下：

- 就按成本列賬的無報價股本證券而言，減值虧損乃計量為金融資產賬面值與估計未來現金流量之間的差異，並按照折讓影響重大的類似金融資產的目前市場回報率折讓。按成本列賬的股本證券的減值虧損並不會撥回。
- 就應收貿易賬項及其他目前應收款項及其他按攤銷成本列賬的金融資產而言，減值虧損乃計量為資產賬面值及估計未來現金流量現值之間的差異，並按照折讓影響重大的金融資產的原本實際利率(即有關資產初始確認時計算所用的實際利率)折讓。倘此等金融資產具有類似風險特點(如相似的逾期狀況)，且未個別評為已減值，則會集體作出評估。進行集體減值評估的金融資產未來現金流量乃根據具有與集體組別相似信貸風險特點的資產的過往虧損經驗而得出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale equity securities, the cumulative loss that has been recognised in the investment revaluation reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

2. 重大會計政策(續)

g) 資產減值(續)

i) 股本證券投資及其他應收款項減值(續)

倘減值虧損金額於其後期間下跌，而有關下跌可客觀地與減值虧損確認後發生的事件相提並論，則減值虧損於損益內撥回。減值虧損撥回不應導致資產的賬面值超過猶如過往年度未有確認減值虧損而確定的賬面值。

- 就可供出售股本證券而言，已於投資重估儲備確認的累計虧損重新分類至損益。於損益確認的累計虧損金額為收購成本及目前公平值之間的差額，並減去有關資產早前於損益確認的任何累計虧損。

可供出售股本證券於損益確認的累計虧損不會於損益內撥回。有關資產公平值其後任何增加於其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

i) Impairment of investments in equity securities and other receivables (Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- prepaid lease payments; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

2. 重大會計政策(續)

g) 資產減值(續)

i) 股本證券投資及其他應收款項減值(續)

減值虧損直接自相應資產撤銷，惟就可收回性成疑而非極低的應收貿易賬項確認的減值虧損除外。在此情況下，呆壞賬減值虧損於撥備賬內記錄。倘本集團信納可收回性為微乎其微，則被視為不可收回的金額會直接撤銷應收貿易賬項，而在撥備賬中持有有關該債務之任何金額會被撥回。早前於撥備賬扣除的其後收回金額會於撥備賬撥回。撥備賬其他變動及早前直接撤銷的其後收回金額於損益內確認。

ii) 其他資產減值

本公司在各報告期末審閱內部和外來的資料，以確定以下資產是否出現減值跡象，或以往確認的減值虧損已經不再存在或可能已經減少：

- 物業、廠房及設備；
- 預付租賃款項；及
- 本公司財務狀況表內於附屬公司的投資。

倘存在有關跡象，則估計該項資產的可收回金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

2. 重大會計政策(續)

g) 資產減值(續)

ii) 其他資產減值(續)

– 計算可收回金額

資產的可收回金額為其公平值減出售成本與使用價值之中數值較大者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折讓至其現值，該貼現率反映目前市場對資金時間值之評估以及資產的獨有風險。倘資產基本上未能產生獨立於其他資產的現金流量入時，則以能夠獨立產生現金流量入的最小資產組別(即現金產生單位)釐定可收回金額。

– 確認減值虧損

倘資產所屬的現金產生單位的賬面值超過其可收回金額，則減值虧損於損益內確認。為減低單位(或該組單位)內資產的賬面值，故按比例分配就現金產生單位確認的減值虧損，除非資產的賬面值不會減少至低於其個別公平值減去出售成本後所得金額(如能計量)或其使用價值(如能確定)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

h) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2. 重大會計政策(續)

g) 資產減值(續)

ii) 其他資產減值(續)

- 撥回減值虧損

倘用於釐定可收回金額的估計出現任何有利變動，有關的減值虧損則會撥回。

減值虧損的撥回限於在過往年度並無確認任何減值虧損的情況下原應釐定的資產賬面值。所撥回的減值虧損於確認撥回年度計入損益表。

h) 存貨

存貨乃按成本及可變現淨值之較低者列賬。

成本採用加權平均成本法計算，包括所有採購成本、加工成本及將存貨運到現時位置並達致現狀的其他成本。

可變現淨值為日常業務情況下估計售價減估計完工成本及估計達成銷售必要的成本。

當出售存貨時，該等存貨的賬面值在確認相關收益期間內確認為開支。任何由存貨撇減為可變現淨值的金額和所有存貨虧損於撇減或虧損產生期間確認為開支。任何存貨撇減的任何撥回金額確認為於撥回產生期間確認為開支之存貨金額減少。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(g)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

j) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

k) Share capital

Ordinary shares are classified as equity. The par value of the shares issued and fully paid is recognised in the share capital account. Any excess of proceeds from a new issue of shares (net of any incremental costs directly attributable to the new issue) over the par value of the shares issued is recognised in the share premium account.

l) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. 重大會計政策(續)

i) 應收貿易賬項及其他應收款項

應收貿易賬項及其他應收款項初步按公平值確認，其後則按以實際利率法計算的攤銷成本減呆壞賬減值撥備列賬(參閱附註2(g))；但如果有關應收款項為給予關聯方的免息貸款，且無固定還款期或折讓影響甚微則除外。在這種情況下，有關應收款項按成本減呆壞賬減值撥備列賬。

j) 帶息借款

帶息借款初步按公平值減相關交易成本確認。初步確認後，帶息借款按攤銷成本列賬，而初步確認金額與贖回價值兩者的任何差額(連同任何應付利息及費用)於借貸期內按實際利率法在損益內確認。

k) 股本

普通股分類為權益。已發行及已繳足的股份面值於股本賬內確認。新股份發行所得款項(扣除任何直接因新股份發行而產生的增量成本)超出已發行股份面值的部分於股份溢價賬內確認。

l) 應付貿易賬項及其他應付款項

應付貿易賬項及其他應付款項初步按公平值確認，其後則按攤銷成本列賬，但如折現影響甚微，則按成本列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

n) Employee benefits

i) Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii) Contributions to defined contribution retirement plans

The Group operates defined contribution retirement scheme under the Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong. Under the Scheme, employer is required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of the trustees.

2. 重大會計政策(續)

m) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭的現金、銀行及其他金融機構的活期存款以及短期和高流動性的投資。這些投資可以隨時轉換為已知數額的現金，價值變動風險不重大，並在購入後三個月內到期。就綜合現金流量表而言，按要求時償還及構成本集團現金管理整體一部分之銀行透支亦列作現金及現金等值項目。

n) 僱員福利

i) 短期僱員福利

薪金、年度獎金、有薪年假和非貨幣福利成本在僱員提供相關服務的年度內計提。如果延遲付款或結算會造成重大的影響，則這些金額會以現值列賬。

ii) 界定供款退休計劃的供款

本集團經已按照香港強制性公積金計劃(「強積金計劃」)維持界定供款退休計劃。根據該計劃，僱主須按僱員相關收入的5%向計劃作出供款，上限為每月相關收入30,000港元。強積金計劃資產在本集團資產以外於受託人控制的基金內獨立持有。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Employee benefits (Continued)

ii) Contributions to defined contribution retirement plans (Continued)

The employees of the subsidiaries in the People's Republic of China (the "PRC") are members of retirement benefits schemes operated by the PRC government. The relevant PRC subsidiaries are required to make contributions to the state retirement schemes in the PRC based on certain percentage of the monthly salaries of their current employees to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specific contributions.

The contributions made by the Group to the MPF Scheme and state retirement schemes are charged to the consolidated statement of profit or loss and other comprehensive income when employees have rendered service to the Group.

iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2. 重大會計政策(續)

n) 僱員福利(續)

ii) 界定供款退休計劃的供款(續)

中華人民共和國(「中國」)附屬公司的僱員為中國政府退休福利計劃的成員。有關中國附屬公司須按現職僱員月薪的若干百分比向中國退休保障計劃作出供款以為該等福利撥資。本集團就退休福利計劃僅有的責任為作出特定供款。

僱員向本集團提供服務時，本集團向強積金計劃及國家退休保障計劃作出的供款於綜合損益及其他全面收益表內扣除。

iii) 終止福利

終止福利於本集團不再能撤回所提供福利，以及倘本集團確認涉及支付終止福利的重組成本時(以較早者為準)予以確認。

(o) 所得稅

本年度所得稅包括當期稅項和遞延稅項資產與負債的變動。當期稅項和遞延稅項資產與負債的變動均在損益內確認，但在其他綜合收益或直接在權益中確認的相關項目，其相關稅項金額則分別在其他綜合收益或直接在權益中確認。

當期稅項是按本年度應課稅收入，根據已執行或在報告期末實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 重大會計政策(續)

(o) 所得稅(續)

遞延稅項資產與負債分別由可抵扣和應課稅暫時性差異產生。暫時性差異是指資產與負債在財務報告的賬面值及此等資產與負債的計稅基礎的差異。遞延稅項資產也可以由未被使用的稅項虧損和稅款減免所產生。

除若干有限的例外情況外，所有遞延稅項資產及負債(僅限於有可能用以抵扣資產未來可能取得的應課稅溢利的部分)均予以確認。支持確認由可抵扣暫時性差異所產生的遞延稅項資產的未來應課稅溢利包括因撥回目前存在的應課稅暫時性差異而產生的金額；但這些撥回的差異必須與同一稅務機關和同一應稅實體有關，並預期在可抵扣暫時性差異預計撥回的期間內撥回，或遞延稅項資產所引起的稅項虧損可向後期或向前期結轉的期間內撥回。在確定目前存在的應課稅暫時性差異是否足以支持確認由未被使用的稅項虧損和稅款減免所產生的遞延稅項資產時應採用同一準則，即該暫時性差異是與同一稅務機關和同一應稅實體有關，並預期在能夠使用稅項虧損和稅款減免的期間內轉回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 重大會計政策(續)

(o) 所得稅(續)

沒有予以確認為遞延稅項資產與負債的暫時性差異源自以下有限的例外情況：不影響會計或應課稅溢利的資產或負債的初始確認(如屬企業合併的一部分則除外)以及與向附屬公司的投資有關的暫時性差異(如屬應課稅差異，只限於本集團可以控制差異撥回的時間，而且在可預見的將來不大可能撥回的暫時性差異；或如屬可抵扣差異，則只限於很可能在將來撥回的差異)。

遞延所得稅額是按照資產與負債賬面值的預期實現或結算方式，根據已生效或在報告期末實質上已生效的稅率計量。遞延稅項資產與負債將不予折現。

本集團會在各報告期末審閱遞延稅項資產的賬面值。如果本集團預期不再可能取得足夠的應課稅溢利以抵扣相關的稅務利益，該遞延稅項資產的賬面值會被減少。但日後如果有可能取得足夠的應課稅溢利，有關減少金額便會撥回。

因分派股息而產生的額外所得稅在確認須支付有關股息時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 重大會計政策(續)

(o) 所得稅(續)

當期和遞延稅項結餘及其變動額會分開列示，並且不予抵銷。當期和遞延稅項資產只會在本公司或本集團有法定行使權以當期稅項資產抵銷當期稅項負債，並且符合以下附帶條件的情況下，才可以分別抵銷當期和遞延稅項負債：

- 如論及當期稅項資產與負債，本公司或本集團計劃按淨額為基礎結算，或同時變現該資產和清算該負債；或
- 如論及遞延稅項資產與負債，這些資產與負債必須與同一稅務機關向以下其中一項徵收的所得稅有關：
 - 同一應稅實體；或
 - 不同的應稅實體。這些實體計劃在日後每個預期有大額遞延稅項負債需要清算或大額遞延稅項資產可以收回的期間內，按淨額為基礎實現當期稅項資產和清算當期稅項負債，或同時變現該資產和清算該負債。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

2. 重大會計政策(續)

p) 撥備及或然負債

如果本集團或本公司須就已發生的事件承擔法律或推定責任，因而預期很可能會導致經濟利益外流，在可以作出可靠的估計時，會就時間或數額不定的負債計提撥備。

如果貨幣時間值重大，則按預計所需支出的現值計提撥備。

如果經濟利益外流的可能性較低，或無法對有關數額作出可靠的估計，便會披露為或然負債，但經濟利益外流的可能性極低則除外。本集團的義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，惟經濟利益外流的可能性極低者則除外。

q) 收益確認

收益按已收取或可收取代價的公平值計量。倘經濟利益很可能流入本集團，而收益及成本(如適用)能可靠地計量，下列各項收益便會在損益內確認：

i) 銷售貨品

收益於貨品交付到客戶的經營場所時(即於客戶接受貨品及與其所有權有關的風險和回報時)確認。收益不包括增值稅或其他銷售稅，且為經減除貿易折扣後的金額。

ii) 利息收入

利息收入於產生時按實際利率法確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Revenue recognition (Continued)

iii) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 重大會計政策(續)

q) 收益確認(續)

iii) 股息

- 非上市投資的股息收入於股東收取款項之權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

r) 外幣換算

年內，外幣交易按交易日的外幣匯率換算。以外幣計值的貨幣資產與負債則按報告期末的外幣匯率換算。匯兌收益及虧損在損益內確認。

以歷史成本計量的外幣非貨幣資產與負債按交易日的外幣匯率換算。按公平值列賬並以外幣計值的非貨幣資產與負債按公平值計量當日的外幣匯率換算。

外國業務的業績按與交易日的外幣匯率相若的匯率換算為港元。財務狀況表項目則按報告期末的收市外幣匯率換算為港元。所產生的匯兌差額在其他全面收益中確認，並在權益項目中的匯兌儲備單獨累計。

出售外國業務時，與該外國業務有關的累計匯兌差額會在確認出售溢利或虧損時由權益重新分類至損益。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

t) Non-current assets held for sale and discontinued operations

i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

2. 重大會計政策(續)

s) 借款費用

與購置、建造或生產需要長時間才可以達到擬定可使用或可出售狀態的資產直接相關的借款費用會資本化，作為資產的部分成本。其他借款費用於產生期間列為開支。

借款費用應在資產開支和借款費用產生時，並在使資產達到擬定可使用或可出售狀態所必須的準備工作進行期間開始予以資本化，以作為合資格資產成本的一部分。在使合資格資產達到擬定可使用或可出售狀態所必須的幾乎全部準備工作實質上中斷或完成時，即暫時中止或停止將借款費用資本化。

t) 持作出售的非流動資產及已終止經營業務

i) 持作出售的非流動資產

如果非流動資產(或出售集團)的賬面值很可能通過銷售交易而非通過持續使用而收回，且該資產(或出售集團)可按現況出售，則分類為持作出售。出售集團是指一組資產於單一交易中一併出售，而且與該等資產直接相關的負債則於交易中轉移。

當本集團承諾進行涉及失去一間附屬公司控制權的出售計劃時，不論本集團是否將於出售后保留該附屬公司的非控股權益，該附屬公司的所有資產及負債於符合上述有關分類為持作出售的條件時會分類為持作出售。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Non-current assets held for sale and discontinued operations (Continued)

i) Non-current assets held for sale (Continued)

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits and financial assets (other than investments in subsidiaries). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2. 重大會計政策(續)

t) 持作出售的非流動資產及已終止經營業務(續)

i) 持作出售的非流動資產(續)

緊接分類為持作出售前，非流動資產(及一個出售集團內所有個別資產和負債)按分類前的會計政策更新計量。在初始分類為持作出售類別及直至售出時，非流動資產(以下所述的若干資產除外)或出售集團以賬面值和公平值減去出售成本兩者中的較低者確認。在本集團及本公司財務報表中並無使用這項計量政策的主要項目包括遞延稅項資產、僱員福利產生的資產及金融資產(於附屬公司的投資除外)。該等資產即使屬持作出售，亦將繼續按附註2其他部分所載的政策計量。

於初始分類為持作出售及於列作持作出售用途的期間重新計量的減值損失在損益內確認。當非流動資產被分類為持作出售用途，或包括在分類為持作出售的出售集團，該非流動資產不予折舊或攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Non-current assets held for sale and discontinued operations (Continued)

ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss and other comprehensive income, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

2. 重大會計政策(續)

t) 持作出售的非流動資產及已終止經營業務(續)

ii) 已終止經營業務

已終止經營業務乃本集團業務其中一部份，其業務及現金流量可明顯地與本集團餘下業務區分出來，並代表一項獨立之主要業務或地區性之業務、或出售一項獨立主要業務或地區業務之單一協調計劃之其中部份、或專為轉售目的而購入之附屬公司。

一項業務在出售時或符合標準可被列為持作出售時(以較早者為準)(參見上文(i)段)，即分類為已終止經營業務。若一項業務被放棄時，亦會分類為已終止經營業務。

倘業務被分類為已終止經營業務，便會在損益及其他全面收益表上以單一金額列示，包括：

- 已終止經營業務的除稅後損益；及
- 按公平值減去出售成本後所得金額進行計量所確認的除稅後溢利或虧損，或者於出售時對構成已終止經營業務的資產或出售組合所確認的除稅後溢利或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Related parties

a) *A person, or a close member of that person's family, is related to the Group if that person:*

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

b) *An entity is related to the Group if any of the following conditions applies:*

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. 重大會計政策(續)

u) 關聯方

(a) *如屬以下人士，即該人士或與該人士關係密切的家庭成員為本集團的關聯方：*

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或本集團母公司的主要管理人員。

(b) *如符合下列任何條件，即實體為本集團的關聯方：*

- (i) 該實體與本集團隸屬同一集團(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
- (ii) 一家實體是另一實體的聯營公司或合營公司(或另一實體所屬集團旗下成員公司的聯營公司或合營公司)。
- (iii) 兩家實體是同一第三方的合營公司。
- (iv) 一家實體是第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

u) Related parties (Continued)

b) An entity is related to the Group if any of the following conditions applies: (Continued)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 重大會計政策(續)

u) 關聯方(續)

(b) 如符合下列任何條件，即實體為本集團的關聯方：(續)

- (v) 該實體是為本集團或作為本集團關聯方的任何實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受到(a)段所認定人士控制或共同控制。
- (vii) 上述(a)(i)段所認定的人士對該實體有重大影響力或是該實體(或該實體母公司)的主要管理人員。
- (viii) 該實體或其所屬集團的任何成員向本集團或本集團母公司提供主要管理人員服務。

與一名人士關係密切的家庭成員是指與有關實體交易並可能影響該人士或受該個人影響的家庭成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

2. 重大會計政策(續)

v) 分部報告

本集團為分配資源予本集團各項業務和各個地區以及評估各項業務和各個地區的業績，定期向本集團最高行政管理人員提供財務資料。從這些數據中，可找出財務報表中報告的營運分類和每一分類項目的金額。

個別而言屬重大的營運分類不會在財務報告中予以總計，除非這些分類擁有類似的經濟特性，而且其產品和服務性質、生產流程性質、客戶的類型或類別、用以分銷產品或提供服務的方法以及監管環境的性質均相若。倘就個別而言並非屬於重大的營運分類擁有以上大部分特徵亦可能匯總成一個分類以供列示。

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

香港會計師公會已頒佈多項於本集團本會計期間首次生效的香港財務報告準則的修訂。此等修訂不會對本集團於本期間或過往期間編製或呈列業績及財務狀況的方法構成重大影響。

本集團並無提早應用任何尚未於本會計期間生效的新訂準則或詮釋。

直至此等財務報表刊發日期，香港會計師公會已頒佈多項尚未於截至二零一六年十二月三十一日止年度生效的修訂及新訂準則，亦未有於此等財務報表採用有關修訂及新訂準則。此等修訂及新訂準則包括下列可能與本集團有關者。

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

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKAS 7	Statement of cash flows: Disclosure initiative ¹
Amendments to HKAS 12	Income taxes: Recognition of deferred tax assets for unrealised losses ¹
Amendments to HKFRS 2	Share-based payment: Classification and measurement of share-based payment transactions ²
HKFRS 9	Financial instruments ²
HKFRS 15	Revenue from contracts with customers ²
HKFRS 16	Leases ³

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position, except for the following.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則 第7號之修訂本	現金流量表：披露方法 ¹
香港會計準則 第12號之修訂本	所得稅：未變現虧損的遞延稅項資產確認 ¹
香港財務報告準則 第2號之修訂本	以股份為基礎付款：以股份為基礎付款交易之分類及計量 ²
香港財務報告準則 第9號	金融工具 ²
香港財務報告準則 第15號	客戶合約收益 ²
香港財務報告準則 第16號	租賃 ³

¹ 於二零一七年一月一日或之後開始之會計期間生效

² 於二零一八年一月一日或之後開始之會計期間生效

³ 於二零一九年一月一日或之後開始之會計期間生效

本集團正在評估此等修訂及新訂準則於初始應用期間的預期影響。直至目前為止，本集團認為應用此等修訂及新訂準則不大可能對本集團經營業績及財務狀況構成重大影響，惟下列者除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 9 Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39 “*Financial Instruments: Recognition and Measurement*”. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. The Group considers that the initial application of HKFRS 9 will not have a significant impact on the Group’s results of operations and financial position.

HKFRS 15 Revenue from contracts with customers

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

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具

香港財務報告準則第9號將取代金融工具會計法的現有準則香港會計準則第39號「*金融工具：確認及計量*」。香港財務報告準則第9號引入有關金融資產的分類及計量、金融資產減值的計算方法及對沖會計法的新規定。另一方面，在未有實質改變的情況下，香港財務報告準則第9號加入香港會計準則第39號對金融工具確認及取消確認以及金融負債分類的規定。本集團認為初始應用香港財務報告準則第9號對本集團經營業績及財務狀況並無重大影響。

香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號頒佈並建立了單一綜合模型，以供實體對來自客戶合約收益進行會計處理。香港財務報告準則第15號將於其生效時取代現時沿用的收益確認指引，包括香港會計準則第18號「*收益*」、香港會計準則第11號「*建築合約*」及相關詮釋。

Notes to the Consolidated Financial Statements

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 15 Revenue from contracts with customers (Continued)

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

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

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

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第15號客戶合約收益(續)

香港財務報告準則第15號的核心原則乃一個實體應確認收益以體現向客戶轉讓承諾貨品或服務的數額，並反映實體預期交換該等貨品或服務而應得的代價。具體來說，香港財務報告準則第15號引入收益確認五步曲：

- 第一步：確定客戶合約
- 第二步：確定合約內的履約責任
- 第三步：釐定交易價格
- 第四步：將交易價格分攤至合約內的履約責任
- 第五步：當實體達成履約責任時確認收益

根據香港財務報告準則第15號，實體於其達成履約責任時確認收益，即在特定履約責任相關貨品或服務的「控制權」轉移至客戶之時。香港財務報告準則第15號已加入更為規範的指引，以便處理特別情況。此外，香港財務報告準則第15號亦要求作出全面披露。

本公司董事預計日後會因應用香港財務報告準則第15號而須於本集團綜合財務報表披露更多資料。然而，在本集團進行詳細審閱之前，提供有關香港財務報告準則第15號的影響的合理估計並不可行。

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綜合財務報表附註

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 16 Leases

As disclosed in note 2(f), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease terms.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃

誠如附註2(f)所披露，本集團目前將租賃分類為融資租賃及經營租賃，且租賃安排的入賬方式取決於租賃分類而有所不同。本集團以出租人身份訂立部分租賃，餘下者則以承租人身份訂立。

預期香港財務報告準則第16號並不會嚴重影響出租人將其於租賃項下的權利及責任入賬的方式。然而，一旦採用香港財務報告準則第16號，將不再區分融資租賃及經營租賃的承租人。反之，根據實際情況，承租人將以與目前融資租賃入賬相似的方式將所有租賃入賬，即承租人將於租賃開始日期按最低未來租賃款項的現值確認及計量租賃負債，並確認相應的「使用權」資產。初步確認此資產及負債後，承租人將確認因租賃負債未償還結餘產生的利息支出以及使用權資產的折舊，而非目前有系統地於整個租賃期內確認因經營租賃產生的租金支出的政策。根據實際情況，承租人可選擇不就短期租賃(即租期為12個月或以下)及低價值資產租賃應用此會計模式，而租金支出則仍然有系統地於整個租賃期內確認。

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綜合財務報表附註

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 16 Leases (Continued)

HKFRS 16 will primarily affect the Group’s accounting as lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the consolidated statement of profit or loss and other comprehensive income over the period of the lease. As disclosed in note 29, at 31 December 2016 the Group’s future minimum lease payments under non-cancellable operating leases amount to HK\$16,598,000 for properties, the majority of which is payable between 1 year and 5 years after the reporting date. Some of this amount may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

The Group is considering whether to adopt HKFRS 16 before its effective date of 1 January 2019. However, early adoption of HKFRS 16 is only permitted if this is no earlier than the adoption of HKFRS 15. It is therefore unlikely that HKFRS 16 will be adopted before the effective date of HKFRS 15, being 1 January 2018.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

香港財務報告準則第16號將主要影響本集團作為物業、廠房及設備租賃(目前分類為經營租賃)承租人的會計法。預期應用新會計模式將導致資產及負債增加，並影響於整個租賃期內在綜合損益及其他全面收益表確認支出的時機。據附註29所披露，於二零一六年十二月三十一日，本集團於不可撤銷經營租賃項下的最低未來物業租賃款項為16,598,000港元，其中大部分須於報告日期後1年至5年內支付。因此，香港財務報告準則第16號一經採用，部分金額須確認為租賃負債及確認相應的使用權資產。經計及實際情況的適用性、就現在及採用香港財務報告準則第16號後所訂立或終止的任何租賃作出調整以及折現的影響，本集團須進行更為詳盡的分析，以釐定因採用香港財務報告準則第16號而引致來自經營租賃承擔的資產及負債新金額。

本集團正在考慮是否於生效日期二零一九年一月一日前採用香港財務報告準則第16號。然而，僅在不會早於採用香港財務報告準則第15號的情況下，方可提早採用香港財務報告準則第16號。然而，香港財務報告準則第15號的生效日期為二零一八年一月一日，故不大可能於該生效日期之前採納香港財務報告準則第16號。

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4. ACCOUNTING JUDGEMENT AND ESTIMATES

a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

i) *Non-current assets or disposal groups reclassified as held for sale and discontinued operation*

In the last quarter of 2016, the Group entered into an agreement, subject to normal closing conditions and pursuant to which the Group was granted an option to terminate the disposal at its sole discretion before the end of 2017, to dispose of the entire issued share capital of Capital Wise Limited and its subsidiaries, all of which are wholly-owned subsidiaries of the Company, for a cash consideration of HK\$10 million so as to sell its entire interest in manufacturing and trading of pharmaceutical and healthcare businesses. Whether or not to classify these businesses as held for sale as at 31 December 2016 is a matter of judgement and has a significant impact on the presentation of the consolidated financial statements. The directors of the Company are of the opinion that completion of the disposal transaction was 'highly probable' as at 31 December 2016 and the criteria of HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" had been met. Accordingly, pharmaceutical and healthcare businesses have been reported as disposal group held for sale.

4. 會計判斷及估計(續)

a) 應用本集團會計政策的重大會計判斷

於應用本集團會計政策的過程中，管理層已作出以下會計判斷：

i) *重新分類為持作出售及已終止經營業務的非流動資產或出售集團*

於二零一六年最後一季，本集團訂立一份協議以按照現金代價10,000,000港元出售Capital Wise Limited及其附屬公司(全部均為本公司全資附屬公司)的全部已發行股本(惟須受限於一般完成條件，而本集團據此協議亦有權作出於二零一七年底前終止出售事項的全權酌情決定)，從而出售本集團於醫藥及保健產品生產及貿易業務的權益。此等業務分類為於二零一六年十二月三十一日的持作出售業務與否乃判斷事宜，且對綜合報表的呈列有重大影響。本公司董事認為出售交易「極有可能」於二零一六年十二月三十一日完成，因此符合香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」的條件。故此，醫藥及保健產品業務按持作出售之出售集團呈報。

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4. ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

b) Sources of estimation uncertainty

Note 6 contains information about the assumptions and their risk factors relating to financial instruments. Other key sources of estimation uncertainty are as follows:

i) *Losses incurred in the impairment and disposal of available-for-sale investments*

The Group determines that available-for-sale investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgemental by nature, so profit and loss could be affected by differences in this judgement.

Given the scale of losses incurred in the impairment and disposals of available-for-sale investments, consideration has been given as to whether any of the losses incurred in the current period should have been identified and accounted for in prior period in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The results of the exercise showed that for the consolidated financial statements in respect of the year ended 31 December 2015, no objective evidence of impairment was found and accordingly the consolidated financial statements for the year ended 31 December 2015 have not been restated.

4. 會計判斷及估計(續)

b) 估計的不確定因素來源

附註6載有有關假設及有關金融工具的風險因素的資料。其他不穩定因素的主要來源如下：

i) *減值及出售可供出售投資所產生的虧損*

倘公平值大幅或長時間下滑至低於成本，則本集團將釐定可供出售投資為已減值。釐定公平值有否下滑至低於成本且無法於合理時間內收回為按照性質所作的判斷，而此判斷的差異將對損益造成影響。

鑒於減值及出售可供出售投資所產生的虧損規模，本集團曾就本期間產生的任何虧損應否根據香港會計準則第8號「會計政策、會計估計及錯誤之變動」在上個期間識別及入賬作出考慮。而實施的結果反映，於截至二零一五年十二月三十一日止年度的綜合財務報表並無發現客觀的減值證據，故此截至二零一五年十二月三十一日止年度的綜合財務報表並無重列。

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4. ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

b) Sources of estimation uncertainty (Continued)

ii) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions and significant estimation are regard in determining the provision for income tax. Management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. The Group has not recognised deferred income tax assets in respect of estimated tax losses carried forward disclosed in note 10 as there is no evidence that future taxable profits will be available.

4. 會計判斷及估計(續)

b) 估計的不確定因素來源(續)

ii) 所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷，而釐定所得稅撥備亦涉及重大估計。管理層審慎評估交易之稅務影響，並據此訂立稅項撥備。對該等交易之稅務處理會定期重新考慮，以計及稅務法例之所有變更。遞延稅項資產乃就未動用稅項虧損及短暫可扣減差額確認。只有在很有可能將未來應課稅溢利與可動用之未用稅項抵免額抵銷之該等遞延稅項資產，方會確認。評估未來應課稅溢利之可能性需要管理層之判斷。管理層之評估須經常加以檢討，倘若未來應課稅溢利讓遞延稅項資產獲收回之可能性增加，會確認額外遞延稅項資產。由於未有證據顯示可取得未來應課稅溢利，本集團未有就於附註10披露的估計結轉稅項虧損確認遞延所得稅資產。

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5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group includes of debt, which include borrowing and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

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

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Categories of financial instruments

5. 資本風險管理

本集團管理其資本，以確保本集團可持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本結構包括債務，債務包括借款及本公司權益持有人之應佔權益(包括已發行股本及儲備)。

本公司董事定期檢討資本結構，董事檢討時考慮資本成本及各類別資本相關風險。本集團將根據董事之意見透過支付股息、發行新股及購回股份以及新增債務或贖回現有債務而平衡其整體資本結構。

6. 財務風險管理及金融工具之公平值

金融工具之分類

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets:	金融資產：		
Available-for-sale investments	可供出售投資	—	560,585
Loans and receivables (including cash and cash equivalents)	貸款及應收賬項(包括現金及現金等值項目)	414,292	325,080
Included in disposal group classified as held for sale	計入持作出售之出售集團資產	414	—
Financial liabilities:	金融負債：		
Amortised cost	攤銷成本	1,815	30,971
Included in disposal group classified as held for sale	計入持作出售之出售集團負債	26,231	—

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6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade receivables, loans receivable, other receivables, bank balances and cash, trade payables, accruals and other payables and borrowings. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain bank balances of the Group are denominated in foreign currencies other than the functional currency of respective group companies, which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise. The carrying amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank balances	銀行結餘		
United States Dollars ("US\$") against Renminbi ("RMB")	美元(「美元」)兌人民幣 (「人民幣」)	1,664	11,635
Euro against HK\$	歐元兌港元	—	951

6. 財務風險管理及金融工具之公平值 (續)

財務風險管理目的及政策

本集團之主要金融工具包括可供出售投資、應收貿易賬項、應收貸款、其他應收款項、銀行結餘及現金、應付貿易賬項、應計款項及其他應付款項及借款。金融工具詳情於相關附註披露。與該等金融工具相關之風險包括市場風險(利率風險、貨幣風險與其他價格風險)、信貸風險及流動資金風險。有關減低該等風險之政策載列如下。管理層管理及監控該等風險，以確保及時有效地採取適當措施。

市場風險

貨幣風險

本集團之若干銀行結餘乃以外幣(而非各集團公司的功能貨幣)計值，讓本集團承受貨幣風險。本集團並無外幣對沖政策。然而，管理層監管外匯風險，並於需要時考慮對沖重大外幣風險。於報告日期，本集團以外幣計值之貨幣資產之賬面值如下：

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6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency of respective group entities against foreign currencies and all other variables were held constant. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates a decrease in post-tax loss or an increase in post-tax profit where the relevant foreign currency strengthens 5% against the functional currency of respective group entities. For a 5% weakening of the relevant foreign currencies of the respective group entities against the relevant foreign currencies, there would be an equal and opposite impact on the result for the year.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Decrease/increase in post-tax loss/profit for the year	本年度除稅後虧損／溢利減少／增加		
US\$ against RMB	美元兌人民幣	69	486
Euro against HK\$	歐元兌港元	—	40

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

6. 財務風險管理及金融工具之公平值 (續)

市場風險(續)

貨幣風險(續)

敏感度分析

下表載列本集團對有關集團實體之功能貨幣兌外幣上升及下跌5%(所有其他變量保持不變)之敏感度詳情。所採用5%之敏感度比率乃代表管理層對外幣匯率可能合理變動之評估。下文正數數字反映有關外幣兌有關集團實體之功能貨幣升值5%時，除稅後虧損減少或除稅後溢利增加。各集團實體之有關外幣兌有關外幣貶值5%時，對本年度業績將構成等值之相反影響。

管理層認為，由於年終之風險並不反映本年度之風險，故敏感度分析並不代表固有外匯風險。

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6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Interest rate risk

As at 31 December 2016, the Group was not exposed to any significant interest rate risk. The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

As at 31 December 2015, the Group was exposed to cash flow interest rate risk in relation to variable-rate bank balances, loans receivable and bank borrowing.

As at 31 December 2015, the Group was exposed to fair value interest rate risk in relation to the fixed-rate loans receivable through the impact of changes in market interest rates.

As at 31 December 2015, the Group's cash flow interest rate risk was mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") arising from the Group's bank borrowing and best lending rate quoted by a bank in Hong Kong arising from the Group's loans receivable.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to cash flow interest rate risk for variable-rate bank borrowing and loans receivable at 31 December 2015. The analysis was prepared assuming the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis points increase or decrease was used which represented management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit after taxation for the year ended 31 December 2015 would increase/decrease by HK\$376,000.

6. 財務風險管理及金融工具之公平值 (續)

市場風險(續)

利率風險

於二零一六年十二月三十一日，本集團並無任何重大利率風險。本集團目前概無利率對沖政策。然而，管理層於需要時將考慮對沖重大利率風險。

於二零一五年十二月三十一日，本集團承受浮息銀行結餘、應收貸款及銀行借貸的現金流量利率風險。

於二零一五年十二月三十一日，本集團透過市場利率變動之影響而就定息應收貸款承受公平值利率風險。

於二零一五年十二月三十一日，本集團的現金流量利率風險主要集中於本集團銀行借貸引致的香港銀行同業拆息(「香港銀行同業拆息」)及本集團應收貸款引致的香港銀行所報最優惠貸款利率波動。

敏感度分析

以下的敏感度分析乃根據浮息銀行借貸及應收貸款於二零一五年十二月三十一日之現金流量利率風險釐定。分析乃假設所述變動於財政年度初發生並於整個報告期間保持不變而編製，所採用之增減50個基點乃代表管理層對利率可能合理變動的評估。

倘利率上升/下降50個基點而所有其他變數保持不變，本集團截至二零一五年十二月三十一日止年度的除稅後溢利會增加/減少376,000港元。

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6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Other price risk

As at 31 December 2016, the Group was not exposed to any other price risk.

The Group was exposed to price risk in respect of available-for-sale investments in equity securities as at 31 December 2015.

The sensitivity analysis below have been determined based on the exposure to equity price risks on the Group's available-for-sale investments carried at fair value at the end of the reporting period. If the prices of the unlisted investment funds and equity instruments had been 5% higher/lower, investment revaluation reserve for the year ended 31 December 2015 would increase/decrease by approximately HK\$12,154,000 as a result of the changes in unlisted investment funds and equity instruments classified as available-for-sale investments.

The management would manage its exposure arising from these investments by closely monitoring the performance of respective equity securities and investment funds and market conditions. The management would consider diversifying the portfolio of these investments as they consider appropriate.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent equity price risk as the year end exposure does not reflect the exposure during the year.

Credit risk

As at 31 December 2016 and 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets including trade receivables, loans receivable and other receivables as stated in the consolidated statement of financial position.

6. 財務風險管理及金融工具之公平值 (續)

市場風險(續)

其他價格風險

於二零一六年十二月三十一日，本集團並無面對任何其他價格風險。

本集團於二零一五年十二月三十一日面對有關股本證券之可供出售投資的價格風險。

以下的敏感度分析乃根據報告期末本集團按公平值計量之可供出售投資的股價風險釐定。倘非上市投資基金及股本工具價格上升／下降5%，分類為可供出售投資之非上市投資基金及股本工具的變動將導致截至二零一五年十二月三十一日止年度的投資重估儲備增加／減少約12,154,000港元。

管理層將透過密切監督各股本證券及投資基金之表現及市況，管控由該等投資引致之風險。管理層將在認為適當時考慮分散該等投資組合。

管理層認為，由於年終之風險未能反映本年度之風險，敏感度分析對固有股價風險不具代表性。

信貸風險

於二零一六年及二零一五年十二月三十一日，本集團所面臨因交易對手未能履行彼等之責任而將導致財務虧損的最大信貸風險，乃源自綜合財務狀況表所示有關已確認金融資產(包括應收貿易賬項、應收貸款及其他應收賬項)之賬面值。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

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

As at 31 December 2015, the Group has concentration risk on loan receivable of HK\$100,000,000. The counterparty is a company incorporated in the Cayman Islands with limited liability which is principally engaged in securities trading and investment and provision of financial services in Hong Kong. The directors of the Company monitored the financial information closely in order to assess its credit quality and considered the default in payment upon maturity to be low. In this regard, the directors of the Company considered that the Group's credit risk was significantly reduced.

As at 31 December 2015, the Group did not have any other significant concentration of credit risk as loans receivable and trade receivables consisted of a large number of customers.

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

As at 31 December 2016, the Group has no concentration risk other than cash at banks.

Liquidity risk

The Group manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents considered adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

6. 財務風險管理及金融工具之公平值 (續)

信貸風險(續)

為將信貸風險減至最低，本集團管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控措施，以確保採取後續措施收回逾期未付債務。此外，本集團於報告期末檢討每項個別貿易債務之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團信貸風險已大幅降低。

於二零一五年十二月三十一日，本集團有應收貸款之集中風險100,000,000港元。交易對手為於開曼群島註冊成立之有限公司，主要從事證券買賣及投資與於香港提供金融服務。本公司董事密切監察財務資料以評估信貸質素，認為拖欠到期款項的機會較低。就此而言，本公司董事認為本集團信貸風險已大幅降低。

於二零一五年十二月三十一日，本集團並無任何其他重大集中信貸風險，原因為應收貸款及應收貿易賬項包括大量客戶。

由於交易對手為信譽良好之銀行，故流動資金之信貸風險有限。

於二零一六年十二月三十一日，除銀行現金外，本集團並無集中風險。

流動資金風險

本集團通過監管及將現金及現金等值項目維持於管理層認為充足的水平管理流動資金風險，以為本集團提供營運資金及減低現金流量波動之影響。管理層監管銀行借貸的動用情況並確保遵守貸款契諾。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowing with a repayment on demand clause is included in the earliest time band regardless of the probability of the banks or financial institutions choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

Liquidity risk tables

For the year ended 31 December 2016

		Weighted average interest rate 加權平均 利率 %	On demand or within 1 year 按要求時或 一年內 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流量 總額 HK\$'000 千港元	Carrying amount at 31/12/2016 於二零一六年 十二月三十一日 之賬面值 HK\$'000 千港元
Non-derivative financial liabilities	非衍生金融負債				
Accruals and other payables	應計款項及其他應付賬項	N/A 不適用	1,815	1,815	1,815
Liabilities of disposal group classified as held for sale:	分類為持作出售之 出售集團負債：				
– Trade payables	– 應付貿易賬項	N/A 不適用	286	286	286
– Other borrowing	– 其他借款	12	12,169	12,169	11,164
– Other financial liabilities	– 其他金融負債	N/A 不適用	14,781	14,781	14,781
			29,051	29,051	28,046

6. 財務風險管理及金融工具之公平值 (續)

流動資金風險(續)

下表詳細載列根據本集團可能被要求還款之最早日期計算的非衍生金融負債的合約剩餘期限。尤其是，含有須按要償還條款之銀行借貸乃計入最早時間段，而不論銀行或金融機構是否可能選擇行使彼等之權利。其他金融負債之到期日根據協定還款期釐定。利息及主要現金流量均載於該表。

流動資金風險表

截至二零一六年十二月三十一日止年度

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

Liquidity risk tables (Continued)

For the year ended 31 December 2015

6. 財務風險管理及金融工具之公平值 (續)

流動資金風險(續)

流動資金風險表 (續)

截至二零一五年十二月三十一日止年度

		Weighted average interest rate 加權平均 利率 %	On demand or within 1 year 按要求時或 一年內 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流量 總額 HK\$'000 千港元	Carrying amount at 31/12/2015 於二零一五年 十二月三十一日 之賬面值 HK\$'000 千港元
Non-derivative financial liabilities	非衍生金融負債				
Trade payables	應付貿易賬項	N/A 不適用	949	949	949
Accruals and other payables	應計款項及其他應付賬項	N/A 不適用	20,022	20,022	20,022
Borrowing	借貸	1.89	10,000	10,000	10,000
			30,971	30,971	30,971

The amount included above for variable interest instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

倘浮動利率與於報告期末所釐定之估計利率有所差異，則上述包括之非衍生金融負債的浮動利率工具之金額將有所轉變。

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

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

As at 31 December 2015, bank borrowing with a repayment on demand clause of HK\$10,000,000 was included in the "On demand or within 1 year" time band in the above maturity analysis. Taking into account the Group's financial position, management did not believe that it was probable that the bank will exercise its discretionary right to demand immediate repayment. Management of the Group believed that such bank borrowing will be repaid after the end of reporting period in accordance with the scheduled repayment dates set out in the loan agreement.

For the purpose of managing liquidity risk, management reviews the expected cash flow information of the Group's bank borrowing based on the scheduled repayment dates set out in the bank borrowing agreements as set out in the table below:

	Weighted average interest rate 加權 平均利率 %	On demand or within 1 year 按要求時 或一年內 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流量總額 HK\$'000 千港元	Carrying amount at 31/12/2015 於二零一五年 十二月三十一日 之賬面值 HK\$'000 千港元
Bank borrowing				
At 31 December 2015		1.89	10,047	10,000

6. 財務風險管理及金融工具之公平值 (續)

流動資金風險(續)

於二零一五年十二月三十一日，含有須按要求償還條款之銀行借貸10,000,000港元計入上述到期分析「按要求時或一年內」時間段。考慮到本集團財務狀況，管理層相信銀行不大可能會行使酌情權要求即時還款。本集團管理層認為該等銀行借貸會根據貸款協議所載計劃還款日期於報告期末後償還。

為管理流動資金風險，管理層根據銀行借貸協議所載計劃還款日期檢討本集團銀行借貸之預期現金流量資料，如下表所列：

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6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

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

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

As at 31 December 2016, the Group did not have any financial assets that were measured at fair value.

Some of the Group's financial assets were measured at fair value at 31 December 2015. The following table gave information about how the fair values of these financial assets were determined (in particular, the valuation techniques and inputs used).

	Fair value as at 按以下日期之公平值		Fair value hierarchy 公平值級別	Valuation techniques and key inputs 估值方法及主要參數
	31/12/2016 二零一六年 十二月三十一日	31/12/2015 二零一五年 十二月三十一日		
Financial assets 金融資產				
Investments in unlisted funds classified as available-for-sale investments 投資於分類為可供出售投資 的非上市基金	Nil 無	HK\$26,385,000 26,385,000 港元	Level 2 第二級	Derived from quoted prices from pricing services based on net asset value of the funds 來自基於基金資產淨值的定價服務 的報價
Investments in unlisted equity interests classified as available-for-sale investments 投資於分類為可供出售投資 的非上市股本權益	Nil 無	HK\$216,700,000 216,700,000 港元	Level 2 第二級	Recent transaction price 最新交易價

There were no transfers between Level 1 and 2 during both years.

6. 財務風險管理及金融工具之公平值 (續)

金融工具之公平值計量

本附註提供有關本集團如何釐定多項金融資產及金融負債之公平值之資料。

*按經常性基準以公平值計量之本集團
金融資產之公平值*

於二零一六年十二月三十一日，本集團並無任何以公平值計量的金融資產。

本集團部份金融資產於二零一五年十二月三十一日按公平值計量。下表提供有關如何釐定該等金融資產之公平值(特別是所使用之估值方法及參數)之資料。

於兩個年度，第一級與第二級之間並無轉移。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurement and valuation process

The chief financial officer of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level I inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The chief financial officer works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Chief financial officer reports to executive directors semi-annually to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

6. 財務風險管理及金融工具之公平值 (續)

公平值計量及估值程序

本公司之財務總監負責釐定公平值計量適用之估值方法及參數。

在估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第一級之參數之情況下，本集團委聘第三方估值師進行估值。財務總監與合資格外聘估值師緊密合作，以設立模式適用之估值方法及參數。財務總監每半年向執行董事進行匯報，解釋資產公平值波動之原因。

用於釐定各項資產公平值之估值方法及參數的資料披露於上文。

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綜合財務報表附註

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7. SEGMENT INFORMATION

The Group's executive directors are the chief operation decision makers ("CODM") as they collectively make strategic decisions towards the Group's operations based on nature of business.

The Group's reportable and operating segments in its continuing and discontinued operations under HKFRS 8 are as follows:

- (a) securities trading and investments
- (b) trading of wines
- (c) health care products, which are mainly represented by ginseng products (classified as discontinued operations during the year ended 31 December 2016 (see note 12(a)))
- (d) pharmaceutical products, which are mainly represented by licensed medicines (classified as discontinued operations during the year ended 31 December 2016 (see note 12(a)))
- (e) money lending (discontinued after November 2016 and classified as discontinued operations during the year ended 31 December 2016 (see note 12(b)))

7. 分類資料

由於本集團執行董事共同根據業務性質對本集團營運作出策略決定，故彼等為主要經營決策者（「主要經營決策者」）。

本集團根據香港財務報告準則第8號之持續經營業務及已終止經營業務的呈報及營運分類如下：

- (a) 證券買賣及投資
- (b) 葡萄酒買賣
- (c) 保健產品，主要為人參產品（分類為於截至二零一六年十二月三十一日止年度已終止經營業務（參見附註12(a)））
- (d) 醫藥產品，主要為持牌藥物（分類為於截至二零一六年十二月三十一日止年度已終止經營業務（參見附註12(a)））
- (e) 貸款（於二零一六年十一月後已終止經營，並分類為於截至二零一六年十二月三十一日止年度已終止經營業務（參見附註12(b)））

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2016

		Continuing operations 持續經營業務			Discontinued operations 已終止經營業務				
		Securities trading and investments	Trading of wines 及投資 葡萄酒買賣	Subtotal 小計	Health care products 保健產品	Pharmaceutical products 醫藥產品	Money lending 貸款	Subtotal 小計	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue	分類收益								
Sales of goods	銷售貨品	—	2,816	2,816	308	19,560	—	19,868	22,684
Interest income from loans receivable	應收貸款之利息收入	—	—	—	—	—	9,540	9,540	9,540
		—	2,816	2,816	308	19,560	9,540	29,408	32,224
Segment (loss)profit	分類(虧損)溢利	(422,456)	(778)	(423,234)	(21,942)	1,725	9,224	(10,993)	(434,227)
Other income	其他收入			140				11	151
Unallocated corporate and other expenses	未分配公司及其他支出			(14,495)				(1)	(14,496)
Finance costs	財務費用			(144)				(346)	(490)
Loss before taxation	除稅前虧損			(437,733)				(11,329)	(449,062)
Income tax expense	所得稅支出			(59)				(776)	(835)
Loss for the year	年度虧損			(437,792)				(12,105)	(449,897)

7. 分類資料(續)

分類收益及業績

以下為按呈報及經營分類之本集團收益及業績之分析。

截至二零一六年十二月三十一日止年度

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2015

7. 分類資料(續)

分類收益及業績(續)

截至二零一五年十二月三十一日止年度

		Continuing operations 持續經營業務			Discontinued operations 已終止經營業務			Subtotal 小計	Total 總計
		Securities trading and investments 證券買賣 及投資	Trading of wines 葡萄酒買賣	Subtotal 小計	Health care products 保健產品	Pharmaceutical products 醫藥產品	Money lending 貸款		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Segment revenue	分類收益								
Sales of goods	銷售貨品	—	1,637	1,637	2,560	20,178	—	24,375	
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值變動	28,038	—	28,038	—	—	—	28,038	
Interest income from loans receivable	應收貸款之利息收入	—	—	—	—	—	7,596	7,596	
		28,038	1,637	29,675	2,560	20,178	7,596	60,009	
Segment profit (loss)	分類溢利(虧損)	46,302	592	46,894	(22,041)	2,331	7,320	34,504	
Other income	其他收入			7,879				8,459	
Unallocated corporate and other expenses	未分配公司及其他支出			(15,192)				(16,471)	
Gain on disposal of subsidiaries	出售附屬公司收益			11,338				11,338	
Finance costs	財務費用			(102)				(102)	
Profit (loss) before taxation	除稅前溢利(虧損)			50,817				37,728	
Income tax expense	所得稅支出			(3,769)				(4,359)	
Profit (loss) for the year	年度溢利(虧損)			47,048				33,369	

Segment revenue includes proceeds from sales of goods, interest income from loans receivable and change in fair value of financial assets at fair value through profit or loss.

分類收益包括銷售貨物所得款項、應收貸款之利息收入及按公平值計入損益之金融資產之公平值變動。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Segment (loss) profit represents the loss from/profit earned by each segment without allocation of other income and gain, finance costs, and unallocated corporate and other expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

As at 31 December 2016

		Continuing operations 持續經營業務			Discontinued operations 已終止經營業務				
		Securities trading and investments 證券買賣 及投資	Trading of wines 葡萄酒買賣	Subtotal 小計	Health care products 保健產品	Pharmaceutical products 醫藥產品	Money lending 貸款	Subtotal 小計	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產								
Segment assets	分類資產	—	334	334	20,443	7,862	—	28,305	28,639
Unallocated items:	未分配項目：								
Property, plant and equipment	物業、廠房及設備			648					648
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項			2,795					2,795
Bank balances and cash	銀行結餘及現金			401,007					414,263
Total assets	資產總額			404,784					446,345
LIABILITIES	負債								
Segment liabilities	分類負債	—	—	—	31,364	3,209	—	34,573	34,573
Unallocated item:	未分配項目：								
Other payables	其他應付款項			12,815					12,876
Taxation payable	應付稅項			—					315
Total liabilities	負債總額			12,815					47,764

7. 分類資料(續)

分類收益及業績(續)

分類(虧損)溢利指各分類產生之虧損/溢利，惟並無計入其他收入及收益、財務費用及未分配公司及其他支出。此乃向主要營運決策者呈報之計量方式，以便分配資源及評估表現。

分類資產及負債

以下為按呈報及經營分類之本集團資產及負債之分析：

於二零一六年十二月三十一日

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7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

As at 31 December 2015

7. 分類資料(續)

分類資產及負債(續)

於二零一五年十二月三十一日

		Continuing operations		Discontinued operations			Total
		持續經營業務		已終止經營業務			
		Securities trading and investments	Trading of wines	Health care products	Pharmaceutical products	Money lending	
		證券買賣及投資	葡萄酒買賣	保健產品	醫藥產品	貸款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產						
Segment assets	分類資產	560,585	1,659	33,294	10,241	142,714	748,493
Unallocated items:	未分配項目:						
Property, plant and equipment	物業、廠房及設備						1,254
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬項						834
Bank balances and cash	銀行結餘及現金						180,342
Total assets	資產總額						930,923
LIABILITIES	負債						
Segment liabilities	分類負債	—	711	22,737	4,909	—	28,357
Unallocated items:	未分配項目:						
Other payables	其他應付款項						2,561
Taxation payable	應付稅項						98
Borrowing	借款						10,000
Total liabilities	負債總額						41,016

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable and operating segments, other than certain property, plant and equipment, certain deposit, prepayments and other receivables and bank balances and cash.
- all liabilities are allocated to reportable and operating segments, other than certain other payables, certain taxation payable, certain borrowings and taxation payable.

7. 分類資料(續)

分類資產及負債(續)

為監控分類間之分類表現及資源分配：

- 所有資產分配至呈報及經營分類，惟若干物業、廠房及設備、若干按金、預付款項及其他應收賬項以及銀行結餘及現金除外。
- 所有負債分配至呈報及經營分類，惟若干其他應付款項、若干應付稅項、若干借款及應付稅項除外。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

7. SEGMENT INFORMATION (Continued)

Other segment information

Amounts included in measure of segment profit or loss or segment assets:

For the year ended 31 December 2016

7. 分類資料(續)

其他分類資料

包括於計量分類溢利或虧損或分類資產之款項：

截至二零一六年十二月三十一日止年度

		Continuing operations 持續經營業務		Discontinued operations 已終止經營業務				
		Securities trading and investments	Trading of wines	Health care products	Pharmaceutical products	Money lending	Unallocated	Total
		證券買賣 及投資	葡萄酒買賣	保健產品	醫藥產品	貸款	未分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Additions to property, plant and equipment	物業、廠房及設備添置	—	—	—	741	—	8	749
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	—	1,123	1,500	—	612	3,235
Amortisation of prepaid lease payments	預付租賃款項之攤銷	—	—	78	—	—	—	78
Write-down of inventories	存貨撇減	—	—	12,971	524	—	—	13,495
(Write-back of allowance)/ allowance for bad and doubtful debts	呆壞賬(撥備撥回)/撥備	—	28	177	(251)	—	—	(46)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	—	—	18	—	—	18
Reclassification from equity on disposal of available-for-sale investments	自可供出售投資的出售權益重新分類	149,956	—	—	—	—	—	149,956
Loss on disposal of available-for-sale investments through disposal of subsidiaries	透過出售附屬公司出售可供出售投資之虧損	104,934	—	—	—	—	—	104,934
Impairment losses on available-for-sale investments	可供出售投資之減值虧損	167,566	—	—	—	—	—	167,566
Loss on disposal of a subsidiary	出售附屬公司的虧損	—	—	—	—	189	—	189

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7. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2015 (Restated)

7. 分類資料(續)

其他分類資料(續)

截至二零一五年十二月三十一日止年度
(經重列)

		Continuing operations 持續經營業務		Discontinued operations 已終止經營業務				
		Securities trading and investments 證券買賣 及投資	Trading of wines 葡萄酒買賣	Health care products 保健產品	Pharmaceutical products 醫藥產品	Money lending 貸款	Unallocated 未分配	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions to property, plant and equipment	物業、廠房及設備添置	—	—	—	199	—	193	392
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	—	2,075	1,578	—	315	3,968
Amortisation of prepaid lease payments	預付租賃款項之攤銷	—	—	83	—	—	—	83
Write-down of inventories	存貨撇減	—	—	8,632	—	—	—	8,632
Allowance for bad and doubtful debts	呆壞賬撥備	—	—	2,443	—	—	—	2,443
Impairment loss in respect of other receivables	其他應收款項的減值虧損	—	—	—	366	—	—	366
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	—	78	—	—	—	78
Reclassification from equity on disposal of available-for-sale investments	自可供出售投資的 出售權益重新分類	(20,669)	—	—	—	—	—	(20,669)

Revenue from continuing operations on major products

來自主要產品持續經營業務之收益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (經重列)
Wine products	葡萄酒產品	2,816	1,637

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7. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (經重列)
Continuing operations	持續經營業務		
Customer A ¹	客戶 A ¹	2,476	833
Customer B ¹	客戶 B ¹	—	496

¹ Revenue from trading of wines.

Geographical information

The Group's revenue from continuing operations by location of operations and its non-current assets by geographical location of the assets (excluding financial assets) are detailed below:

		Revenue 收益						Non-current assets 非流動資產					
		2016 二零一六年			2015 二零一五年			2016 二零一六年			2015 二零一五年		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		持續經營業務	已終止經營業務	總計	持續經營業務	已終止經營業務	總計	持續經營業務	已終止經營業務	總計	持續經營業務	已終止經營業務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Hong Kong	香港	2,816	9,540	12,356	29,675	8,413	38,088	2,616	—	2,616	1,254	—	1,254
PRC	中國	—	19,868	19,868	—	21,921	21,921	—	—	—	—	25,594	25,594
		2,816	29,408	32,224	29,675	30,334	60,009	2,616	—	2,616	1,254	25,594	26,848

7. 分類資料(續)

關於主要客戶之資料

相關年度佔本集團總銷售額 10% 以上的客戶收益如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (經重列)
Continuing operations		
Customer A ¹	2,476	833
Customer B ¹	—	496

¹ 葡萄酒買賣收益。

地理資料

本集團以業務所在地分析之來自持續經營業務之收益及以資產(不包括金融資產)地理位置分析之非流動資產之資料詳情如下：

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8. OTHER GAINS AND LOSSES

8. 其他盈虧

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (經重列)
Continuing operations	持續經營業務		
Allowance for bad and doubtful debts	呆壞賬撥備	(28)	—
(Loss) gain on disposal of subsidiaries	出售附屬公司之(虧損)收益		
– Disposals of available-for-sale investments through disposal of subsidiaries (notes 28(b)(ii) and (iii))	– 透過出售附屬公司出售可供出售資產(附註28(b)(ii)及(iii))	(104,934)	—
– Other disposals (notes 28(a)(ii) and (iii))	– 其他出售事項(附註28(a)(ii)及(iii))	—	11,338
Impairment losses on available-for-sale investments (carried at cost) (note 17(a))	可供出售資產之減值虧損(按成本入賬)(附註17(a))	(167,566)	—
Available-for-sale investments (carried at fair value): reclassified from equity	可供出售資產(按公平值入賬): 自股權重新分類		
– On disposals through disposal of subsidiaries (notes 17(b) and 28(b)(i))	– 於透過出售附屬公司出售時(附註17(b)及28(b)(i))	(147,419)	—
– On other disposals	– 於其他出售事項時	(2,537)	20,669
		(149,956)	20,669
		(422,484)	32,007
Represented	代表		
(Loss) gain in the impairment and disposals of available-for-sale investments	可供出售投資之減值及出售(虧損)溢利	(422,456)	20,669
Allowance for bad and doubtful debts	呆壞賬撥備	(28)	—
Gain on disposal of subsidiaries	出售附屬公司之收益	—	11,338
		(422,484)	32,007

9. FINANCE COSTS

9. 財務費用

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Continuing operations	持續經營業務		
Interest on bank borrowings	銀行借貸利息	144	102

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

10. INCOME TAX EXPENSE

10. 所得稅支出

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (經重列)
Continuing operations	持續經營業務		
Hong Kong Profits Tax	香港利得稅	59	18,492
Deferred tax credit	已計入扣除遞延稅項	—	(14,723)
		59	3,769

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

香港利得稅按兩個年度估計應課稅溢利之16.5%計算得出。

Reconciliation between tax expense and accounting (loss) profit at applicable tax rate is as follows:

按適用稅率計算之稅項支出與會計(虧損)溢利之對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (經重列)
(Loss) profit before taxation from continuing operations	來自持續經營業務之稅前(虧損)溢利	(437,733)	50,817
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅率16.5%計算之稅項	(72,226)	8,385
Tax effect of expenses not deductible for tax purpose	不可扣稅之支出對稅項之影響	70,955	1,234
Tax effect of income not taxable for tax purpose	毋須課稅之收入對稅項之影響	(305)	(6,549)
Tax effect of tax losses not recognised	未確認稅項虧損對稅項之影響	1,572	699
Tax effect of deductible temporary difference not recognised	未確認可扣減暫時性差額對稅項之影響	4	—
Underprovisions in prior years	過往年度撥備不足	59	—
Income tax expense from continuing operations	來自持續經營業務之所得稅開支	59	3,769

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

10. INCOME TAX EXPENSE (Continued)

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK\$25,717,000 (2015: approximately HK\$16,190,000) available for offset against future profits relating to the continuing operations. No provision of deferred taxation has been recognised in respect of the tax losses due to unpredictability of future profit streams. The unused tax losses do not expire under current tax legislation.

The following are the deferred tax liability recognised and the movements thereon during the current and prior years:

10. 所得稅支出(續)

於報告期末，本集團估計有未使用稅項虧損約25,717,000港元(二零一五年：約16,190,000港元)可供抵銷有關持續經營業務的未來溢利。由於未來溢利趨勢難以預測，故並無就稅項虧損確認遞延稅項撥備。根據現行稅法，該未使用稅項將不會到期。

以下為本年確認之遞延稅項負債及其變動：

		Unrealised gain on financial assets at fair value through profit or loss 按公平值計入損益之金融資產 未變現收益	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	—	14,723
Credit to profit or loss for the year	年內扣除損益	—	(14,723)
At 31 December	於十二月三十一日	—	—

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

II. (LOSS) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

(Loss) profit for the year from continuing operations has been arrived at after charging (crediting):

II. 本年度持續經營業務(虧損)溢利

本年度持續經營業務(虧損)溢利已扣除(計入)下列項目：

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(經重列)
Staff costs	員工開支		
Directors' emoluments (note 13)	董事酬金(附註13)		
– fees and other emoluments	– 袍金及其他酬金	3,734	3,855
Other staff costs	其他員工開支		
– salaries, allowances and bonus	– 薪金、津貼及花紅	2,869	2,842
– retirement benefits scheme contributions	– 退休福利計劃供款	95	103
		6,698	6,800
Cost of inventories recognised as an expense	確認為開支之存貨成本	2,318	948
Auditor's remuneration	核數師酬金	1,750	1,855
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	612	315
Operating lease rentals in respect of land and buildings	土地及樓宇經營租約租賃款項	1,727	2,338
Interest income from bank balances (included in other income)	銀行結餘之利息收入(包括在其他收入內)	(1)	(180)
Imputed interest income from deferred consideration (included in other income) (see note below)	遞延代價之估算利息收入(包括在其他收入內)(見下文附註)	—	(7,651)
Legal and professional expenses	法律及專業費用	3,020	6,197

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11. (LOSS) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (Continued)

Note: In previous years, the Group has disposed the business intellectual property rights (primarily including copyright, patents, database rights and rights in trademarks, designs, know-how, domain names and confidential information of the Group's atomizing cigarettes business) together with the benefit of claims regarding the business intellectual property rights and the records and other documents relating to the above (collectively known as "Assets") at a consideration of US\$75 million (equivalent to approximately HK\$581,250,000). The consideration was received in stages. The remaining balance of US\$10 million (equivalent to approximately HK\$77,500,000) was received during the year ended 31 December 2015.

During the year ended 31 December 2015, an imputed interest income on deferred consideration of approximately HK\$7,651,000 was recognised in profit or loss.

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Disposal group held for sale

On 7 November 2016, the Company entered into an agreement with an independent third party to dispose of the entire issue share capital of Captain Wise Limited and its subsidiaries ("Disposal Group") for a cash consideration of HK\$10 million so as to sell its entire interest in the operations of pharmaceutical and healthcare businesses. The directors of the Company consider that the disposal transaction is highly probable and are of the view that the assets and liabilities attributable to the Group's interest in the Disposal Group, which is expected to be sold before the end of 2017, have been classified as disposal group held for sale and are presented separately in the consolidated statement of financial position at 31 December 2016, and their businesses have also been classified as discontinued operations and presented separately in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2016 and 2015.

The consideration of the disposal is higher than the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss is recognised on the assets of disposal group classified as held for sale.

11. 本年度持續經營業務(虧損)溢利 (續)

附註：於過往年度，本集團出售業務知識產權(主要包括本集團霧化煙業務之版權、專利、數據庫權利及商標、設計、專有知識、域名及機密資料權利)連同有關業務知識產權之索償利益以及與上文有關之記錄及其他文件(統稱「該等資產」)，代價為75,000,000美元(相當於約581,250,000港元)。代價分期收取，餘下之結餘10,000,000美元(相當於約77,500,000港元)已於截至二零一五年十二月三十一日止年度收取。

於截至二零一五年十二月三十一日止年度，遞延代價之估算利息收入約7,651,000港元於損益確認。

12. 持作出售之出售集團及已終止經營業務

(a) 持作出售之出售集團

於二零一六年十一月七日，本公司與一名獨立第三方訂立協議以代價10,000,000港元出售Captain Wise Limited及其附屬公司(「出售集團」)之全部已發行股本，以致出售其於醫藥及保健業務營運之全部權益。本公司董事認為出售交易極有可能進行，且認為本集團於出售集團之權益應佔之資產及負債(預期於二零一七年年末前出售)已獲分類為持作出售之出售集團，並於二零一六年十二月三十一日之綜合財務狀況表內獨立呈列，而其業務亦已獲分類為終止經營業務，並於截至二零一六年及二零一五年十二月三十一日止年度之綜合損益及其他全面收益表內獨立呈列。

出售事項之代價較相關資產及負債之賬面值總額高。因此，並無於分類為持作出售之出售集團資產內確認減值虧損。

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

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

(a) Disposal group held for sale (Continued)

(i) Assets of disposal group classified as held for sale

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Property, plant and equipment (note 16)	物業、廠房及設備 (附註16)	19,943	—
Prepaid lease payments (note 18)	預付租賃款項(附註18)	2,159	—
Inventories (note 19)	存貨(附註19)	4,363	—
Trade receivables (note 20)	應付貿易賬項(附註20)	—	—
Deposits, prepayments and other receivables (note 22)	按金、預付款項及其他應收賬項 (附註22)	1,840	—
Assets of disposal group classified as held for sale	分類為持作出售之 出售集團資產	28,305	—
Bank balances and cash of disposal group	出售集團之銀行 結餘及現金	13,256	—
Total	總計	41,561	—

12. 持作出售之出售集團及已終止經營業務(續)

(a) 持作出售之出售集團(續)

(i) 獲分類為持作出售之出售集團資產

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

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

(a) Disposal group held for sale (Continued)

(ii) Liabilities of disposal group classified as held for sale

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables (note 24)	應付貿易賬項(附註24)	286	—
Accruals and other payables (note 25)	應計款項及其他應付賬項(附註25)	23,184	—
Other borrowing (see note below)	其他借款 (見下文附註)	11,164	—
Taxation payable	應付稅項	315	—
Total	總額	34,949	—

Note: The other borrowing was unsecured and carried a fixed rate of 12% per annum from an independent third party. The carrying amount of the other borrowing was denominated in RMB. The other borrowing will be matured within one year.

(iii) Cumulative income or expense recognised in other comprehensive income relating to disposal group classified as held for sale

12. 持作出售之出售集團及已終止經營業務(續)

(a) 持作出售之出售集團(續)

(ii) 獲分類為持作出售之出售集團負債

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables (note 24)	應付貿易賬項(附註24)	286	—
Accruals and other payables (note 25)	應計款項及其他應付賬項(附註25)	23,184	—
Other borrowing (see note below)	其他借款 (見下文附註)	11,164	—
Taxation payable	應付稅項	315	—
Total	總額	34,949	—

附註：其他借款為來自獨立第三方固定年利率為12%之無抵押借款。其他借款之賬面值按人民幣計值。其他借款將於一年內到期。

(iii) 於其他全面收益中確認有關持作出售之出售集團之累計收入或開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Foreign exchange translation adjustments	外匯換算調整	53,580	—

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

(a) Disposal group held for sale (Continued)

(iv) Analysis of the results of discontinued operations, and the results recognised on the disposal group, is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	19,868	22,738
Cost of sales	銷售成本	(25,761)	(21,433)
Other gains	其他收益	3,924	2,018
Other income	其他收入	11	580
Selling and distribution costs	出售及經銷費用	(8,325)	(11,471)
Administrative expenses	行政支出	(9,924)	(12,841)
Finance costs	財務費用	(346)	—
Loss before tax	稅前虧損	(20,553)	(20,409)
Income tax expense	所得稅支出	(776)	(590)
Loss for the year from discontinued operations	本年度已終止經營業務虧損	(21,329)	(20,999)

12. 持作出售之出售集團及已終止經營業務(續)

(a) 持作出售之出售集團(續)

(iv) 已終止經營業務業績及就出售集團確認之業績之分析如下：

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

(a) Disposal group held for sale (Continued)

(iv) (Continued)

Note: Loss for the year from discontinued operations has been arrived at after charging/(crediting):

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Staff costs	員工開支		
– salaries, allowances and bonus	– 薪金、津貼及花紅	6,893	5,924
– retirement benefits scheme contributions	– 退休福利計劃供款	1,446	1,458
		8,339	7,382
Amortisation of prepaid lease payments	預付租賃款項之攤銷	78	83
The amount of inventories recognised as an expense	確認為開支之存貨金額		
– Carrying amount of inventories sold	– 已出售存貨之賬面值	12,266	12,801
– Write-down of inventories*	– 存貨撇減*	13,495	8,632
		25,761	21,433
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,623	3,653
Operating lease rentals in respect of land and buildings	土地及樓宇經營租約租賃款項	538	350
Interest income from bank balances (included in other income)	銀行結餘之利息收入 (包括在其他收入內)	(11)	(44)

* Write-down of inventories made in current and prior years arose due to a decrease in the estimated net realisable value of certain products as a result of obsolescence inventories and a change in consumer preferences.

12. 持作出售之出售集團及已終止經營業務(續)

(a) 持作出售之出售集團(續)

(iv) (續)

附註：本年度已終止經營業務虧損已扣除(計入)下列項目：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
--	----------------------------------	----------------------------------

* 於本年度及過往年度作出之存貨撇減乃因滯銷存貨及客戶偏好變動導致若干產品之估計可變現淨值減少而產生。

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

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

(a) Disposal group held for sale (Continued)

(v) Cash flows

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating cash flows	經營現金流量	(14,224)	14,151
Investing cash flows	投資現金流量	(741)	(199)
Financing cash flows	融資現金流量	11,538	—
Total cash flows	現金流量總額	(3,427)	13,952

(b) Discontinued operations

(i) The results of discontinued operations dealt with in the consolidated financial statements for the years ended 31 December 2016 and 2015 are summarised as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year from discontinued operations from disposal group held for sale (see note 12(a)(iv))	本年度持作出售之出售集團之已終止經營業務虧損 (見附註 12(a)(iv))	(21,329)	(20,999)
Profit for the year from discontinued operation from disposal of a subsidiary (see note 12(b)(ii))	本年度出售附屬公司之已終止經營業務溢利 (見附註 12(b)(ii))	9,224	7,320
Loss for the year from discontinued operations in the consolidated financial statements	本年度於綜合財務報表之已終止經營業務溢利	(12,105)	(13,679)

12. 持作出售之出售集團及已終止經營業務(續)

(a) 持作出售之出售集團(續)

(v) 現金流量

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating cash flows	經營現金流量	(14,224)	14,151
Investing cash flows	投資現金流量	(741)	(199)
Financing cash flows	融資現金流量	11,538	—
Total cash flows	現金流量總額	(3,427)	13,952

(b) 已終止經營業務

(i) 於截至二零一六年及二零一五年十二月三十一日止年度綜合財務報表內處理之已終止經營業務之業績概述如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year from discontinued operations from disposal group held for sale (see note 12(a)(iv))	本年度持作出售之出售集團之已終止經營業務虧損 (見附註 12(a)(iv))	(21,329)	(20,999)
Profit for the year from discontinued operation from disposal of a subsidiary (see note 12(b)(ii))	本年度出售附屬公司之已終止經營業務溢利 (見附註 12(b)(ii))	9,224	7,320
Loss for the year from discontinued operations in the consolidated financial statements	本年度於綜合財務報表之已終止經營業務溢利	(12,105)	(13,679)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

(b) Discontinued operations (Continued)

(i) (Continued)

The comparative results from discontinued operations have been re-presented to include the operations classified as discontinued in the current year.

(ii) Discontinued operation from disposal of a subsidiary

On 7 November 2016, the Company entered into a sale and purchase agreement as vendor to sell the entire equity interest of Dragon Resources Limited (“DRL”), a wholly-owned subsidiary, to an independent third party for a consideration of HK\$30,000,000 in cash. DRL was principally engaged in money lending in Hong Kong. Upon the completion of the disposal transaction, the directors of the Company considered that the operation of money lending segment was discontinued. Details of DRL’s assets and liabilities at date of disposal are set out in note 28(a)(i).

Profit from this discontinued operation for the current and prior years is analysed as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loan interest income	貸款利息收入	9,540	7,596
Administrative expenses	行政支出	(127)	(276)
Loss on disposal of a subsidiary (see note 28(a)(i))	出售一間附屬公司之虧損 (見附註28(a)(i))	(189)	—
Profit for the year from discontinued operation of money lending business	本年度已終止 經營的貸款業務 溢利	9,224	7,320

12. 持作出售之出售集團及已終止經營業務(續)

(b) 已終止經營業務(續)

(i) (續)

已終止經營業務之比較業績已重新呈列，以便加入本年度分類為已終止經營的業務。

(ii) 因出售附屬公司而終止經營的業務

於二零一六年十一月七日，本公司(作為賣方)訂立買賣協議，以向一名獨立第三方出售全資附屬公司Dragon Resources Limited (「DRL」)之全部股權，代價為30,000,000港元，以現金支付。DRL主要於香港從事貸款業務。於出售交易完成後，本公司董事認為貸款分部業務已終止經營。DRL於出售日期之資產及負債詳情載於附註28(a)(i)內。

本年度及過往年度已終止經營業務溢利分析如下：

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

12. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

(b) Discontinued operations (Continued)

(ii) Discontinued operation from disposal of a subsidiary (Continued)

No Hong Kong Profits Tax has been provided for in the consolidated financial statements as DRL has accumulated tax losses brought forward which exceeds the estimated assessable profits for the years ended 31 December 2016 and 2015.

The money lending operation generated HK\$9,224,000 (2015: HK\$7,320,000) in respect of the Group's net operating cash flows during the year ended 31 December 2016.

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the ten (2015: seven) directors and chief executive were as follows:

		Executive directors 執行董事					Independent non-executive directors 獨立非執行董事				Total	
		(Chairman)	Chan	Lam		Lee		Lam Man	Chang	Wong Stacey	2016	
		Feng Hai	Mee Sze	Suk Ping	Li Yi	Xiao Qing	Kien Leong	Liu Zheng	Sum, Albert	Tat Joel	Martin	二零一六年
		馮海	陳美思	林叔平	李毅	肖青	李健龍	劉征	林闖深	鄭達祖	黃偉誠	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note a)			(note a)	(note d)	(note c)	(note b)				
		(附註 a)			(附註 a)	(附註 d)	(附註 c)	(附註 b)				
Fees	袍金	—	—	—	—	—	—	—	240	240	240	720
Other emoluments	其他酬金	—	—	—	—	—	—	—	—	—	—	—
Salaries	薪金	—	1,122	720	—	—	1,100	—	—	—	—	2,942
Retirement benefit scheme	退休福利計劃	—	18	18	—	—	—	—	12	12	12	72
		—	1,140	738	—	—	1,100	—	252	252	252	3,734

12. 持作出售之出售集團及已終止經營業務(續)

(b) 已終止經營業務(續)

(ii) 因出售附屬公司而終止經營的業務(續)

由於DRL已累計的承前稅務虧損超過截至二零一六年及二零一五年十二月三十一日止年度之估計應課稅溢利，故並無於綜合財務報表內計提香港利得稅之撥備。

截至二零一六年十二月三十一日止年度，貸款業務就本集團之經營現金流量淨額產生約9,224,000港元（二零一五年：7,320,000港元）。

13. 董事及主要行政人員酬金

已付或應付十名(二零一五年：七名)董事及主要行政人員之薪酬如下：

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

13. 董事及主要行政人員酬金(續)

	Executive directors 執行董事			Independent non-executive directors 獨立非執行董事				Total 二零一五年 總計
	Chan Mee Sze 陳美思 HK\$'000 千港元	Lam Suk Ping 林叔平 HK\$'000 千港元	Lee Kien Leong 李健龍 HK\$'000 千港元	Lam Man Sum, Albert 林闡深 HK\$'000 千港元	Ho Tak Fun 何德芬 HK\$'000 千港元	Chang Tat Joel 鄭達祖 HK\$'000 千港元	Wong Stacey Martin 黃偉誠 HK\$'000 千港元	
Fees 袍金	—	—	—	240	20	240	240	740
Other emoluments 其他酬金								
Salaries 薪金	1,122	720	1,200	—	—	—	—	3,042
Retirement benefit 退休福利計劃 scheme	18	18	—	12	1	12	12	73
	1,140	738	1,200	252	21	252	252	3,855

Mr. Feng Hai, Mr. Li Yi, Mr. Liu Zheng and Ms. Xiao Qing did not receive any remuneration for their appointment as executive directors.

馮海先生、李毅先生、劉征先生及肖青女士並無就彼等獲委任為執行董事收取任何酬金。

The emoluments of Ms. Chan Mee Sze, Mr. Lam Suk Ping, and Mr. Lee Kien Leong, the executive directors of the Company, were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of independent non-executive directors were mainly for their services as directors of the Company.

本公司執行董事陳美思女士、林叔平先生及李健龍先生的酬金主要是彼等管理本公司及本集團事務的服務酬金。獨立非執行董事的酬金主要是彼等擔任本公司董事職務的酬金。

During both years, no emoluments were paid or payable by the Group to any directors as an inducement to join, or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director has waived or agreed to waive any remuneration.

於兩個年度，本集團概無已付或應付任何董事之酬金，以作為吸引其加入或加入本集團後的獎勵或作為離職補償。概無董事放棄或同意放棄任何薪金之安排。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Notes:

- (a) Mr. Feng Hai and Mr. Li Yi were appointed as executive directors with effective from 11 November 2016.
- (b) Mr. Liu Zheng was appointed and resigned as an executive director on 11 November 2016 and 16 December 2016, respectively.
- (c) Mr. Lee Kien Leong resigned as an executive director on 28 November 2016.
- (d) Ms. Xiao Qing was appointed as an executive director on 16 December 2016.
- (e) Mr. Ho Tak Fun resigned as independent non-executive director on 30 January 2015.

13. 董事及主要行政人員酬金(續)

附註：

- (a) 馮海先生及李毅先生獲委任為執行董事，於二零一六年十一月十一日生效。
- (b) 劉征先生分別於二零一六年十一月十一日及二零一六年十二月十六日獲委任及辭任執行董事。
- (c) 李健龍先生於二零一六年十一月二十八日辭任執行董事。
- (d) 肖青女士於二零一六年十二月十六日獲委任為執行董事。
- (e) 何德芬先生於二零一五年一月三十日辭任獨立非執行董事。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2015: three) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining two (2015: two) individuals for the year ended 31 December 2016 were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Continuing operations	持續經營業務		
Salaries and other benefits	薪金及其他福利	883	1,560
Contributions to retirement benefits schemes	退休福利計劃供款	35	36
		918	1,596

Their emoluments were within the following band:

彼等薪酬處於以下組別：

		2016 二零一六年 No. of employees 僱員人數	2015 二零一五年 No. of employees 僱員人數
HK\$Nil to HK\$1,000,000	零港元至 1,000,000 港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	—	1

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15. (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share is calculated by dividing the (loss) profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

Basic:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(Loss) profit attributable to equity holders of the Company	本公司權益持有人應佔(虧損)溢利		
– Continuing operations	– 持續經營業務	(437,792)	47,048
– Discontinued operations	– 已終止經營業務	(12,105)	(13,679)
		(449,897)	33,369
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	1,059,749,920	1,059,749,920

Diluted:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares during the years ended 31 December 2016 and 2015. Therefore, the diluted earnings per share are the same as basic earnings per share.

15. 每股(虧損)盈利

每股基本(虧損)盈利乃按本公司擁有人應佔年內(虧損)溢利除以年內已發行普通股加權平均數計算得出。

基本：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(Loss) profit attributable to equity holders of the Company	本公司權益持有人應佔(虧損)溢利		
– Continuing operations	– 持續經營業務	(437,792)	47,048
– Discontinued operations	– 已終止經營業務	(12,105)	(13,679)
		(449,897)	33,369
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	1,059,749,920	1,059,749,920

攤薄：

每股攤薄盈利乃就尚未行使普通股加權平均數作出調整，以假設全部潛在攤薄普通股已獲兌換而計算。截至二零一六年及二零一五年十二月三十一日止年度內並無潛在攤薄普通股。因此，每股攤薄盈利與每股基本盈利相同。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Buildings	Leasehold improvement	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	廠房及機器	傢俬、裝置及設備	汽車	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Cost:	成本：						
At 1 January 2015	於二零一五年一月一日	39,922	10,867	19,342	3,218	4,195	77,544
Exchange adjustments	匯兌調整	(2,128)	(455)	(1,055)	(106)	(223)	(3,967)
Additions	添置	—	64	40	288	—	392
Disposals	出售	—	—	—	(184)	—	(184)
At 31 December 2015	於二零一五年十二月三十一日	37,794	10,476	18,327	3,216	3,972	73,785
At 1 January 2016	於二零一六年一月一日	37,794	10,476	18,327	3,216	3,972	73,785
Exchange adjustments	匯兌調整	(2,455)	(517)	(1,223)	(128)	(262)	(4,585)
Additions	添置	—	305	178	43	223	749
Disposals	出售	—	(1,220)	—	(533)	(78)	(1,831)
Transfer to assets of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團資產 (附註 12)	(35,339)	(7,922)	(17,282)	(2,114)	(3,855)	(66,512)
At 31 December 2016	於二零一六年十二月三十一日	—	1,122	—	484	—	1,606

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

16. 物業、廠房及設備(續)

		Leasehold improvement	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total	
	Buildings	租賃 物業裝修	廠房及機器	傢俬、 裝置及設備	汽車	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Depreciation and impairment losses:	折舊及減值虧損：						
At 1 January 2015	於二零一五年一月一日	21,845	4,741	14,771	2,420	4,169	47,946
Exchange adjustments	匯兌調整	(1,213)	(212)	(817)	(99)	(223)	(2,564)
Provided for the year	年內撥備	1,926	1,244	583	189	26	3,968
Eliminated on disposals	出售時抵銷	—	—	—	(106)	—	(106)
At 31 December 2015	於二零一五年十二月三十一日	22,558	5,773	14,537	2,404	3,972	49,244
At 1 January 2016	於二零一六年一月一日	22,558	5,773	14,537	2,404	3,972	49,244
Exchange adjustments	匯兌調整	(1,497)	(314)	(948)	(120)	(260)	(3,139)
Provided for the year	年內撥備	1,121	1,605	267	177	65	3,235
Eliminated on disposals	出售時抵銷	—	(1,220)	—	(533)	(60)	(1,813)
Transfer to assets of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團資產(附註12)	(22,182)	(5,079)	(13,856)	(1,735)	(3,717)	(46,569)
At 31 December 2016	於二零一六年十二月三十一日	—	765	—	193	—	958
NET BOOK VALUES	賬面淨值						
At 31 December 2016	於二零一六年十二月三十一日	—	357	—	291	—	648
At 31 December 2015	於二零一五年十二月三十一日	15,236	4,703	3,790	812	—	24,541

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year ended 31 December 2015, due to the Group's recurring loss resulted in health care products segment, the directors of the Company conducted an impairment assessment of the Group's buildings, which were allocated to health care products segment, with the carrying amount of approximately HK\$15,236,000. The recoverable amounts of the buildings have been determined on the basis of their fair values less costs of disposal. The fair values of the relevant assets at the end of the reporting period were based on the valuation performed by an independent professional valuer, Grant Sherman Appraisal Limited. The fair value was determined by reference to the depreciated replacement cost approach, which takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The fair value measurement of buildings are categorised as Level 3 fair value hierarchy as at 31 December 2015.

The following assumptions were used in determining the fair value of the buildings:

- the estimated construction costs of approximately RMB800 - RMB1,700 per square meter; and
- depreciation factor of approximately 37%.

There was no impairment on buildings recognised during the year ended 31 December 2015.

A slight increase in the depreciation factor would result in a significant decrease in the fair value of the buildings and a slight increase in the estimated construction costs per square meter would result in a significant increases in the fair value of the buildings, and vice versa.

16. 物業、廠房及設備(續)

截至二零一五年十二月三十一日止年度，由於本集團保健產品分類連年虧損，本公司董事對分配至保健產品分類賬面值約15,236,000港元之本集團樓宇評估減值。樓宇可收回金額按公平值減出售成本而釐定。相關資產於報告期末公平值按獨立專業估值師中證評估有限公司進行之估值而定。公平值乃經參考折舊重置成本方法而定，該方法計及市場參與者以資產最佳用途賺取經濟利益或售予另一會將資產用於最佳用途市場參與者之能力。樓宇公平值計量於二零一五年十二月三十一日分類為公平值級別第三級。

以下假設已用於釐定樓宇公平值：

- 估計建造成本約為每平方米人民幣800元至人民幣1,700元；及
- 折舊率約為37%。

截至二零一五年十二月三十一日止年度並無確認樓宇減值。

折舊率略增，會引致樓宇公平值大減，而每平方米估計建造成本略增，會引致樓宇公平值大增，反之亦然。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

17. AVAILABLE-FOR-SALE INVESTMENTS

17. 可供出售投資

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted shares in overseas, at cost (note a) 海外非上市股份，按成本值(附註a)	—	317,500
Unlisted shares in overseas, at fair value (note b) 海外非上市股份，按公平值(附註b)	—	216,700
Unlisted investment funds, at fair value 非上市投資基金，按公平值	—	26,385
	—	560,585

a) Unlisted shares in overseas, at cost

As at 31 December 2015, the investments in unlisted securities related to shares issued by two private entities. These available-for-sale investments were measured at cost less impairment because the ranges of reasonable fair value estimates were so significant that the directors of the Company were of the opinion that their fair values could not be measured reliably.

(i) Investments in Joint Global Limited (“JGL”)

During the year ended 31 December 2015, Smart State Developments Limited (“SSDL”), a wholly-owned subsidiary of the Company, signed an agreement with ten independent third parties to set up JGL, a company incorporated in Republic of Marshall Islands. The Group has a shareholding of 8.89% equity interest in JGL and classified the interest in JGL as available-for-sale investments at initial recognition. JGL is principally engaged in private equity investment and debt securities investment. As at 31 December 2015, the carrying amount of this available-for-sale investment was HK\$137,500,000.

a) 海外非上市股份，按成本值

於二零一五年十二月三十一日，非上市股本證券投資與兩間私有實體所發行股份有關。該等可供出售投資按成本減減值計量，此乃由於合理公平值估計範圍太大，以致本公司董事認為有關公平值無法可靠計量。

(i) 於Joint Global Limited(「JGL」)的投資

截至二零一五年十二月三十一日止年度，本公司全資附屬公司駿域發展有限公司(「SSDL」)與十名獨立第三方訂立協議以成立JGL(一間於馬紹爾群島共和國註冊成立之公司)。本集團持有JGL的8.89%股權，並將於JGL的權益分類為持作出售之初始確認投資。JGL主要從事私募股權投資及債務證券投資。於二零一五年十二月三十一日，該項持作出售投資的賬面值為137,500,000港元。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

17. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

- a) Unlisted shares in overseas, at cost (Continued)
- (i) Investments in Joint Global Limited ("JGL") (Continued)

During the six months ended 30 June 2016, JGL incurred significant losses due to the substantial loss incurred from the diminution of the value of its investment portfolio and the decrease in net asset value of JGL with reference to the unaudited management accounts of JGL. The directors of the Company considered that it is an objective evidence of impairment, and accordingly, an impairment loss of approximately HK\$126,074,000 was charged to profit or loss in the current financial year.

By way of distribution in species of JGL during the year ended 31 December 2016, the Group entitled to a convertible note (the "CN") in the principal amount of approximately HK\$19,855,000 bearing the interest rate of 5% per annum convertible into 26,633,094 ordinary shares of Up Energy Development Group Limited ("Up Energy"), a company incorporated in Bermuda with limited liability and listed on The Stock Exchange of Hong Kong Limited (representing approximately 0.58% of the enlarged issued share capital of Up Energy upon full conversion of the Group's entitlement) at the conversion price of HK\$0.7455 due 31 December 2018. Up Energy was in financial difficulties, the directors of the Company assessed that the CN is not expected to be recovered, and accordingly the fair value of the CN was insignificant.

In November 2016, the Group disposed of its entire equity interest in JGL through the disposal of SSDL. Details of assets and liabilities of SSDL at the date of disposal are set out in note 28(b)(iii).

17. 可供出售投資(續)

- (a) 海外非上市股份，按成本值(續)
- (i) 於Joint Global Limited(「JGL」)的投資(續)

截至二零一六年六月三十日止六個月，JGL因其投資組合價值下跌產生重大虧損及JGL的未經審核管理賬目內顯示JGL的資產淨值下跌而產生巨額虧損。本公司董事認為此乃客觀減值證據，故此於本財政年度的損益中扣除減值虧損約126,074,000港元。

透過JGL於截至二零一六年十二月三十一日止年度進行的實物分派，本集團享有本金額約為19,855,000港元的可換股票據(「可換股票據」)，年利率5%，可按兌換價每股0.7455港元兌換為優派能源發展集團有限公司(「優派能源」)(一間於百慕達註冊成立的有限公司，並於香港聯合交易所有限公司(「聯交所」)上市的26,633,094股普通股(約佔本集團權益全部轉換後經擴充已發行股本的0.58%)，到期日為二零一八年十二月三十一日。優派能源財政困難，本公司董事認為，預計不會收回可換股票據，因此可換股票據的公平值並不顯著。

於二零一六年十一月，本集團透過出售SSDL而出售於JGL的全部股權。SSDL於出售日期的資產及負債詳情載於附註28(b)(iii)。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

17. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

- a) Unlisted shares in overseas, at cost (Continued)
- (ii) Investments in Freewill Holdings Limited ("FHL")

During the year ended 31 December 2015, Silvermoon Developments Limited ("Silvermoon"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party to acquire 6.09% equity interest in FHL, a private entity incorporated in Republic of Marshall Islands, for a consideration of HK\$180,000,000 in cash. FHL is principally engaged in property investment, financial services and money lending business in Hong Kong.

As at 31 December 2015, the carrying amount of this available-for-sale investment was HK\$180,000,000.

During the six months ended 30 June 2016, the directors of the Company reviewed the latest unaudited management accounts of FHL, including latest financial positions and other observable data such as net asset value of FHL, and identified objective evidence of impairment. Accordingly, an impairment of approximately HK\$41,492,000 was charged to profit or loss in the current financial year. In December 2016, the Group disposed of its entire equity interest in FHL through the disposal of Silvermoon. Details of assets and liabilities of Silvermoon at the date of disposal are set out in note 28(b)(ii).

17. 可供出售投資(續)

- (a) 海外非上市股份，按成本值(續)
- (ii) 於 Freewill Holdings Limited (「FHL」)的投資

截至二零一五年十二月三十一日止年度，本公司全資附屬公司 Silvermoon Developments Limited (「Silvermoon」)與一名獨立第三方訂立買賣協議，以按現金代價 180,000,000 港元收購 FHL (一間於馬紹爾群島共和國註冊成立之私人實體)之 6.09% 股權。FHL 主要於香港從事物業投資、金融服務及貸款業務。

於二零一五年十二月三十一日，此項可供出售投資的賬面值為 180,000,000 港元。

截至二零一六年六月三十日止六個月，本公司董事審閱 FHL 的最新未經審核管理賬目(包括最新財務狀況及 FHL 資產淨值等其他可觀察數據)，並發現客觀減值證據。因此，本公司於本財政年度的損益中扣除減值金額約 41,492,000 港元。於二零一六年十二月，本集團透過出售 Silvermoon 而出售於 FHL 的全部股權。Silvermoon 於出售日期的資產及負債詳情載於附註 28(b)(ii)。

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17. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

b) Unlisted shares in overseas, at fair value

During the year ended 31 December 2015, Colour State Limited ("Colour State"), a wholly-owned subsidiary of the Company, entered into a share swap agreement with Co-Lead Holdings Limited ("Co-Lead"), a company incorporated in the British Virgin Islands, pursuant to which the Group swapped its entire interest in an available-for-sale investment ("Swapped AFS") in exchange for approximately 11.1% enlarged equity interest in Co-Lead. The Group classified the interest in Co-Lead as available-for-sale investments at initial recognition. The principal activity of Co-Lead is securities investment in Hong Kong. Details of this share swap arrangement are set out in the Company's announcement dated 6 July 2015. The difference of HK\$20,669,000 between the fair value of 11.1% equity interest in Co-Lead of HK\$177,419,000 and the carrying amount of Swapped AFS being swapped of HK\$156,750,000 was credited to the profit or loss during the year ended 31 December 2015. As at 31 December 2015, based on the recent transaction price, the fair value of this available-for-sale investment was HK\$216,700,000.

In December 2016, the Group disposed of its entire equity interest in Co-Lead through the disposal of Colour State at a consideration of HK\$30,000,000 by cash, and an adverse change in fair value of HK\$186,700,000 was recognised to write down the fair value of investment in Co-Lead to HK\$30,000,000 by reference to the consideration of the disposal. During the year ended 31 December 2016, the change in fair value was recognised as other comprehensive expense and accounted for in the investment revaluation reserve, and the cumulative loss of HK\$147,419,000 recognised in equity was reclassified to profit or loss. Details of the assets and liabilities of Colour State at the date of disposal are set out in note 28(b)(i).

17. 可供出售投資(續)

b) 海外非上市股份，按公平值

截至二零一五年十二月三十一日止年度，本公司全資附屬公司彩邦有限公司(「彩邦」)與Co-Lead Holdings Limited(「Co-Lead」)(於英屬處女群島註冊成立之公司)訂立換股協議，據此，本集團將其於一項可供出售投資的全部權益(「已交換可供出售投資」)換取Co-lead約11.1%之經擴大股權。本集團將所持的Co-Lead權益分類為可供出售的初始確認投資。Co-Lead的主要業務為於香港進行證券投資。換股協議的詳情載於本公司日期為二零一五年七月六日的公告。所持的Co-Lead 11.1%股權公平值177,419,000港元與所換取已交換可供出售投資之賬面值156,750,000港元之間的差額20,669,000港元計入截至二零一五年十二月三十一日止年度的損益。於二零一五年十二月三十一日，根據最近的交易價格，此項可供出售投資的公平值為216,700,000港元。

於二零一六年十二月，本集團透過以現金代價30,000,000港元出售彩邦而出售於Co-Lead的全部股權。經參考出售事項的代價，為撇減於Co-Lead的投資的公平值至30,000,000港元，公平值之不利變動186,700,000港元已獲確認。截至二零一六年十二月三十一日止年度，公平值變動已確認為其他全面支出，並於投資重估儲備中入賬，而於權益內確認的累計虧損147,419,000港元已重新分類至損益。彩邦於出售日期的資產及負債詳情載於附註28(b)(i)。

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18. PREPAID LEASE PAYMENTS

The prepaid lease payments comprise:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Leasehold land outside Hong Kong	香港以外之租賃土地	2,159	2,389
Transfer to assets of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團資產(附註12)	(2,159)	—
		—	2,389
Analysed for reporting purposes as:	就呈報目的分析：		
Current portion	即期部分	—	82
Non-current portion	非即期部分	—	2,307
		—	2,389

18. 預付租賃款項

預付租賃款項包括：

19. INVENTORIES

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原料	4,177	13,866
Finished goods	製成品	491	2,400
		4,668	16,266
Transfer to assets of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團資產(附註12)	(4,363)	—
		305	16,266

19. 存貨

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20. TRADE RECEIVABLES

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	應收貿易賬項	23,580	27,013
Transfer to assets of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團資產(附註12)	(23,523)	—
		57	27,013
Less: Allowance for doubtful debts	減：呆賬撥備	(28)	(25,223)
		29	1,790

The Group allows an average credit period from 60 to 270 days to its trade customers. The following is an ageing analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

本集團容許其貿易客戶有平均60至270日之信貸期。以下為報告期末按發票日期(與各自收益確認日期相若)呈列之應收貿易賬項(經扣除呆賬撥備)之賬齡分析：

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
0 to 60 days	0-60日	29	1,302
61 to 90 days	61-90日	—	24
91 to 180 days	91-180日	—	273
181 to 270 days	181-270日	—	191
		29	1,790

The Group has policy of allowance for bad and doubtful debts which is based on the evaluation of collectability and age of accounts and on management's judgment including credit worthiness and past collection history of each customer.

本集團設有一套呆壞賬撥備政策，該政策乃根據對可收回性及賬齡進行之評估以及根據管理層之判斷(包括每位客戶之信用及過往收賬記錄)而制訂。

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly.

於接納任何新客戶前，本集團評估客戶之信貸質素及釐定客戶信貸上限。本集團定期審閱給予客戶之信貸限額。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

20. TRADE RECEIVABLES (Continued)

The receivables with a carrying amount of approximately HK\$29,000 (2015: approximately HK\$1,790,000) which are neither past due nor impaired at the end of the reporting date for which the Group believes that the amounts are considered recoverable because the receivables are related to a number of independent customers that have good repayment records with the Group.

In determining the recoverability of the trade receivables, the Group considers any changes in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Accordingly, the directors of the Company believe that there is no further credit provision required in excess of the allowance for bad and doubtful debts.

Movement in the allowance for doubtful debts

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	25,223	24,126
Impairment loss recognised	已確認減值虧損		
– continuing operations	– 持續經營業務	28	—
– discontinued operations	– 已終止經營業務	177	2,443
Reversal of impairment loss	撥回減值虧損		
– discontinued operations	– 已終止經營業務	(251)	—
Exchange adjustments	匯兌調整	(1,626)	(1,346)
Transfer to assets of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團資產(附註12)	(23,523)	—
Balance at end of the year	年終結餘	28	25,223

Included in the allowance for doubtful debts are individually impaired trade receivables, which were either in the severe financial difficulties or overdue for a long period time. The Group has made full allowance on these receivables and considered that they are generally not recoverable.

20. 應收貿易賬項(續)

賬面值約29,000港元(二零一五年：約1,790,000港元)之應收款項於報告日期未既未逾期亦未減值，本集團相信可收回該款項，原因是應收款項來自若干獨立客戶，該等客戶於本集團擁有良好還款紀錄。

於釐定應收貿易賬項之可收回性時，本集團考慮應收貿易賬項自首次獲授信貸當日至報告期末之任何信貸質素變化。因此，本公司董事認為，除呆壞賬撥備以外，毋須作出其他信貸撥備。

呆賬撥備之變動

呆賬撥備包括個別正遭遇嚴重財務困難或逾期甚久之已減值應收貿易賬項。本集團已就該等應收款項悉數撥備，並認為該等款項一般不能收回。

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21. LOANS RECEIVABLE

Unsecured loans receivable: 無抵押應收貸款：
Fixed-rate 定息
Floating-rate 浮息

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		—	42,714
		—	100,000
		—	142,714

During the year ended 31 December 2016, the Group received approximately HK\$112,714,000 from the borrowers and the remaining loans receivable of HK\$30,000,000 was disposed of through the disposal of DRL.

The loans receivable had contractual maturity dates between 6 months to a year as at 31 December 2015. The interest rate for the floating-rate loans receivable was 0.75% plus the best lending rate quoted by a bank in Hong Kong, i.e. an average effective interest rate of 5.75% per annum as at 31 December 2015. The interest rate for the fixed-rate loans receivable was 5% to 8% per annum as at 31 December 2015.

The amount granted to borrowers depends on management's assessment of credit risk of the customers based on background check and repayment abilities. Background check was performed on individual borrowers for their profession, their earnings or salaries and working position and on corporate borrowers for their historical and forecasted earnings and cash flows. The Group had policy for allowance of bad and doubtful debts which was based on the evaluation of collectability and aging analysis of accounts and on management's judgment, including the current creditworthiness and the past collection history of each borrower. In determining the recoverability of the loans receivable, the Group considered any change in the credit quality of the loans receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, the directors of the Company believed that the loans were granted to individual borrowers who were suitable high net worth individuals and corporate borrowers which were financially healthy.

21. 應收貸款

截至二零一六年十二月三十一日止年度，本集團自借款人收取約112,714,000港元，而應收貸款的餘額30,000,000港元已因出售DRL而出售。

於二零一五年十二月三十一日，應收貸款之合約到期日在6個月至1年之間。於二零一五年十二月三十一日，浮息應收貸款之年利率為0.75%加香港銀行所報的最優惠貸款利率(即年利率5.75%的平均實際利率)。於二零一五年十二月三十一日，定息應收貸款之年利率為5%至8%。

授予借款人之金額視乎管理層對客戶背景審查及還款能力評估信貸風險而定。管理層對個人借款人的專業、收入或薪金及職位和對公司借款人的歷史及預測收入與現金流量進行背景審查。本集團根據賬目之可收回性評估、賬齡分析及管理層判斷(包括每名借款人之現時信譽及過往收款記錄)，設有呆壞賬撥備政策。於釐定應收貸款之可收回性時，本集團考慮自信貸首次授出日期至報告期末應收貸款信貸質素之任何變動。因此，本公司董事相信，貸款乃授予適當高淨值的個人借款人及財務穩健的公司借款人。

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21. LOANS RECEIVABLE (Continued)

As at 31 December 2015, there was no loans receivable which was past due but not impaired and the directors of the Company consider that no impairment was necessary.

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

21. 應收貸款(續)

於二零一五年十二月三十一日，並無應收貸款已逾期惟尚未減值，本公司董事認為無須減值。

22. 按金、預付款項及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Rental and other deposits	租賃及其他按金		
– Non-current portion	– 非即期部分	1,968	—
– Current portion	– 即期部分	827	913
Prepayments to suppliers (see note below)	供應商預付款項(見下文附註)	—	118
Other receivables	其他應收款項	886	245
Value Added Tax receivables	應收增值稅	954	1,020
		4,635	2,296
Less: Non-current portion of rental deposits	減：租賃按金非即期部分	(1,968)	—
Transfer to assets of disposal group classified as held for sales (note 12)	轉入分類為持作出售之出售集團 資產(附註 12)	(1,840)	—
		827	2,296

Note: At 31 December 2015, impairment in respect of long aged prepayments to suppliers of HK\$366,000 was charged to profit or loss.

附註：於二零一五年十二月三十一日，向供應商支付的長期預付款項減值金額366,000港元已於損益中扣除。

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23. BANK BALANCES AND CASH

At 31 December 2016, there were bank balances and cash denominated in RMB amounting to approximately HK\$11,501,000 (2015: approximately HK\$5,911,000) and carry interest at market rates which range from 0.001% to 0.35% (2015: 0.001% to 0.36%) per annum. RMB is not freely convertible into other currencies. Other bank balances and cash are denominated in Hong Kong dollars which carry interest at market rates which range from 0.01% to 0.05% (2015: 0.01% to 0.05%) per annum.

24. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 30 to 60 days.

The ageing analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

23. 銀行結餘及現金

於二零一六年十二月三十一日，以人民幣計值之銀行結餘及現金約11,501,000港元(二零一五年：約5,911,000港元)，按市場年利率介乎0.001%至0.35%(二零一五年：0.001%至0.36%)計息。人民幣不可自由兌換為其他貨幣。其他銀行結餘及現金以港元計值，按市場年利率介乎0.01%至0.05%(二零一五年：0.01%至0.05%)計息。

24. 應付貿易賬項

應付貿易賬項主要包括貿易採購之未償還金額。貿易採購之一般信貸期為30至60日。

以下為按發票日期呈列的呈報期末之應付貿易賬項之賬齡分析：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 to 30 days	0-30日	63	711
Over 1 year	超過1年	223	238
Transfer to liabilities of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團 資產(附註12)	(286)	—
		—	949

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

25. ACCRUALS AND OTHER PAYABLES

25. 應計款項及其他應付賬項

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Other payables	其他應付賬項	14,340	14,448
Accruals	應計款項	3,256	5,574
Value Added Tax payable	應付增值稅	2,902	4,049
Deposit received from customers	已收客戶按金	5,391	5,781
Deposits received from distributors	已收經銷商按金	110	117
Deposit received for the disposal of Disposal Group (note 12)	已收來自出售集團出售事項之按金 (附註12)	10,000	—
		35,999	29,969
Transfer to liabilities of disposal group classified as held for sales (note 12)	轉入分類為持作出售之出售集團負債 (附註12)	(23,184)	—
		12,815	29,969

26. BORROWINGS

26. 借貸

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Bank borrowing - secured and is repayable within one year and contains a repayment on demand clause	銀行借貸—已抵押且於1年內償還並具按要求償還條款	—	10,000
Other borrowing – unsecured	其他借款—無抵押	11,164	—
Transfer to liabilities of disposal group classified as held for sale (note 12)	轉入分類為持作出售之出售集團資產(附註12)	(11,164)	—
		—	10,000

As at 31 December 2015, the bank borrowing carried floating rate of HIBOR plus 1.5% per annum, i.e. effective interest rate of 1.89% per annum. The bank borrowing was secured by the Group's interests in unlisted investment funds classified as available-for-sale investments of approximately HK\$26,385,000.

於二零一五年十二月三十一日，銀行借貸之浮動利率為香港銀行同業拆息加1.5%年利率(即年利率1.89%的實際利率)。銀行借貸由本集團於分類為可供出售投資約26,385,000港元的非上市投資基金之權益擔保。

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27. SHARE CAPITAL

Ordinary shares of HK\$0.01 each

27. 股本

每股面值0.01港元之普通股

		Number of Shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Authorised:	法定：		
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日	100,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日	1,059,750	10,598

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28. DISPOSAL OF SUBSIDIARIES

(a) Disposal of subsidiaries

i) Disposal of DRL during the year ended 31 December 2016

During the year ended 31 December 2016, the Company disposed of the entire issued share capital of DRL at a consideration of HK\$30,000,000 by cash to an independent third party. The net assets of DRL at the date of the disposal was as follows:

		HK\$'000 千港元
Net assets disposed of:	已售資產淨值：	
Loans receivable	應收貸款	30,000
Deposits	按金	56
Bank balances and cash	銀行結餘及現金	133
		30,189
Loss on disposal of a subsidiary:	出售附屬公司虧損：	
Cash consideration	現金代價	30,000
Net assets disposed of	已售資產淨值	(30,189)
Loss on disposal of a subsidiary	出售附屬公司虧損	(189)
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	30,000
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(133)
		29,867

The impact of DRL on the Group's results and cash flows for the year ended 31 December 2016 is set out in note 12(b)(ii).

28. 出售附屬公司

(a) 出售附屬公司

i) 於截至二零一六年十二月三十一日止年度出售DRL

截至二零一六年十二月三十一日止年度，本公司以現金代價30,000,000港元向一名獨立第三方出售DRL之全部已發行股本。DRL於出售日期之資產淨值如下：

DRL對本集團截至二零一六年十二月三十一日止年度的業績及現金流量的影響載於附錄12(b)(ii)。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal of subsidiaries (Continued)

- ii) Disposal of Imagine Sky Group during the year ended 31 December 2015

During the year ended 31 December 2015, Great Merit Holdings Limited ("Great Merit"), a wholly-owned subsidiary of the Company, disposed of the entire issued share capital of Imagine Sky Limited and its subsidiary (collectively referred to as the "Imagine Sky Group") at a consideration of HK\$1,000,000 by cash to an independent third party. The net assets of Imagine Sky Group on 31 March 2015, being the date of the disposal, was as follows:

28. 出售附屬公司(續)

(a) 出售附屬公司(續)

- ii) 於截至二零一五年十二月三十一日止年度出售 Imagine Sky集團

截至二零一五年十二月三十一日止年度，本公司全資附屬公司Great Merit Holdings Limited(「Great Merit」)，以現金代價1,000,000港元出售Imagine Sky Limited及其附屬公司(統稱為「Imagine Sky集團」)的全部已發行股本予一名獨立第三方。Imagine Sky集團於二零一五年三月三十一日(即出售日期)之資產淨值如下：

		HK\$'000 千港元
Net assets disposed of:	已售資產淨值：	
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	38,015
Other receivables	其他應收賬項	6,566
Bank balances and cash	銀行結餘及現金	3
Tax liabilities	稅項負債	(44,508)
		76
Gain on disposal of subsidiaries:	出售附屬公司收益：	
Cash consideration	現金代價	1,000
Net assets disposed of	已售資產淨值	(76)
Gain on disposal of subsidiaries	出售附屬公司收益	924
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	1,000
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(3)
		997

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal of subsidiaries (Continued)

- ii) Disposal of Imagine Sky Group during the year ended 31 December 2015 (Continued)

The impact of Imagine Sky Group on the Group's results and cash flows for the year ended 31 December 2015 was shown as follows:

		HK\$'000 千港元
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動	(40,635)
Administrative expenses	行政支出	(369)
Other expenses	其他支出	(815)
Gain on disposal of Imagine Sky Group	出售 Imagine Sky 集團之收益	924
		(40,895)

During the year ended 31 December 2015, Imagine Sky Group contributed approximately HK\$15,415,000 to the Group's net operating cash outflows and approximately HK\$15,374,000 to the Group's net investing cash outflows.

28. 出售附屬公司(續)

(a) 出售附屬公司(續)

- ii) 於截至二零一五年十二月三十一日止年度出售 Imagine Sky 集團(續)

截至二零一五年十二月三十一日止年度，Imagine Sky 集團對本集團業績及現金流量之影響如下：

截至二零一五年十二月三十一日止年度，Imagine Sky 集團對本集團經營現金淨流出貢獻約 15,415,000 港元及對本集團投資現金淨流出貢獻約 15,374,000 港元。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal of subsidiaries (Continued)

iii) Disposal of New Truth Group during the year ended 31 December 2015

During the year ended 31 December 2015, Prosper Phoenix Limited, a wholly-owned subsidiary of the Company, disposed of the entire issued share capital of New Truth Limited and its subsidiaries including Great Merit (collectively referred to as the "New Truth Group") at a consideration of HK\$10,000 by cash to an independent third party. The net liabilities of New Truth Group on 31 October 2015, being the date of disposal, was as follows:

		HK\$'000 千港元
Net liabilities disposed of:	已售負債淨額：	
Bank balances and cash	銀行結餘及現金	70
Tax liabilities	稅項負債	(10,474)
		(10,404)
Gain on disposal of subsidiaries:	出售附屬公司收益：	
Cash consideration	現金代價	10
Net liabilities disposed of	已售負債淨額	10,404
Gain on disposal of subsidiaries	出售附屬公司收益	10,414
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash consideration	現金代價	10
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(70)
		(60)

28. 出售附屬公司(續)

(a) 出售附屬公司(續)

iii) 於截至二零一五年十二月三十一日止年度出售新理集團

截至二零一五年十二月三十一日止年度，Prosper Phoenix Limited(本公司全資附屬公司)以現金代價10,000港元出售新理有限公司及其包括Great Merit之附屬公司(統稱為「新理集團」)的全部已發行股本予一名獨立第三方。新理集團於二零一五年十月三十一日(即出售日期)之負債淨額如下：

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal of subsidiaries (Continued)

iii) Disposal of New Truth Group during the year ended 31 December 2015 (Continued)

The impact of New Truth Group on the Group's results and cash flows for the year ended 31 December 2015 was shown as follows:

		HK\$'000 千港元
Revenue – sales of goods	收益 – 銷售貨品	815
Cost of goods sold	銷貨成本	(462)
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值變動	28,038
Other income	其他收入	11
Other gains and losses	其他盈虧	(78)
Administrative expenses	行政支出	(1,428)
Other expenses	其他支出	(1,651)
Gain on disposal of Imagine Sky Group	出售 Imagine Sky 集團之收益	924
Gain on disposal of New Truth Group	出售新理集團之收益	10,414
		36,583

During the year ended 31 December 2015, New Truth Group contributed approximately HK\$11,667,000 to the Group's net operating cash inflows, HK\$1,000,000 to the Group's investing cash inflow and approximately HK\$12,929,000 to the Group's net investing cash outflows.

28. 出售附屬公司(續)

(a) 出售附屬公司(續)

iii) 於截至二零一五年十二月三十一日止年度出售新理集團(續)

截至二零一五年十二月三十一日止年度，新理集團對本集團業績及現金流量之影響如下：

截至二零一五年十二月三十一日止年度，新理集團對本集團經營現金淨流入貢獻約11,667,000港元，對本集團投資現金流入貢獻1,000,000港元及對本集團融資現金淨流出貢獻約12,929,000港元。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of available-for-sale investments through disposal of subsidiaries during the year ended 31 December 2016

i) Disposal of investment in Co-Lead Holding Limited ("Co-Lead")

During the year ended 31 December 2016, the Company disposed of the investment in Co-Lead through the disposal of the entire issued share capital of Colour State at a consideration of HK\$30,000,000 by cash to an independent third party. The fair value of the investment in Co-Lead Holding Limited at the date of disposal was as follows:

		HK\$'000 千港元
Available-for-sale investment:	可供出售投資：	
Fair value as at 1 January 2016	於二零一六年一月一日之公平值	216,700
Cumulative impairment losses recognised	累計已確認減值虧損	(186,700)
Fair value as at 30 December 2016	於二零一六年十二月三十日之公平值	30,000
Loss on disposal of available-for-sale investment through disposal of a subsidiary:	透過出售附屬公司出售可供出售投資之虧損：	
Cash consideration	現金代價	30,000
Fair value of available-for-sale investment as at the date of disposal	可供出售投資於出售日期之公平值	(30,000)
Reclassification from equity on disposal of available-for-sale investments	自可供出售投資的出售權益重新分類	(147,419)
Loss on disposal of available-for-sale investment through disposal of a subsidiary	透過出售附屬公司出售可供出售投資之虧損	(147,419)

28. 出售附屬公司(續)

(b) 於截至二零一六年十二月三十一日止年度透過出售附屬公司出售可供出售投資

i) 出售於Co-Lead Holding Limited (「Co-Lead」)的投資

截至二零一六年十二月三十一日止年度，本公司透過以現金代價30,000,000港元向一名獨立第三方出售彩邦的全部已發行股本而出售於Co-Lead的投資。於Co-Lead Holding Limited的投資於出售日期的公平值如下：

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of available-for-sale investments through disposal of subsidiaries during the year ended 31 December 2016 (Continued)

ii) Disposal of investment in Freewill Holdings Limited ("FHL")

During the year ended 31 December 2016, the Company disposed of the investment in Freewill Holdings Limited through the disposal of the entire issued share capital of Silvermoon for a consideration of HK\$35,000,000 by cash to an independent third party. The net carrying amount of the investment in Freewill Holdings Limited at the date of disposal was as follows:

28. 出售附屬公司(續)

(b) 於截至二零一六年十二月三十一日止年度透過出售附屬公司出售可供出售投資(續)

ii) 出售於Freewill Holdings Limited (「FHL」)的投資

截至二零一六年十二月三十一日止年度，本公司透過以現金代價35,000,000港元向一名獨立第三方出售Silvermoon的全部已發行股本而出售於Freewill Holdings Limited的投資。於Freewill Holdings Limited的投資於出售日期的賬面淨值如下：

		HK\$'000 千港元
Available-for-sale investment:	可供出售投資：	
Cost as at 1 January 2016	於二零一六年一月一日之成本	180,000
Accumulated impairment losses recognised	累計已確認減值虧損	(41,492)
Cost as at the date of disposal	於出售日期之賬面值	138,508
Loss on disposal of available-for-sale investment through disposal of a subsidiary:	透過出售附屬公司出售可供出售投資之虧損：	
Cash consideration	現金代價	35,000
Carrying amount of available-for-sale investment as at the date of disposal	可供出售投資於出售日期之賬面值	(138,508)
Loss on disposal of available-for-sale investment through disposal of a subsidiary	透過出售附屬公司出售可供出售投資之虧損	(103,508)

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

28. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of available-for-sale investments through disposal of subsidiaries during the year ended 31 December 2016 (Continued)

iii) Disposal of investment in Joint Global Limited ("JGL")

During the year ended 31 December 2016, the Company disposed of the investment in Joint Global Limited through the disposal of the entire issued share capital of SSDL for a consideration of HK\$10,000,000 by cash to an independent third party. The net carrying amount of investment in Joint Global Limited at the date of disposal was as follows:

28. 出售附屬公司(續)

(b) 於截至二零一六年十二月三十一日止年度透過出售附屬公司出售可供出售投資(續)

iii) 出售於Joint Global Limited (「JGL」)的投資

截至二零一六年十二月三十一日止年度，本公司透過以現金代價10,000,000港元向一名獨立第三方出售SSDL的全部已發行股本而出售於Joint Global Limited的投資。於Joint Global Limited的投資於出售日期的賬面淨值如下：

		HK\$'000 千港元
Available-for-sale investment:	可供出售投資：	
Cost as at 1 January 2016	於二零一六年一月一日之成本	137,500
Accumulated impairment losses recognised	累計已確認減值虧損	(126,074)
Carrying amount as at the date of disposal	於出售日期之賬面值	11,426
Loss on disposal of available-for-sale investment through disposal of a subsidiary:	透過出售附屬公司出售可供出售投資之虧損：	
Cash consideration	現金代價	10,000
Carrying amount of available-for-sale investment as at the date of disposal	可供出售投資 於出售日期之賬面值	(11,426)
Loss on disposal of available-for-sale investment through disposal of a subsidiary	透過出售附屬公司 出售可供出售投資之虧損	(1,426)

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

29. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of rented premises which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	5,712	1,743
In the second to fifth year	第二至五年	10,886	1,154
		16,598	2,897

Operating lease payments represent rentals payable by the Group for its office premises.

29. 經營租賃

本集團作為承租人

本集團於報告期末就租用到期物業日後須承擔最低租金載列如下：

經營租金為本集團租用其辦公室而應付租金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

30. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

30. 公司層面之財務狀況表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current asset	非流動資產		
Investments in subsidiaries	於附屬公司之投資	—	474,323
Rental deposits	租金按金	1,968	—
		1,968	474,323
Current assets	流動資產		
Other receivables	其他應收賬項	11	—
Amounts due from subsidiaries	應收附屬公司款項	15,864	377,130
Bank balances and cash	銀行結餘及現金	396,746	165
		412,621	377,295
Current liabilities	流動負債		
Accruals and other payables	應計款項及其他應付賬項	12,815	2,364
Amounts due to subsidiaries	應付附屬公司款項	1,068	10,435
		13,883	12,799
Net current assets	流動資產淨值	398,738	364,496
Net Assets	資產淨值	400,706	838,819
Capital and reserves (see note below)	資本及儲備(見下文附註)		
Share capital	股本	10,598	10,598
Reserves	儲備	390,108	828,221
Total equity	權益總額	400,706	838,819

Approved and authorised for issue by the board of directors on 24 March 2017:

於二零一七年三月二十四日獲董事會批准及授權刊發：

Feng Hai
馮海
Director
董事

Li Yi
李毅
Director
董事

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

30. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

(Continued)

Note: Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價賬 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日之結餘	10,598	217,190	542,494	770,282
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	—	—	68,537	68,537
Balance at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日之結餘	10,598	217,190	611,031	838,819
Loss and total comprehensive expense for the year	本年度虧損及全面支出總額	—	—	(438,113)	(438,113)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	10,598	217,190	172,918	400,706

30. 公司層面之財務狀況表(續)

附註：本公司於權益項下的各個項目於年初及年末之變動載列如下：

31. RELATED PARTY TRANSACTIONS

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term benefits	短期福利	3,662	3,782
Post employment benefits	離職後福利	72	73
		3,734	3,855

31. 關連人士交易

董事及其他主要管理人員年內之薪酬如下：

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員之薪酬由薪酬委員會考慮個人表現及市場趨勢後釐定。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32. CONTINGENT LIABILITIES

As at 31 December 2015, the Group was subject to a claim of approximately HK\$9.4 million from an external consultant pursuant to a so-called consulting agreement alleged by him and the outstanding retainer fee and expenses in relation to the disposal of electronic cigarette business taken place during the year ended 31 December 2013. On 12 April 2016, a notice of discontinuance which stipulated that the proceedings against the Company be wholly discontinued was filed in the High court of the Hong Kong Special Administrative Region by the plaintiffs. Therefore, as at 31 December 2016, the Group was not liable to any legal proceedings of which provision for contingent liabilities was required.

33. PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立 或註冊/ 營業地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之百分比		Principal activities 主要業務
			2016 二零一六年 %	2015 二零一五年 %	
New Wellon Limited 新華龍有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	100	100	Investment holding 投資控股
Dragonite Administrative Services Limited 參龍行政服務有限公司	Hong Kong 香港	HK\$1,000 1,000 港元	100	100	Provision of management services to group companies 向集團公司提供 管理服務

32. 或然負債

於二零一五年十二月三十一日，就於截至二零一三年十二月三十一日止年度進行之出售電子煙業務，本集團面對外聘顧問根據其聲稱之所謂顧問協議及未支付服務費及開支索償約9,400,000港元。於二零一六年四月十二日，原告人已向香港特別行政區高等法院提交說明已完全中止針對本公司之法律程序的中止訴訟通知書。故此，於二零一六年十二月三十一日，本集團並無面對任何須就或然負債計提撥備的法律訴訟。

33. 主要附屬公司

下表載列董事認為對本集團之業績或資產具有主要影響之本公司附屬公司。董事認為，提供其他附屬公司之詳情將令篇幅過於冗長。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33. PRINCIPAL SUBSIDIARIES (Continued)

33. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立 或註冊/ 營業地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之百分比		Principal activities 主要業務
			2016 二零一六年 %	2015 二零一五年 %	
Excel Joiner Limited 群佳有限公司	Hong Kong 香港	HK\$1 1 港元	100	100	Trading of wine 葡萄酒買賣
Dragon Estate Holdings Limited	BVI 英屬處女群島	US\$1 1 美元	100	100	Investment holding 投資控股
Shenyang Jinlong Health Care Products Co., Ltd. ("Shenyang Jinlong") 瀋陽金龍保健品有限公司 (「瀋陽金龍」)	PRC 中國	US\$2,870,000 (note a) 2,870,000 美元 (附註 a)	100	100	Processing and sales of ginseng and related products 加工及銷售人參及 相關產品
Shenyang Jinlong Pharmaceutical Co., Ltd. ("Jinlong Pharmaceutical") 瀋陽金龍藥業有限公司 (「金龍藥業」)	PRC 中國	HK\$20,000,000 (note b) 20,000,000 港元 (附註 b)	100	100	Processing and sales of pharmaceutical products 加工及銷售藥品
Dragonite Resources Limited	BVI/Hong Kong 英屬處女群島/ 香港	US\$10,000 10,000 美元	—*	100	Money lending 貸款
Colour State Limited 彩邦有限公司	BVI 英屬處女群島	US\$50,000 50,000 美元	—*	100	Investment holding 投資控股

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ 註冊成立或註冊/ 營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之百分比		Principal activities 主要業務
			2016 二零一六年 %	2015 二零一五年 %	
Silvermoon Developments Limited	BVI 英屬處女群島	US\$50,000 50,000美元	—*	100	Investment holding 投資控股
Smart State Developments Limited 駿域發展有限公司	BVI 英屬處女群島	US\$50,000 50,000美元	—*	100	Investment holding 投資控股

* The subsidiary was disposed of during the year ended 31 December 2016.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- a) Shenyang Jinlong is a sino-foreign equity joint venture for a period of 40 years commencing from 27 November 1992 established under a joint venture agreement with another PRC party who is the former shareholder of Success Century Holding Limited ("Success Century"), a wholly owned subsidiary of the Group, holding the remaining 20% shareholding of Shenyang Jinlong.

Pursuant to an agreement made between the Group and the former shareholder of Success Century during the year 2004, the remaining 20% shareholding of Shenyang Jinlong was transferred to the Group by way of acquisition of Success Century and Shenyang Jinlong became the wholly foreign owned enterprise.

- b) Jinlong Pharmaceutical is a wholly foreign-owned enterprise for a period of 45 years commencing from 8 June 2001.

33. 主要附屬公司(續)

* 有關附屬公司已於截至二零一六年十二月三十一日止年度出售。

上述附屬公司於年終均無發行任何債務證券。

附註：

- (a) 瀋陽金龍為本集團根據一份合資協議與另一中方伙伴合資成立之中外合資企業，自一九九二年十一月二十七日開始經營，為期四十年，而該名中方伙伴為持有瀋陽金龍剩餘20%股權之Success Century Holding Limited (「Success Century」)(本集團全資附屬公司)之前任股東。

根據本集團與Success Century之前任股東於二零零四年訂立之協議，瀋陽金龍剩餘20%股權透過收購Success Century轉讓予本集團，而瀋陽金龍成為一家外商獨資企業。

- (b) 金龍藥業為外商獨資企業，自二零零一年六月八日開始經營，為期45年。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33. PRINCIPAL SUBSIDIARIES (Continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

33. 主要附屬公司(續)

於報告期末，本公司擁有其他對本集團而言並不重大之附屬公司。該等附屬公司大部分在香港營運。該等附屬公司之主要業務概述如下：

Principal activities	主要業務	Principal place of business	主要營業地點	Number of subsidiaries 附屬公司數目	
				2016 二零一六年	2015 二零一五年
Investment holding	投資控股	Hong Kong	香港	10	8

Financial Summary

財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
			(Restated) (經重列)	(Restated) (經重列)	(Restated) (經重列)	(Restated) (經重列)
RESULTS	業績					
Revenue	收益					
– continuing operations	– 持續經營業務	498	28,727	454,300	170,427	(10,943)
– discontinued operation	– 已終止經營業務	3,647	8,901	19,524	13,463	9,392
		4,145	37,628	473,824	183,890	(1,551)
(Loss) profit before tax	稅前(虧損)溢利	(449,062)	37,728	373,628	609,628	(63,781)
Income tax expense	所得稅支出	(835)	(4,359)	(51,963)	(41,464)	(2,299)
(Loss) profit for the year	本年度(虧損)溢利					
– continuing operations	– 持續經營業務	(437,792)	47,048	326,396	152,950	(61,737)
– discontinued operations	– 已終止經營業務	(12,105)	(13,679)	(4,731)	415,214	(4,343)
		(449,897)	33,369	321,665	568,164	(66,080)
Attributable to:	應佔:					
Equity holders of the parent	母公司權益持有人	(449,897)	33,369	321,665	568,164	(66,080)

		As at 31 December 於十二月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	446,345	930,923	911,932	1,083,451	394,990
Total liabilities	總負債	(47,764)	(41,016)	(89,350)	(97,577)	(84,545)
		398,581	889,907	822,582	985,874	310,445
Equity attributable to equity holders of the period	本期間權益持有人應佔權益	398,581	889,907	822,582	985,874	310,445