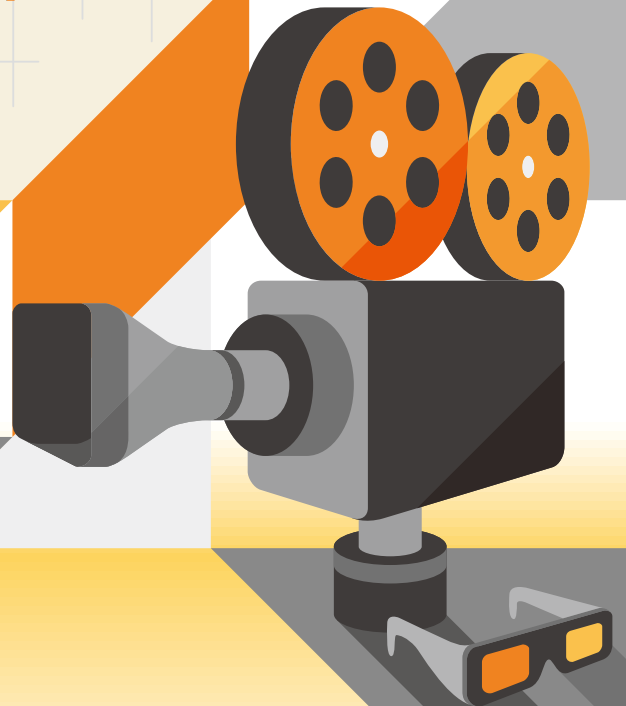




協盛協豐控股有限公司*
CO-PROSPERITY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號 : 707

年 報
2016
ANNUAL
REPORT





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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Tang Hon Kwo (*Chairman*)
Mr. Ma Zhi
Mr. Sze Siu Bun

Non-Executive Director:

Mr. Li Wenfeng (*Deputy Chairman*)

Independent Non-Executive Directors:

Ms. Han Xingxing
Mr. Cheung Ngai Lam
Mr. Li Yu

AUDIT COMMITTEE

Mr. Cheung Ngai Lam (*chairman of committee*)
Ms. Han Xingxing
Mr. Li Yu

REMUNERATION COMMITTEE

Mr. Li Yu (*chairman of committee*)
Mr. Cheung Ngai Lam
Ms. Han Xingxing

NOMINATION COMMITTEE

Ms. Han Xingxing (*chairman of committee*)
Mr. Cheung Ngai Lam
Mr. Li Yu

AUTHORISED REPRESENTATIVES

Mr. Tang Hon Kwo
Ms. Wong Sze Wing

COMPANY SECRETARY

Ms. Wong Sze Wing

AUDITOR

Moore Stephens CPA Limited

REGISTERED OFFICE

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

董事會

執行董事：

鄧漢戈先生 (*主席*)
馬志先生
施少斌先生

非執行董事：

李文峰先生 (*副主席*)

獨立非執行董事：

韓星星女士
張毅林先生
李玉先生

審核委員會

張毅林先生 (*委員會主席*)
韓星星女士
李玉先生

薪酬委員會

李玉先生 (*委員會主席*)
張毅林先生
韓星星女士

提名委員會

韓星星女士 (*委員會主席*)
張毅林先生
李玉先生

授權代表

鄧漢戈先生
王思穎女士

公司秘書

王思穎女士

核數師

大華馬施雲會計師事務所有限公司

註冊辦事處

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

Corporate Information (Continued) 公司資料(續)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2501-14, 25th Floor
Sun Hung Kai Centre
30 Harbour Road
Wan Chai
Hong Kong

香港總辦事處及主要營業地點

香港
灣仔
港灣道30號
新鴻基中心
25樓2501-14室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

開曼群島主要股份過戶及登記處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶及登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心
22樓

STOCK CODE

707

股份代號

707

DESIGNATED WEBSITE FOR CORPORATE COMMUNICATIONS

www.capitalfp.com.hk/eng/index.jsp?co=707

公司通訊之指定網站

www.capitalfp.com.hk/chi/index.jsp?co=707



Chairman's Statement 主席報告

On behalf of the board of directors (the "Board" or the "Directors") of Co-Prosperity Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2016.

BUSINESS REVIEW AND FUTURE PROSPECTS

The year under review was a year full of changes and unexpected events over the globe. Significant developments including the slowdown of economic growth in Mainland China and policies of the global political landscape has undergone constant changes which affected market sentiment. The operating environment of the fabrics and textile industry is particularly sensitive to market conditions, government policies and other factors, and last year the global emerging market economies growth is still in the doldrums. The Group will continue to adhere to its proactive operating style to improve profit margin of the fabrics and trading business.

Depict the fabrics and trading business, the Group has recorded the rapid development and remarkable growth in money lending business and securities investment business. Apart from the existing businesses, the Group has looked into and will continue to explore business opportunities in various segments and enhance the interests of shareholders of the Company (the "Shareholders").

Since 2015, the Company has noticed the remarkable potential growth of media, cultural and entertainment sector and has commenced to look into related development opportunities. During 2016, the Group has reached out to a number of potential partners and vendors for acquisition and cooperation opportunities.

The Group got involved into the rescue and acquisition of Asia Television Limited ("ATV"). ATV is Hong Kong's first television broadcaster with nearly 60 years of history, having produced many successful programmes including dramas series, variety shows and news programmes over the years. ATV has been a part of the collective memory of Hong Kong and its legendary history has played a significant role in the development of Cantonese pop-culture. The Directors believe that the potential intrinsic value of ATV can be realised if the plan to rescue ATV is successful.

Through cooperation with the leaders of the media and entertainment sector in Hong Kong, China and the overseas, the Group shall have access to extensive experience, know-hows and talents, all of which will expedite the Company's development and diversification into the media, cultural and entertainment sector.

本人謹代表協盛協豐控股有限公司（「本公司」）董事會（「董事會」或「董事」）欣然提呈本公司及其附屬公司（合稱「本集團」）截至二零一六年十二月三十一日止年度之全年業績。

業績摘要及前景展望

於本回顧年度，世界經歷多變且發生了不少出乎意料之事。國內經濟增長放緩，環球政治面貌及政策不斷轉變等，種種重大發展均對市場氣氛構成影響。布料及貿易行業之營商環境對市況、政策及其他因素之發展特別敏感，而於上年度，全球多個新興市場之經濟增長持續低迷。本集團將繼續恪守其積極的營運作風，務求提高布料及貿易業務之利潤率。

撇除布料及貿易業務，本集團之放債業務及證券投資業務均高速發展並錄得驚人增長。除現有業務外，本集團亦已研究並將繼續探討各分類之業務商機，以及提高本公司股東（「股東」）權益之回報。

自二零一五年以來，本公司已留意到媒體、文化及娛樂行業之增長潛力強勁，並已開始探索相關發展機遇。於二零一六年，本集團已與多名潛在夥伴和賣家接洽，以尋求進行收購及合作之機會。

本集團參與了亞洲電視有限公司（「亞視」）之拯救及收購事宜。亞視為香港首家電視廣播公司，擁有近60年歷史，其多年來製作多套大受歡迎之節目，包括連續劇、綜藝節目及新聞節目。亞視為香港人之集體回憶，其傳奇歷史在廣東流行文化發展中佔有舉足輕重之地位。董事相信，倘拯救亞視之方案成功落實，亞視之潛在內在價值可獲得變現。

通過與香港、中國和海外各媒體及娛樂行業領袖合作，投資者將可獲取豐富經驗、專業訣竅和人才；以上種種將促進本公司於媒體、文化及娛樂市場之發展及開拓。



Chairman's Statement (Continued) 主席報告(續)

The Group has recently expanded its management team and recruited talents with unique expertise and proven track-record in the media and entertainment industry. In addition, a number of experts from leading media and entertainment companies have newly joined the Group. The recruitment of the new management team of different functions enables the Group to develop new visions and strive a big step forward in content production, Over-the-top (“OTT”) and apps development. As a result, the Group anticipates a significantly faster growth than previously anticipated.

The Group has been granted access and usage of certain assets of ATV which shall enable ATV to continue to operate and act as a production house in Hong Kong taking advantage of its 50,000 square-meter production facility, and its film library and archives. Given ATV's brand presence in Hong Kong and the PRC, it is believed that the acquisition of ATV will complement the Group's strategic goals to expand into the media and entertainment related sector.

For the money lending business, the Group expects it will generate stable interest income for the Group. And the Group has monitored the credit risks and application procedures pursuant to the applicable laws and regulations.

For the securities investment business, the local stock market was further hindered by concerns over global economic slowdown and potential interest rate hike by the U.S. Federal Reserve. The Group recognises the uncertainty and volatility in the global stock markets and will continue to exercise due professional care in selecting investment targets.

As certain securities investment and the fund investment in the Group's investment portfolio had overall outperformed the market with lesser downward adjustment than the market index, there was overall a realised fair value gain of RMB4.7 million and unrealised fair value gain of RMB5.4 million for the year ended 31 December 2016. In the light of the substantially improving performance of the investments, the Group is considering expanding this business and expediting the development of this sector to generate more income and contribute to the total profit of the Group. The Group is continuously engaged in investments in these securities for purpose of short to medium term capital appreciation.

本集團近期已擴大其管理團隊並招聘具獨特專才及實踐經驗之媒體及娛樂行業人才。此外，本集團新近獲多名曾於媒體及娛樂業界之龍頭公司工作之專家加盟。透過招聘不同職能之管理團隊人才，本集團有能力於內容製作、互聯網廣播（「OTT」）及應用程式發展等方面開拓新的願景，邁步向前。因此，本集團預計將可實現較先前預期更大幅度的增長。

本集團已獲准使用亞視若干資產，讓亞視可善用其50,000平方米製作廠房、其片庫和資料庫，繼續於香港從事製作公司之業務。基於亞視於香港及國內之品牌知名度，收購亞視相信能對本集團實現拓展業務至媒體及娛樂相關行業之戰略目標起輔助作用。

放債業務方面，本集團預期有關業務將為本集團帶來穩定利息收入。本集團已依據適用法例及規例監察信貸風險及貸款申請程序。

證券投資業務方面，本地股市受全球經濟放緩及美國聯邦儲備局加息隱憂所進一步拖累。本集團關注全球股市之不明朗及波動因素，在挑選投資目標時將定必繼續以專業態度審慎行事。

由於本集團投資組合內若干證券投資及基金投資之整體表現優於市場，其整體向下調整幅度較市場指數為小，故於截至二零一六年十二月三十一日止年度錄得整體變現公平值收益人民幣4,700,000元及未變現公平值收益人民幣57,400,000元。鑒於該等投資之表現錄得顯著改善，本集團正考慮擴大此業務及推動此分類之發展，以賺取更多收入及提高本集團總利潤。本集團繼續投資於該等證券，務求實現中短期資本增值。



Chairman's Statement (Continued) 主席報告 (續)

The Group has recently expanded its business in securities dealing and asset management following its acquisition of 60% issued share capital of Million Federal International Limited ("Million Federal") and completed in March 2017 at the consideration of HK\$90 million. Sincere Securities Limited, a wholly-owned subsidiary of Million Federal is licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities. The Group plans to further develop the acquired business to become an integrated security house offering sales and trading, investment advisory, discretionary account and asset management services and to use it as its initial platform in establishing its financial services.

BUSINESS STRATEGIES

We will continue to enhance our corporate transparency and strengthen our corporate governance and internal control. We will take every opportunity to optimise our business to enrich the Shareholders' value. With the concerted efforts of the management and the staff of the Group, we are fully confident and optimistic about the Group's future growth and outlook.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to sincerely thank our Shareholders, investors, business partners and customers for their unwavering support and express my sincere gratitude to the staff of the Group for their dedication and hard work. I would also like to extend my appreciation to the fellow colleagues in the Board and the entire workforce for their commitment and contributions. I am confident that the Group will continue to consolidate its fundamentals, seize the opportunity and climb the peak.

Tang Hon Kwo

Chairman

Hong Kong, 29 March 2017

近期，隨著本集團於二零一七年三月以代價90,000,000港元完成收購萬方國際有限公司（「萬方」）已發行股本之60%，本集團已擴大其於證券買賣及資產管理之業務發展。萬方之全資附屬公司訊匯證券有限公司持有牌照可進行第1類（證券交易）、第4類（就證券提供意見）及第9類（提供資產管理）受規管活動。本集團計劃進一步開拓該被收購業務，務求使其發展成一間集提供銷售及買賣、投資顧問、全權委託賬戶及資產管理服務之綜合證券行，以及利用該業務作為其構建金融服務之起始平台。

業務策略

吾等將持續提升企業透明度，加強企業管治及內部監控。吾等將抓緊每一項機遇，務求優化吾等之業務及提升股東價值。憑藉本集團之管理層及員工同心協力，吾等對本集團之未來增長及前景充滿信心並感到樂觀。

鳴謝

本人謹代表董事會，藉此機會衷心感謝吾等之股東、投資者、業務夥伴及客戶一直以來之支持，並摯誠感謝本集團員工之奉獻和辛勤工作。本人亦感謝董事會同仁及全體員工之努力和貢獻。本人有信心，本集團將繼續鞏固其根基、捕捉業務商機，然後登上高峰。

主席

鄧漢戈

香港，二零一七年三月二十九日



Management Discussion and Analysis 管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

During the year ended 31 December 2016, the Group engaged in four business streams including (i) the processing, printing and sales of finished fabrics and subcontracting service and the trading of fabrics and clothing business (“Fabrics and Trading Business”); (ii) the money lending business; (iii) securities investment business; and (iv) media, cultural and entertainment business.

Fabrics and Trading Business

The Group continued to engage in the Fabrics and Trading Business during the financial year. As the global economy and political environment had gone through dramatic changes in the past year, the outlook of the manufacturing sector in the PRC appeared to be under more pressure when the labour and other costs have been surging together with the exchange rate fluctuations and fierce competition. With the decreasing demand from emerging markets and the increasingly robust environmental protection requirements applicable in the manufacturing processes, the Group has actively utilised existing resources to improve operating efficiency to better manage costs, and take appropriate measures including the disposal of loss making operation and write down of slow-moving inventory.

For the year 2016, the turnover contributed by the Fabrics and Trading Business was approximately RMB172.2 million (2015: RMB267.4 million), representing a decrease of 35.6% from the previous year. The decrease in turnover as compared to last year was due to the impact of weakening global demand in the clothing and textile industry. We anticipate the fabric manufacturing and trading industry will undergo a process of consolidation and we will adopt stringent cost control measures to counteract the adverse impact.

業務及財務回顧

於截至二零一六年十二月三十一日止年度，本集團經營四項業務，包括(i)成品布料之加工、印花及銷售及分包服務以及布料及成衣貿易業務（「布料及貿易業務」）；(ii)放債業務；(iii)證券投資業務；及(iv)媒體、文化及娛樂業務。

布料及貿易業務

於本財政年度，本集團繼續從事布料及貿易業務。過去一年全球經濟及政治大環境均經歷了劇烈變遷，加上勞工及其他成本一直上漲、匯率起伏不定及競爭激烈，均顯得中國製造業的前景受壓更大。由於新興市場需求減退及生產流程之適用環保規定日益嚴格，故為改善營運效率從而更有效控制成本，本集團已多加利用現有資源並採取適當措施，包括出售虧損業務及撇減呆滯存貨。

於二零一六年年，布料及貿易業務貢獻之營業額約為人民幣172,200,000元（二零一五年：人民幣267,400,000元），較上年度減少35.6%。由於受到製衣及紡織業面對之全球需求轉弱所影響，營業額較去年減少。吾等預期布料製造及貿易行業將進入整合階段，而吾等將採取嚴謹之成本控制措施以抵禦不利影響。



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Money Lending Business

The Group has obtained a money lender license in Hong Kong under the Money Lenders Ordinance. As at 31 December 2016, the loan balances were approximately RMB139 million (2015: RMB149 million) with terms of 3 months to 1 year at effective interest rates ranging from 8.0% to 24.0% (2015: 19.5% to 22.0%) per annum.

The Money Lending segment has stepped into a period of steady growth since the commencement of business in 2015. The Money Lending business has gradually grown at a stable pace into a significant loan portfolio. All the borrowers have been carefully evaluated by the Group on, among other things, their repayment capability, professional and financial status, and securities provided, if any. For the year of 2016, the turnover contributed by the money lending business was approximately RMB25.7 million (2015: RMB5.5 million) with a profit before interest, tax and depreciation of approximately RMB4.0 million (2015: RMB5.3 million). We will continue to develop money lending business as it will provide opportunities for the Company to increase the turnover and profit for the Group.

Securities Investment Business

During the year under review, the overall performance of the Group's securities investment business was satisfactory when compared against the overall performance of the stock market. Notwithstanding the stock market rebounded drastically in late of 2016, the Group had recorded an overall realised and unrealised fair value gain of approximately RMB4.7 million and RMB5.4 million from the securities investment business respectively (2015: RMB0.4 million and nil).

As at 31 December 2016, the aggregate amount of the Group's financial assets at fair value through profit or loss is approximately RMB201.4 million (31 December 2015: nil). The Group managed a portfolio of securities listed in Hong Kong and traded in The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with fair value of approximately RMB114.8 million as at 31 December 2016. In addition, the Group has invested in an unlisted investment fund, namely Tiger Capital Fund SPC-Tiger Global SP ("Tiger Fund"), with fair value of approximately RMB86.6 million.

放債業務

本集團已根據放債人條例於香港取得放債人牌照。於二零一六年十二月三十一日，貸款結餘約為人民幣139,000,000元(二零一五年：人民幣149,000,000元)，貸款期為三個月至一年，實際利率介乎每年8.0厘至24.0厘(二零一五年：19.5厘至22.0厘)。

自於二零一五年開展業務以來，放債分類步入了穩定增長期。放債業務穩步發展，現已發展成規模龐大之貸款組合。本集團根據(其中包括)借款人之還款能力、專業及財務狀況及提供之抵押品(如有)而對所有借款人進行審慎評估。於二零一六年度，放債業務貢獻之營業額約為人民幣25,700,000元(二零一五年：人民幣5,500,000元)，除息稅折舊前溢利約為人民幣4,000,000元(二零一五年：人民幣5,300,000元)。吾等將繼續發展放債業務，因為該項業務將為本公司提供增加本集團營業額及溢利之機會。

證券投資業務

於回顧年度，相對於整體股市之表現，本集團於證券投資業務之整體表現理想。儘管股市於二零一六年底急劇反彈，惟本集團已就證券投資錄得整體變現及未變現公平值收益分別約人民幣4,700,000元及人民幣57,400,000元(二零一五年：人民幣400,000元及無)。

於二零一六年十二月三十一日，本集團按公平值計入損益賬之財務資產總值約為人民幣201,400,000元(二零一五年十二月三十一日：無)。本集團管理一個由香港上市及於香港聯合交易所有限公司(「聯交所」)買賣之證券組成之投資組合，其於二零一六年十二月三十一日之公平值約為人民幣114,800,000元。此外，本集團亦投資於一個名為Tiger Capital Fund SPC-Tiger Global SP(「老虎基金」)之非上市投資基金，其公平值約為人民幣86,600,000元。



Management Discussion and Analysis (Continued) 管理層討論及分析 (續)

For these investment in securities listed in Hong Kong with fair value of approximately RMB114.8 million as at 31 December 2016 (totally approximately 9.6% of the total assets of the Group as at 31 December 2016), it consisted of various securities listed in Hong Kong and the major securities included Leyou Technologies Holdings Limited (stock code:1089) ("Leyou") and Sino Haijing Holdings Limited (stock code:1106) ("Sino Haijing"). For the total investment in securities listed in Hong King, the Group disposed of certain securities listed in Hong Kong to realise a fair value gain of RMB4.7 million (2015: RMB0.4 million) during the year. During the year, the Group had recorded an unrealised fair value gain of approximately RMB21.7 million for these investment in securities (2015: nil).

For the major securities investment, the Group has invested in the issued shares of Leyou and Sino Haijing of approximately RMB22.2 million and RMB33.1 million respectively, with fair value of approximately RMB31.5 million and RMB48.4 million respectively as at 31 December 2016 (approximately 2.6% and 4.0% of the total recorded assets of the Group respectively), resulted in an unrealised fair value gain of approximately RMB8.9 million and RMB15.3 million respectively. During the year, the Group has disposed of 13,000,000 and nil number of issued shares of Leyou and Sino Haijing respectively, resulted in a realised fair value gain of RMB1.3 million and nil respectively. As at 31 December 2016, the Group held 22,000,000 and 290,440,000 number of issued shares of Leyou and Sino Haijing, representing 0.77% and 2.81% of their issued shares respectively. No dividend received from Leyou and Sino Haijing during the year.

During the year, the Group has invested approximately RMB50.9 million into the Tiger Fund and is recognised as financial assets at fair value through profit or loss with fair value of approximately RMB86.6 million as at 31 December 2016 (approximately 7.2% of the total assets of the Group as at 31 December 2016), resulted in an unrealised fair value gain of approximately RMB35.7 million during the year. As at 31 December 2016, the Group has further invested approximately RMB40.7 million into the Tiger Fund and is recorded as prepayments as the transaction was completed in 2017 and is subsequently transferred from prepayment to financial assets at fair value through profit or loss. The Tiger Fund is an investment fund wholly owned by A Plus Capital Management Limited and has investment portfolio mainly the securities listed in Hong Kong.

就該等於二零一六年十二月三十一日公平值約為人民幣114,800,000元之香港上市證券投資(合共佔本集團於二零一六年十二月三十一日之總資產約9.6%)而言,其由多個於香港上市之證券組成,主要包括樂遊科技控股有限公司(股份代號:1089)(「樂遊」)及中國海景控股有限公司(股份代號:1106)(「中國海景」)之證券。就投資於香港上市證券之總投資而言,本集團於年內已出售若干香港上市證券以變現公平值收益人民幣4,700,000元(二零一五年:人民幣400,000元)。年內,本集團已就該等證券投資錄得未變現公平值收益約人民幣21,700,000元(二零一五年:無)。

就該等主要證券投資而言,本集團已分別投資約人民幣22,200,000元及人民幣33,100,000元於樂遊及中國海景之已發行股份,其於二零一六年十二月三十一日分別錄得公平值約為人民幣31,500,000元及人民幣48,400,000元(分別佔本集團總資產約2.6%及4.0%),並就此分別錄得未變現公平值收益約人民幣8,900,000元及人民幣15,300,000元。年內,本集團已分別出售13,000,000股樂遊及零股中國海景之已發行股份,就此分別錄得變現公平值收益人民幣1,300,000元及人民幣零元。於二零一六年十二月三十一日,本集團持有22,000,000股樂遊及290,440,000股中國海景已發行股份,分別佔彼等已發行股份之0.77%及2.81%。年內並無自樂遊及中國海景收取任何股息。

年內,本集團已投資約人民幣50,900,000元於老虎基金,該投資已確認為按公平值計入損益賬之財務資產,其於二零一六年十二月三十一日之公平值約為人民幣86,600,000元(佔本集團於二零一六年十二月三十一日之總資產約7.2%),並就此於年內錄得未變現公平值收益約人民幣35,700,000元。於二零一六年十二月三十一日,本集團已進一步投資約人民幣40,700,000元於老虎基金,由於有關交易於二零一七年完成,該投資乃入賬為預付款項並已於其後由預付款項轉撥至按公平值計入損益賬之財務資產。老虎基金為一項由A Plus Capital Management Limited全資擁有之投資基金,其投資組合主要為香港上市證券。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Media, cultural and entertainment business

The Company has continuously reviewed its business strategy and development plan, and make appropriate adjustments to achieve its business objectives and cope with the changes in market condition. There have been dramatic changes in the media and entertainment market in Hong Kong and China, and the Company has responded quickly to cope with such changes. In early 2016, the Group got involved in the rescue plan and, subsequently, the acquisition of ATV. A petition to wind up ATV was filed with the High Court of Hong Kong and the Provisional Liquidators have been appointed by order of the High Court of Hong Kong in 2016.

As set out in the Company's circular and announcement dated 19 December 2016 and 6 January 2017 respectively, Star Platinum Enterprises Limited ("Star Platinum") has been granted the approval of the Shareholders of Company at an extraordinary general meeting of the Company held on 6 January 2017 in relation to the acquisition of ATV. Star Platinum together with the Provisional Liquidators will propose the scheme of arrangements to the creditors of ATV by which all liabilities of ATV shall be assumed by Star Platinum. As a result, ATV shall be debt-free and given a fresh start upon the completion of the scheme of arrangements.

Being a major part of the media, cultural and entertainment business plan of the Group, ATV-related projects have been granted substantial resources by the Group in the past year. The new team leading the media, cultural and entertainment business of the Group has been continuously exploring various means of development and how to best utilise the assets acquired, including but not limited to renovating the existing facilities of ATV and its production equipment, remastering and digitalizing of programme library and archives, developing broadcasting platforms, producing, and investing in television programmes and films, and purchasing licensed contents. The Group anticipates to take advantage of the trend within the market, make best use of the access to the in-depth experience and know-how of the new management team to expedite the Group's development and diversification into the media, cultural and entertainment business.

Details of the Acquisition of ATV were set out in the Company's circulars or announcements dated 22 February 2016, 30 April 2016, 29 July 2016, 23 September 2016, 11 November 2016, 19 December 2016 and 6 January 2017. The Company will disclose any further progress on the acquisition and related business as and when appropriate.

媒體、文化及娛樂業務

本公司已持續檢討其業務策略及發展計劃，並會作出適當調整以實現其業務目標及應對市況變動。本公司已就中港兩地媒體娛樂市場經歷之劇變迅速作出應變。本集團於二零一六年初參與亞視拯救方案並於其後收購亞視。於二零一六年，香港高等法院接獲有關亞視清盤之呈請，而按香港高等法院之命令，臨時清盤人已獲任命。

誠如本公司發表日期分別為二零一六年十二月十九日及二零一七年一月六日之通函及公佈所載，星鉑企業有限公司（「星鉑企業」）已於二零一七年一月六日舉行之本公司股東特別大會上取得本公司股東批准進行亞視收購事項。星鉑企業連同臨時清盤人將向亞視之債權人提出進行債務償還安排，據此，星鉑企業將繼承亞視之所有負債，而因此於債務償還安排完成後，亞視將再無債務及可重新起步。

亞視相關項目是本集團媒體、文化及娛樂業務計劃中之主要部分，於過去一年獲本集團給予龐大資源支持。領導本集團媒體、文化及娛樂業務之新團隊一直持續尋求各種發展途徑及探討運用所收購資產之最佳方法，包括（但不限於）翻新亞視現有廠房及製作設備、對節目影片庫和資料庫進行復刻及數碼化工程、開拓廣播平台、製作及投資於電視節目及影片，以及購買經授權內容。本集團預期把握市場趨勢，充分利用新管理團隊之深厚經驗和專業訣竅，以促進本集團於媒體、文化及娛樂業務之發展及開拓。

有關亞視收購事項之詳情載於本公司發表日期為二零一六年二月二十二日、二零一六年四月三十日、二零一六年七月二十九日、二零一六年九月二十三日、二零一六年十一月十一日、二零一六年十二月十九日及二零一七年一月六日之通函或公佈。本公司將於適當時候披露收購及相關業務之任何最新發展。



Management Discussion and Analysis (Continued) 管理層討論及分析(續)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group had total assets of approximately RMB1,199.4 million (2015: RMB525.5 million) which were financed by current liabilities of approximately RMB481.5 million (2015: RMB255.6 million), non-current liabilities of approximately RMB28.2 million (2015: nil) and shareholders' equity of approximately RMB689.7 million (2015: RMB269.9 million).

As at 31 December 2016, the Group's cash and bank balances was approximately RMB27.8 million (2015: RMB76.2 million), while pledged bank deposits amounted to RMB38.4 million (2015: RMB40.4 million). As at 31 December 2016, the secured bonds were fixed-rate and were denominated in Hong Kong dollars, the short-term bank loans were fixed-rate loans and denominated in RMB whereas short-term loans from other financial institution were fixed-rate loan and denominated in Hong Kong dollar. The Group's borrowings were secured by land use rights, certain property, plant and equipment, certain listed securities and pledged bank deposits of the Group.

The Group maintained a healthy liquidity position. The current ratio, being a ratio of total current assets to total current liabilities, was approximately 1.4 (2015: 1.8). The gearing ratio, being a ratio of borrowings (comprising obligation under finance leases, bond payables, short-term bank loans, short-term loans from other financial institution and convertible bonds as at 31 December 2016) to shareholders' equity, was 34.6% (2015: 68.8%). The Group continues to adopt a conservative approach in its financial management.

CAPITAL STRUCTURE

On 9 March 2016, an ordinary resolution was passed at an extraordinary general meeting by which the authorised number of ordinary shares of the Company was increased from 7 billion to 20 billion by the creation of additional 13 billion ordinary shares of HK\$0.1 each.

As at 31 December 2016, the Company's authorised share capital was HK\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.1 each, of which 3,985,920,000 ordinary shares were in issue and fully paid.

Issue of shares under share option scheme

During the year ended 31 December 2016, no share options were issued, lapsed and exercised.

流動資金及財務資源

於二零一六年十二月三十一日，本集團之總資產約為人民幣1,199,400,000元（二零一五年：人民幣525,500,000元），融資來源為流動負債約人民幣481,500,000元（二零一五年：人民幣255,600,000元）、非流動負債約人民幣28,200,000元（二零一五年：無）和股東權益約人民幣689,700,000元（二零一五年：人民幣269,900,000元）。

於二零一六年十二月三十一日，本集團之現金及銀行結餘約為人民幣27,800,000元（二零一五年：人民幣76,200,000元）而已抵押銀行存款為人民幣38,400,000元（二零一五年：人民幣40,400,000元）。於二零一六年十二月三十一日，有抵押債券屬定息貸款並以港元計值，短期銀行貸款屬定息貸款並以人民幣計值，而來自其他金融機構之短期貸款屬定息貸款並以港元計值。本集團之借貸以本集團之土地使用權、若干物業、廠房及設備、若干上市證券及已抵押銀行存款作抵押。

本集團之流動資金水平穩健。流動比率（流動資產總值除以流動負債總額之比率）約為1.4（二零一五年：1.8）。資本負債比率（借貸（包括於二零一六年十二月三十一日之融資租賃承擔、應付債券、短期銀行貸款、來自其他金融機構之短期貸款以及可換股債券）除以股東權益之比率）為34.6%（二零一五年：68.8%）。本集團繼續奉行謹慎之理財管理。

資本架構

於二零一六年三月九日，本公司於股東特別大會上通過一項普通決議案，以透過增設13,000,000,000股每股面值0.1港元之普通股而將本公司法定普通股數目由7,000,000,000股增加至20,000,000,000股。

於二零一六年十二月三十一日，本公司之法定股本為2,000,000,000港元，分為20,000,000,000股每股面值0.1港元之股份，當中3,985,920,000股普通股為已發行及繳足。

根據購股權計劃發行股份

於截至二零一六年十二月三十一日止年度，並無購股權為已發行、已失效或已行使。



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Placing of shares under specific mandate

On 1 April 2016, the Company had issued and allotted 600,000,000 ordinary shares at the placing price of HK\$0.20 each to not less than six placees (the "Share Placing"). The net proceeds of approximately HK\$117.6 million were received by the Company which were utilised for money lending business and for the grant of loan to Star Platinum for its acquisition of the debts and equity interest in ATV.

Subscription of new shares under specific mandate

On 5 April 2016, the Company had issued and allotted 300,000,000 ordinary shares at the subscription price of HK\$0.20 each to Honghu Capital Co. Limited ("Honghu Capital") (the "Share Subscription"). The net proceeds of approximately HK\$59.29 million were received by the Company which were utilised for money lending business and for the grant of loan to Star Platinum for its acquisition of the debts and equity interest in ATV.

Subscription of convertible bonds under specific mandate

On 15 April 2016, the Company had completed the placing of convertible bonds with aggregate principal amount of approximately HK\$120.45 million to not less than six investors with a minimum conversion price of HK\$0.22 per conversion share and carry interest of 8% per annum and wholly or partly convertible to ordinary shares of the Company within 3 years (the "CB Placing"). The net proceeds of approximately HK\$118.64 million were received by the Company which were utilised for money lending business and for the grant of loan to Star Platinum for its acquisition of the debts and equity interest in ATV.

The net proceeds of the aforesaid Share Placing, Share Subscription and CB Placing in aggregate of approximately HK\$295.53 million were used for the grant of loans to Star Platinum for its acquisition of the debts and equity interest in ATV. For details, please refer to the Company's announcements dated 9 March 2016, 1 April 2016, 5 April 2016, 8 April 2016, 15 April 2016 and the Company's circular dated 22 February 2016.

Placing of shares under general mandate

On 20 October 2016, the Company had issued and allotted 642,380,000 ordinary shares at the placing price of HK\$0.22 each to not less than six investors. The net proceeds of approximately HK\$137.79 million were received by the Company in which approximately (i) HK\$111 million was utilised for money lending and securities trading business; (ii) HK\$20 million was utilised for development of media and entertainment business; and (iii) HK\$6.79 million was utilised for general working capital including the salaries payment and office operation.

根據特別授權配售股份

於二零一六年四月一日，本公司已按每股0.20港元之配售價向不少於六名承配人發行及配發600,000,000股普通股（「股份配售事項」）。本公司已收取所得款項淨額約117,600,000港元並將之用於放債業務及用作向星鉑企業授出貸款以供其收購亞視之債務及股本權益。

根據特別授權認購新股份

於二零一六年四月五日，本公司已按認購價每股0.20港元向鴻鵠資本有限公司（「鴻鵠資本」）發行及配發300,000,000股普通股（「股份認購事項」）。本公司已收取所得款項淨額約59,290,000港元並將之用於放債業務及用作向星鉑企業授出貸款以供其收購亞視之債務及股本權益。

根據特別授權認購可換股債券

於二零一六年四月十五日，本公司已完成按最低換股價每股換股股份0.22港元向不少於六名投資者配售本金總額約120,450,000港元之可換股債券，該等可換股債券以年利率8厘計息及可於三年內全數或部分轉換為本公司之普通股（「可換股債券配售事項」）。本公司已收取所得款項淨額約118,640,000港元並將之用於放債業務及用作向星鉑企業授出貸款以供其收購亞視之債務及股本權益。

上述股份配售事項、股份認購事項及可換股債券配售事項之所得款項淨額合共約為295,530,000港元，其已用作向星鉑企業授出貸款以供其收購亞視之債務及股本權益。有關詳情，請參閱本公司發表日期為二零一六年三月九日、二零一六年四月一日、二零一六年四月五日、二零一六年四月八日、二零一六年四月十五日之公佈及本公司發表日期為二零一六年二月二十二日之通函。

根據一般授權配售股份

於二零一六年十月二十日，本公司已按配售價每股0.22港元向不少於六名投資者發行及配發642,380,000股普通股。本公司已收取所得款項淨額約137,790,000港元，其中約(i) 111,000,000港元已用於放債及證券買賣業務；(ii) 20,000,000港元已用於發展媒體及娛樂業務；及(iii) 6,790,000港元已用作一般營運資金包括薪金付款及辦公室營運。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

On 9 March 2017, the Company had issued and allotted 797,184,000 ordinary shares at the placing price of HK\$0.20 each to not less than six investors. The net proceeds of approximately HK\$155.22 million were received by the Company in which approximately (i) HK\$82 million was utilised for the acquisition of 60% of the total issued share capital of Million Federal; (ii) HK\$3 million for the development of media and entertainment business; (iii) HK\$1.5 million for general working capital of the Group including the salaries payment; and (iv) HK\$68.72 million is maintained at bank and will be used as intended.

Increase in authorised share capital

On 9 March 2016, an ordinary resolution relating to the authorised share capital of the Company was increased from HK\$700,000,000 to HK\$2,000,000,000 by the creation of additional 13,000,000,000 new shares of HK\$0.1 each.

CHARGES ON ASSETS

As at 31 December 2016, the Group's borrowings were secured by assets with a total carrying value of approximately RMB165.7 million (2015: RMB167.5 million).

Save for disclosed above, the Group does not have other charges on the Group assets.

CAPITAL EXPENDITURES

As at 31 December 2016, the Group has no capital commitments (2015: nil) in respect of purchases of property, plant and equipment.

CONTINGENT LIABILITIES AND EXCHANGE RISK EXPOSURE

As at 31 December 2016, the Group had contingent liabilities of approximately RMB80 million in respect of corporate guarantees given to a bank for short-term bank borrowings granted to Shasing-Shapheng (Quanzhou) Textile Industrial Co., Ltd., a former indirect wholly-owned subsidiary of the Company.

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate action to reduce the exchange risk.

於二零一七年三月九日，本公司已按配售價每股0.20港元向不少於六名投資者發行及配發797,184,000股普通股。本公司已收取所得款項淨額約155,220,000港元，其中約(i) 82,000,000港元已用於收購萬方全部已發行股本之60%；(ii) 3,000,000港元已用於發展媒體及娛樂業務；(iii) 1,500,000港元已用作本集團之一般營運資金包括薪金付款；及(iv) 68,720,000港元存放於銀行並將按計劃使用。

增加法定股本

於二零一六年三月九日，有關透過增設13,000,000,000股每股面值0.1港元之新股份而將本公司法定股本由700,000,000港元增加至2,000,000,000港元之普通決議案已獲通過。

資產押記

於二零一六年十二月三十一日，本集團之借貸以總賬面值約為人民幣165,700,000元(二零一五年：人民幣167,500,000元)的資產作抵押。

除上文所披露者外，本集團並無有關本集團資產之其他押記。

資本開支

於二零一六年十二月三十一日，本集團並無有關購買物業、廠房及設備之資本承擔(二零一五年：無)。

或然負債及匯兌風險

於二零一六年十二月三十一日，本集團就協盛協豐(泉州)紡織實業有限公司(其為本公司曾經持有之間接全資附屬公司)獲授之短期銀行借貸向一間銀行提供公司擔保，而承擔或然負債約人民幣80,000,000元。

本集團大部份資產及負債是以港元及人民幣(屬相關集團公司之功能貨幣)計值。本集團並無訂立任何對沖外匯風險之工具。本集團將密切監察匯率變化，並會採取適當行動減低匯兌風險。



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

PRINCIPAL RISKS AND UNCERTAINTIES

Please refer to notes 4, 5 and 6 to the consolidated financial statements and the section “Contingent Liabilities and Exchange Risk Exposure” for further discussion on other risks and uncertainties.

MATERIAL ACQUISITIONS AND DISPOSALS OF THE GROUP

During 2016, the Group has advanced a loan to Star Platinum. The loan was secured by the entire issued share capital of Star Platinum. Star Platinum defaulted in repayment of loan interest and thus, the Group has exercised its rights enforcing the share pledge. Accordingly, Star Platinum become a subsidiary of the Group.

As at the date of acquisition of Star Platinum, Star Platinum has entered into a sale and purchase agreement with six independent vendors on 30 April 2016 relating to the acquisition of approximately 52.42% of the entire issued share capital of ATV and the all related debts provided to ATV by the vendors, at a total consideration of HK\$500 million. Details are set out in note 12 to the consolidated financial statements.

On 25 January 2016, Widerlink Group Limited (“Widerlink”), a wholly-owned subsidiary of the Company and Smart Right Global Investment Limited, an independent third party, entered into a share sale agreement pursuant to which Widerlink disposed of the entire share capital of Competent Faith Limited (“Competent Faith”), a wholly-owned subsidiary of Widerlink at a cash consideration of HK\$30 million. Competent Faith owned an office premises in Hong Kong with a total gross floor area of approximately 5,300 sq. ft. For details, please refer to the Company’s announcement dated 25 January 2016. The disposal was completed on 21 March 2016.

Co-Prosperity Investment (International) Limited (as purchaser), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement dated 23 May 2016 with Sincere Finance Holding Limited (as vendor) in relation to the acquisition of 60% of the total issued share capital of Million Federal. The total consideration for the acquisition of Million Federal was HK\$90 million. On 15 March 2017, the Group completed the acquisition of Million Federal and Million Federal becomes a subsidiary of the Company.

主要風險及不明朗因素

有關其他風險及不明朗因素之進一步討論，敬請參閱綜合財務報表附註4、5及6以及「或然負債及匯兌風險」一節。

本集團之重大收購及出售

於二零一六年，本集團向星鉑企業提供了一筆貸款。該筆貸款以星鉑企業全部已發行股本作抵押。由於星鉑企業拖欠貸款協議項下之貸款利息，故本集團已行使其權利強制執行股份質押。因此，星鉑企業成為本集團之附屬公司。

於收購星鉑企業日期，星鉑企業於二零一六年四月三十日與六名獨立賣方訂立買賣協議，內容有關收購亞視全部已發行股本約52.42%及該等賣方向亞視提供之所有相關債務，總代價為500,000,000港元。有關詳情載於綜合財務報表附註12。

於二零一六年一月二十五日，本公司之全資附屬公司Widerlink Group Limited (「Widerlink」) 與一名獨立第三方正旺環球投資有限公司訂立銷售股份協議，據此，Widerlink以30,000,000港元之現金代價出售Widerlink之全資附屬公司捷拓有限公司 (「捷拓」) 之全部股本。捷拓擁有一項總樓面面積約5,300平方呎之香港辦公室物業。有關詳情，請參閱本公司發表日期為二零一六年一月二十五日之公佈。該項出售已於二零一六年三月二十一日完成。

本公司之間接全資附屬公司協盛協豐投資(國際)有限公司(作為買方)與訊匯金融集團有限公司(作為賣方)訂立日期為二零一六年五月二十三日之買賣協議，內容有關收購萬方全部已發行股本之60%。收購萬方之總代價為90,000,000港元。於二零一七年三月十五日，本集團完成收購萬方而萬方成為本公司之附屬公司。



Management Discussion and Analysis (Continued) 管理層討論及分析(續)

CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 37 to the consolidated financial statements also constituted connection transaction within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”). Details of such transactions have been disclosed in compliance with the disclosure requirements in accordance with Chapter 14A of the Listing Rules and summarized below:

Subscription of new shares under specific mandate

On 23 October 2015, the Company entered into a share subscription agreement (as subsequently supplemented by the Supplemental Share Subscription Agreement and the Second Supplemental Share Subscription Agreement) (collectively the “Share Subscription Agreements”) with Honghu Capital. Pursuant to the Share Subscription Agreements, the Company conditionally agreed to allot and issue and Honghu Capital conditionally agreed to subscribe for, the Subscription Shares (“Subscription Shares”) at the subscription price of HK\$0.20 per Subscription Share for 300,000,000 Subscription Shares. The net proceeds from the Share Subscription was approximately HK\$59.29 million.

Honghu Capital is interested in 345,100,000 ordinary shares, representing approximately 16.95% of the total issued share capital of the Company at the date of the completion and thus is a substantial shareholder of the Company. Therefore, Honghu Capital is a connected person under Chapter 14A of the Listing Rules. Accordingly, the Share Subscription constitutes a non-exempt connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Share Subscription was completed on 5 April 2016.

EMPLOYMENT

As at 31 December 2016, the Group had about 750 employees (2015: 700 employees) in Hong Kong and in the PRC.

Remuneration packages for the employees were maintained at a competitive level of the jurisdiction within which the employees were employed to attract, retain and motivate the employees and were reviewed periodically.

In addition, during the year, the Group maintained a share option scheme and a new share option scheme for the purpose of providing incentives and rewards to the eligible participants for their contributions to the Group. The share option scheme was expired in March 2016. The new share option scheme was adopted at the annual general meeting of the company on 15 June 2016.

關連交易

綜合財務報表附註37所披露之若干有關連人士交易亦構成聯交所證券上市規則(「上市規則」)所指之關連交易。有關交易之詳情已根據上市規則第14A章而遵照披露規定披露並概述如下：

根據特別授權認購新股份

於二零一五年十月二十三日，本公司與鴻鵠資本訂立股份認購協議(其後補充股份認購協議及第二份補充股份認購協議所補充)(統稱為「該等股份認購協議」)。根據該等股份認購協議，本公司已有條件同意配發及發行而鴻鵠資本亦已有條件同意認購認購股份(「認購股份」)，認購價為每股認購股份0.20港元。認購股份之數目為300,000,000股。股份認購事項之所得款項淨額約為59,290,000港元。

鴻鵠資本擁有345,100,000股普通股之權益，佔本公司於完成日期之已發行股本總額約16.95%，故為本公司之主要股東。因此，鴻鵠資本為上市規則第14A章所指之關連人士，而根據上市規則，股份認購事項構成本公司之不獲豁免關連交易，須遵守上市規則第14A章之申報、公佈及獨立股東批准之規定。股份認購事項已於二零一六年四月五日完成。

僱傭關係

於二零一六年十二月三十一日，本集團於中港兩地聘用約750名員工(二零一五年：700名員工)。

僱員之薪金待遇在聘用有關僱員之司法權區內甚具競爭力，藉此吸引、保留及激勵僱員。本公司會定期檢討薪津待遇。

另外，本集團於年內維持一項購股權計劃及一項新購股權計劃，以向合資格參與者就彼等對本集團之貢獻提供激勵及獎勵。購股權計劃已於二零一六年三月屆滿。新購股權計劃已於二零一六年六月十五日之本公司股東週年大會採納。



Directors' Biographies

董事之履歷

EXECUTIVE DIRECTORS

Mr. Tang Hon Kwo, aged 47, is currently the Chairman and an executive Director of the Company. Mr. Tang joined the Group in October 2015. Mr. Tang has approximately 21 years of experience in investment activities and business management. Mr. Tang has served since 1998 as a director and deputy general manager of a Hong Kong private company and overseen the operational management and project investment activities. He was an executive director of China Best Group Holding Limited (stock code: 370) for the period from October 2014 to June 2015.

Mr. Ma Zhi, aged 39, is currently an executive Director of the Company. Mr. Ma joined the Group in February 2016. Mr. Ma received a Bachelor of Arts degree in Radio and Television from the Communication University of China in 2001 and a Master's degree in Television Directing from the Communication University of China in 2003. Mr. Ma has worked as a reporter, producer and assistant director for China Education Television. He has joined Great United Petroleum Holding Co., Ltd and served as vice president and spokesman. Mr. Ma has 16 years of experience working in media and public communication.

Mr. Sze Siu Bun, aged 49, is an executive Director of the Company. He has about 22 years' experience in printing and dyeing industry. He has joined the Group since 2005. He is involved in the overall management of the Group and is responsible for overseeing daily management of the Hong Kong office.

NON-EXECUTIVE DIRECTOR

Mr. Li Wenfeng, aged 51, is currently the deputy Chairman and a non-executive Director of the Company. He holds a bachelor's degree of science in Electronic Engineering awarded by South China University of Technology in 1993. Mr. Li Wenfeng has around 20 years of experience in corporate finance and asset management. Prior to joining our Company, Mr. Li Wenfeng held the position of a director of Yue Xiu Securities Holdings Limited and Yue Xiu Asset Management Limited.

執行董事

鄧漢戈先生，47歲，現為本公司主席兼執行董事。鄧先生於二零一五年十月加入本集團。鄧先生於投資活動及業務管理方面擁有約21年豐富經驗。自一九九八年起，鄧先生擔任一間香港私人公司之董事及副總經理，監督經營管理及項目投資活動。鄧先生曾於二零一四年十月至二零一五年六月期間擔任國華集團控股有限公司（股份代號：370）之執行董事。

馬志先生，39歲，現為本公司執行董事。馬先生於二零一六年二月加入本集團。馬先生於二零零一年獲得中國傳媒大學之廣播電視文學學士學位，並於二零零三年獲得中國傳媒大學之電視導演專業碩士學位。馬先生曾任職於中國教育電視台，先後擔任記者、製片人和台長助理職位。隨後，馬先生就職長聯石油公司，擔任副總裁兼新聞發言人。馬先生在傳媒、公共傳播等領域擁有十六年的從業經驗。

施少斌先生，現年49歲，本公司之執行董事。彼於印染行業積累約22年之經驗。彼於二零零五年加盟本集團。彼參與本集團之全面管理並負責監管香港辦事處之日常管理。

非執行董事

李文峰先生，現年51歲，現為本公司副主席兼非執行董事。於一九九三年獲華南理工大學之電子工程理學士學位。李文峰先生擁有約20年之企業融資及資產管理經驗。於加入本公司前，李文峰先生為越秀證券有限公司及越秀資產管理有限公司之董事。



Directors' Biographies (Continued) 董事之履歷 (續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Han Xingxing aged 35, is currently an independent non-executive Director of the Company, the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee. Ms. Han joined the Group in September 2015. Ms. Han holds a bachelor degree of Information Warfare Technology from Northwestern Polytechnical University. Ms. Han has over ten years senior management experience in the field of information technology development and investment. Ms. Han has been the general manager of Qianhai Honghu Tairui Technology (Shenzhen) Company Limited (前海鴻鵠泰瑞科技(深圳)有限公司) since August 2014. She was the vice-president of Shenzhen Bio Technology Trading Company Limited (深圳市康大生科貿易有限公司) between September 2012 and July 2014. She was the director of Guanghe landscape Culture Communication Co., Ltd, ShanXi (山西廣和山水文化傳播股份有限公司)(SHA: 600234) between 16 November 2015 to 30 September 2016.

Mr. Cheung Ngai Lam, aged 47, is currently an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. Mr. Cheung joined the Group in January 2016. Mr. Cheung is a member of the American Institute of Certified Public Accountants and is a Certified Practising Accountant of Australia. Mr. Cheung obtained a bachelor degree in social sciences from the University of Hong Kong and a master of science (investment management) degree in finance from The Hong Kong University of Science and Technology. Mr. Cheung is currently the chief financial officer of China Zenix Auto International Limited (NYSE: ZX) and an independent non-executive director of Boyaa Interactive International Limited (Stock Code: 434). Mr. Cheung was an independent director of Ninetowns Internet Technology Group Co., Ltd., a company previously listed on the NASDAQ Stock Market (until it was delisted on 29 May 2014) from June 2008 to May 2014.

Mr. Li Yu, aged 44, is currently an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee and Audit Committee. Mr. Li joined the Group in February 2017. Mr. Li graduated from the department of Chinese Linguistics of Xuzhou Normal University (徐州師範大學) in 1996. Mr. Li had been working as a journalist and editor in various multi-media institutions and companies. From 2007 to 2012, Mr. Li served as the deputy general manager in Guangzhou Jiadi Culture Communication Co., Ltd. (廣州佳帝文化傳播有限公司). Subsequently, Mr. Li focused on participating in social cultural development and investment management business. Mr. Li has extensive experience in corporate culture development, brand promotion as well as corporate sales and marketing management. Mr. Li was previously the independent non-executive director of China Best Group Holding Limited (stock code: 370) during the period from 26 June 2015 to 29 April 2016.

獨立非執行董事

韓星星女士，35歲，現為本公司之獨立非執行董事、提名委員會主席以及審核委員會及薪酬委員會之成員。韓女士於二零一五年九月加入本集團。韓女士持有西北工業大學信息對抗技術學士學位。韓女士擁有逾十年之信息技術發展及投資領域的高級管理經驗。韓女士自二零一四年八月起出任前海鴻鵠泰瑞科技(深圳)有限公司之總經理。彼於二零一二年九月至二零一四年七月曾任深圳市康大生科貿易有限公司之副總裁。彼於二零一五年十一月十六日至二零一六年九月三十日曾任山西廣和山水文化傳播股份有限公司(上海證券交易所：600234)之董事。

張毅林先生，47歲，現為獨立非執行董事、審核委員會主席以及提名委員會及薪酬委員會之成員。張先生於二零一六年一月加入本集團。張先生為美國會計師公會會員及澳洲註冊執業會計師。張先生取得香港大學社會科學學士學位及香港科技大學金融理學碩士(投資管理)學位。張先生目前是中國正興汽車國際有限公司(紐交所股份代號：ZX)的首席財務長及博雅互動國際有限公司(股份代號：434)的獨立非執行董事。張先生自二零零八年六月至二零一四年五月擔任九城網絡技術集團有限公司(一家曾在納斯達克證券市場上市的公司(直至二零一四年五月二十九日除牌))的獨立董事。

李玉先生，44歲，現為獨立非執行董事、薪酬委員會主席以及提名委員會及審核委員會之成員。李先生於二零一七年二月加入本集團。李先生在一九九六年畢業於徐州師範大學中國語言學系。李先生曾於多間多媒體機構及公司任職記者及編輯。於二零零七年至二零一二年，李先生擔任廣州佳帝文化傳播有限公司副總經理。其後，李先生專注參與社會文化發展及投資管理業務。李先生於企業文化發展、品牌推廣以及企業銷售及營銷管理方面擁有豐富經驗。李先生曾於二零一五年六月二十六日至二零一六年四月二十九日出任國華集團控股有限公司(股份代號：370)之獨立非執行董事。



Report of the Directors 董事會報告

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2016.

董事欣然提呈其年度報告以及本公司及本集團截至二零一六年十二月三十一日止年度之經審核綜合財務報表。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 39 to the consolidated financial statements. Further discussion of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out in pages 7 to 15 of this annual report. This discussion forms part of this director's report.

主要業務及業務審視

本公司為投資控股公司，其附屬公司之主要業務載於綜合財務報表附註39。根據香港公司條例附表5規定對此等活動之進一步討論，包括本集團面對的主要風險及不明朗因素的描述以及本集團業務相當可能有的未來發展的揭示，可參閱本年報第7至15頁所載之管理層討論及分析。有關討論構成本董事會報告之一部份。

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 64.

業績及分派

本集團於本年度之業績載於第64頁之綜合損益及其他全面收益表。

No interim dividend was paid during the year (2015: nil) and the Directors do not recommend a payment of final dividend for the year (2015: nil).

年內並無派發中期股息(二零一五年：無)而董事會建議本年度不派發末期股息(二零一五年：無)。

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Details of movements in the Company's share capital, share options and convertible bonds during the year are set out in notes 34 and 35 to the consolidated financial statements.

股本、購股權及可換股債券

本公司之股本、購股權及可換股債券之變動詳情分別載於綜合財務報表附註34及35。

Details of convertible bond agreements entered into during the year including those that have not been converted at the end of the year are set out in notes 33 and 34(vi) to the consolidated financial statements.

年內訂立之可換股債券協議(包括於年結時尚未兌換者)之詳情載於綜合財務報表附註33及34(vi)。

Details of other equity-linked agreements are included in the section "Share Option Scheme" contained in this Report of the Directors.

其他股票掛鈎協議之詳情乃載於本董事會報告「購股權計劃」一節。



Report of the Directors (Continued) 董事會報告(續)

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserve available for distribution amounted to approximately RMB154,176,000 (2015: RMB442,929,000). Under the Company Law of the Cayman Islands, the Company may make distributions to its members out of the share premium in certain circumstances subject to the provisions of the articles of association of the Company ("Articles of Association").

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total turnover.

Aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out in page 200 of the annual report.

可供分派儲備

於二零一六年十二月三十一日，本公司可供分派儲備約為人民幣154,176,000元(二零一五年：人民幣442,929,000元)。根據開曼群島公司法，可在本公司組織章程細則(「組織章程細則」)之規定下，於若干情況自股份溢價向其股東作出分派。

物業、廠房及設備

本集團物業、廠房及設備於年內之變動詳情載於綜合財務報表附註18。

主要客戶及供應商

本集團五大客戶應佔之合計銷售額佔本集團總營業額少於30%。

本集團五大供應商應佔之合計採購額佔本集團總採購額少於30%。

五年財務概要

本集團過去五個財政年度之業績及資產與負債概要載於年報第200頁。



Report of the Directors (Continued) 董事會報告(續)

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

Mr. Tang Hon Kwo (*Chairman*)

Mr. Ma Zhi

(appointed on 24 February 2016)

Mr. Sze Siu Bun

Mr. Lam Chi Keung

(appointed as executive Director and CEO on 20 May 2016 and resigned respectively on 9 March 2017)

Mr. Ip Ka Po

(re-designated from CEO to the chief executive officer of Eastern Culture International Limited, a wholly-owned subsidiary of the Company on 20 May 2016 and resigned as executive Director on 7 February 2017)

Mr. Chen Jiang

(resigned on 3 March 2016)

Mr. Liu Lihan

(resigned on 16 February 2016)

Mr. Wan Hin Ho Tommy

(resigned on 16 February 2016)

Non-executive Director:

Mr. Li Wenfeng (*Deputy Chairman*)

(appointed as executive Director and Co-Chairman on 20 May 2016 and re-designated as non-executive Director and Deputy Chairman on 19 October 2016)

Independent non-executive Directors:

Mr. Cheung Ngai Lam

(appointed on 25 January 2016)

Ms. Han Xingxing

Mr. Li Yu

(appointed on 14 February 2017)

Ms. Tao Feng

(resigned on 14 February 2017)

Ms. Wong Chi Yan

(resigned on 25 January 2016)

董事及董事之服務合約

年內及直至本報告日期之本公司董事如下：

執行董事：

鄧漢戈先生(主席)

馬志先生

(於二零一六年二月二十四日獲委任)

施少斌先生

林芝強先生

(於二零一六年五月二十日獲委任為執行董事兼行政總裁及於二零一七年三月九日辭任)

葉家寶先生

(於二零一六年五月二十日由行政總裁調任為本公司全資附屬公司豐藝國際文化投資有限公司之行政總裁及於二零一七年二月七日辭任執行董事)

陳江先生

(於二零一六年三月三日辭任)

劉立漢先生

(於二零一六年二月十六日辭任)

尹衍河先生

(於二零一六年二月十六日辭任)

非執行董事：

李文峰先生(副主席)

(於二零一六年五月二十日獲委任為執行董事兼聯席主席及於二零一六年十月十九日調任為非執行董事兼副主席)

獨立非執行董事：

張毅林先生

(於二零一六年一月二十五日獲委任)

韓星星女士

李玉先生

(於二零一七年二月十四日獲委任)

陶峰女士

(於二零一七年二月十四日辭任)

黃志恩女士

(於二零一六年一月二十五日辭任)



Report of the Directors (Continued) 董事會報告(續)

All Directors are subject to retirement by rotation in accordance with the Articles of Association.

As at the date of this annual report, Mr. Li Yu, who was appointed as Director of the Company 14 February 2017, shall retire at the forthcoming annual general meeting in accordance with Article 86(3) of the Articles of Association. In addition, in accordance with Article 87(1) and (2) of the Articles of Association, Mr. Sze Siu Bun and Mr. Li Wenfeng will also retire from the Board at the forthcoming annual general meeting. All the aforesaid retiring Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

None of the Directors has entered or has proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation other than statutory compensation.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 16 to 17 of the annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31 December 2016, none of the Directors or chief executives of the Company or their associates had any interests and/or short positions in any shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

所有董事均須遵守組織章程細則輪流退任之規定。

於本年報日期，於二零一七年二月十四日獲委任為本公司董事之李玉先生須根據組織章程細則第86(3)條於應屆股東週年大會上退任。此外，根據組織章程細則第87(1)及(2)條，施少斌先生及李文峰先生亦將於應屆股東週年大會上從董事會退任。上述將退任之董事均符合資格並願意於應屆股東週年大會上膺選連任。

概無董事已經或擬與本公司或其任何附屬公司訂立任何聘用公司不支付賠償(法定賠償除外)則不可於一年內終止之服務合約。

董事之履歷

董事之履歷詳情載於年報第16至17頁。

董事及最高行政人員之股份權益

於二零一六年十二月三十一日，根據本公司按香港法例第571章證券及期貨條例(「證券及期貨條例」)第352條規定而存置之登記冊所記錄，或根據上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)而須知會本公司及聯交所之規定，概無本公司董事或最高行政人員或彼等的聯繫人士於本公司及其相聯法團(見證券及期貨條例第XV部之定義)的任何股份、相關股份及債權證中擁有任何權益及／或淡倉。



Report of the Directors (Continued) 董事會報告(續)

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTEREST IN CONTRACTS OF SIGNIFICANCE

Other than the Share Subscription Agreements disclosed under "Connected Transactions" in the section "Management Discussion and Analysis", no other contract of significance, to which the Company or any of its subsidiaries was a party and in which a director or a controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted as at the end of the year.

PERMITTED INDEMNITY

The Company has taken out appropriate insurance coverage for the Directors and officers for protection against potential legal actions. The Board shall review the insurance policy every year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the directors have an interest in any business constituting a competing business to the Group.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the current independent non-executive Directors an annual confirmation in respect of his/her independence during the year pursuant to rule 3.13 of the Listing Rules. All the current independent non-executive Directors have confirmed that they have been and are independent since their appointment and as of the date of this report.

董事及控股股東於重大合約之權益

除「管理層討論及分析」一節中「關連交易」項下所披露之股份認購協議外，本公司或其任何附屬公司概無訂立本公司董事或控股股東於其中直接或間接擁有重大權益而於年結日仍然生效之其他重大合約。

獲准許之彌償條文

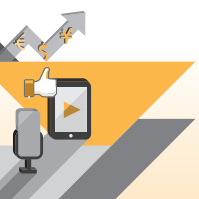
本公司已為董事及高級人員投購合適保險以就潛在法律行動提供保障。董事會須每年審視有關保單。

董事於競爭業務之權益

各董事概無於與本集團構成競爭之任何業務中擁有權益。

獨立非執行董事之獨立性

本公司已接獲各現任獨立非執行董事根據上市規則第3.13條之規定就其獨立身份而發出之年度確認書。全體現任獨立非執行董事已確認自獲委任當日起及於本報告日期一直是而目前亦是獨立人士。



Report of the Directors (Continued) 董事會報告(續)

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, to the best knowledge of the Company, the following persons (other than a director or chief executive of the Company) had, or were deemed or taken to have interests and/or short positions in the shares or underlying shares of the Company, which would be required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東

於二零一六年十二月三十一日，就本公司所知，以下人士(本公司董事或最高行政人員除外)於本公司的股份或相關股份中擁有或被視為或被計作擁有權益及／或淡倉而須根據證券及期貨條例第XV部第2及3分部之條文向本公司及聯交所披露或按本公司根據證券及期貨條例第336條須存置之登記冊所記錄：

Name of substantial shareholder 主要股東之姓名	Capacity in which the Interests are held 持有權益之身份	Nature of Interest 權益性質	Total Interests held (note 1) 所持之總權益 (附註1)	Approximate percentage of the issued share capital of the Company as at 31 December 2016 (%) 佔本公司於二零一六年十二月三十一日已發行股本之概約百分比 (%)
Deng Jun Jie 鄧俊杰	Interest of Controlled Corporation 受控制法團權益	Ordinary shares of HK\$0.10 each 每股面值0.10港元之普通股	645,100,000 (L)	16.18
Honghu Capital (note 2) 鴻鵠資本(附註2)	Beneficial Owner 實益擁有人	Ordinary shares of HK\$0.10 each 每股面值0.10港元之普通股	645,100,000 (L)	16.18

Notes:

- The letters "L" and "S" denote long position and short position in the shares of the Company respectively.
- Honghu Capital is wholly-owned and beneficially owned by Mr. Deng Jun Jie.

附註：

- 「L」及「S」字分別代表於本公司股份之好倉及淡倉。
- 鴻鵠資本由鄧俊杰先生全資實益擁有。



Report of the Directors (Continued) 董事會報告(續)

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was adopted on 15 March 2006 (the “Adoption Date”). The purpose of the Share Option Scheme was to enable the Company to grant options to directors, eligible employees and other third parties in the sole discretion of the directors of the Company, who had contributed or would contribute to the growth and development of the Group. The Share Option Scheme had a effective period of 10 years from the Adoption Date. There was no change in any terms of the Share Option Scheme during the year ended 31 December 2016. The details of the Share Option Scheme have been disclosed in note 35 to the consolidated financial statements. The Share Option Scheme has expired on 14 March 2016.

A new share option scheme (the “New Share Option Scheme”) was adopted at the annual general meeting of the Company (the “AGM”) on 15 June 2016. The New Share Option Scheme became valid and effective for a period of 10 years commencing from the date of the AGM. There was no change in any terms of the New Share Option Scheme. No share options were granted, cancelled or lapsed during the year, and no outstanding share options during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section of “Share Option Scheme”, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or any had exercised any such right.

購股權計劃

本公司於二零零六年三月十五日(「採納日期」)採納一項購股權計劃(「購股權計劃」)。購股權計劃之目的是讓本公司按本公司董事全權認為經已對或將會對本集團增長和發展作出貢獻的董事、合資格僱員及其他第三方授出購股權。購股權計劃之有效期為採納日期起計十年。於截至二零一六年十二月三十一日止年度內，購股權計劃之任何條款並無變動。購股權計劃之詳情已於綜合財務報表附註35披露。購股權計劃已於二零一六年三月十四日屆滿。

本公司於二零一六年六月十五日之股東週年大會(「股東週年大會」)上採納一項新購股權計劃(「新購股權計劃」)。新購股權計劃於股東週年大會日期起計十年間有效及生效。新購股權計劃之條款並無任何變動。於本年度內概無購股權獲授出、註銷或失效，於本年度亦無尚未行使之購股權。

購買股份或債權證之安排

除「購股權計劃」一節所披露者外，於年內任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，致使本公司董事或最高行政人員可透過收購本公司或任何其他法團之股份或債權證而獲益，而本公司董事或最高行政人員、或彼等之配偶或未滿18歲子女亦無擁有認購本公司證券之任何權利或行使任何該等權利。



Report of the Directors (Continued) 董事會報告(續)

DIRECTORS' REMUNERATION

Details of directors' emoluments on a named basis are set out in note 14 to the consolidated financial statements.

Remuneration for each of the Directors are determined based on, among others, emoluments paid by comparable companies, his/her time of commitment and responsibilities towards the Company and whether the remuneration package is competitively attractive to retain him/her as director.

There were no compensation paid during the financial year or receivable by Directors or past Directors for the loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group distinguishing between contractual and other payments.

RETIREMENT BENEFITS SCHEME

The Group's qualifying employees in Hong Kong participate in the Mandatory Provident Fund (the "MPF") in Hong Kong.

The assets of the MPF are held separately from those of the Group in funds under the control of trustee. The Group and each of the employees make monthly mandatory contributions to the MPF schemes.

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

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, to the best knowledge of the Directors and based on the information publicly available to the Company, there is a sufficient public float as required by the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the reporting period ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

董事酬金

按具名基準披露之董事詳情，載於綜合財務報表附註14。

各董事之薪酬是根據(其中包括)可資比較公司所支付的酬金、有關董事為本公司所付出的時間以及其對本公司所承擔之責任，以及有關薪金待遇在吸引其繼續出任董事方面是否具競爭力而釐定。

於本財政年度，除訂約及其他付款外，概無就本集團任何成員公司之董事離職或失去任何其他有關管理本集團任何成員公司事務之職位而已付或應付董事或前董事之任何賠償。

退休福利計劃

本集團於香港之合資格僱員參與香港之強制性公積金(「強積金」)。

強積金之資產與本集團之資產分開持有，由受託人控制之基金管理。本集團及每位僱員每月向強積金計劃作出強制性供款。

中國附屬公司之僱員乃中國政府設立之國家管理退休金計劃成員。中國附屬公司須向退休金計劃繳付佔薪金若干百分比之供款，以供基金運作。本集團對退休金計劃之唯一責任，為向計劃作出所需供款。

充足公眾持股量

於本報告日期，就董事所知及根據本公司所獲之公開資料所示，本公司具有符合上市規則之充足公眾持股量。

購買、贖回或出售本公司之上市證券

於截至二零一六年十二月三十一日止之報告期間，本公司或其任何附屬公司並無購回、贖回或出售其任何上市證券。



Report of the Directors (Continued) 董事會報告(續)

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out below:

- Ms. Wong Chi Yan has resigned as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee with effect from 25 January 2016.
- Mr. Wan Hin Ho Tommy and Mr. Liu Lihan have resigned as executive Directors with effect from 16 February 2016.
- Mr. Chen Jiang has resigned as an executive Director with effect from 3 March 2016.
- Mr. Lam Chi Keung has been appointed as executive Director and CEO with effect from 20 May 2016 and has resigned as executive Director and CEO with effect from 9 March 2017.
- Mr. Li Wenfeng has been appointed as the executive Director and Co-Chairman of the Board with effect from 20 May 2016 and has re-designated to Deputy Chairman of the Board and a non-executive Director with effect from 19 October 2016.
- Mr. Ip Ka Po has been re-designated from the CEO to the chief executive officer of Eastern Culture International Limited, a wholly-owned subsidiary of the Company with effect from 20 May 2016 and has resigned as an executive Director and the chief executive officer of Eastern Culture International Limited respectively with effect from 7 February 2017.
- Ms. Tao Feng has resigned as an independent non-executive Director, the chairman of the Remuneration Committee, a member of each of the Audit committee and the Nomination Committee with effect from 14 February 2017.
- Mr. Li Yu was appointed as an independent non-executive Director, the chairman of the Remuneration Committee, a member of each of the Audit committee and the Nomination Committee with effect from 14 February 2017.
- Ms. Han Xingxing ceased to be the director of Guanghe landscape Culture Communication Co., Ltd, ShanXi (山西廣和山水文化傳播股份有限公司)(SHA: 600234) will effect from 30 September 2016.

Save for the above, there is no other change in information of the Directors as at the date of this annual report.

更新董事資料

根據上市規則第13.51B(1)條，董事資料之變動載列如下：

- 黃志恩女士已辭任獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會各自之成員，自二零一六年一月二十五日起生效。
- 尹衍河先生及劉立漢先生已辭任執行董事，自二零一六年二月十六日起生效。
- 陳江先生已辭任執行董事，自二零一六年三月三日起生效。
- 林芝強先生已獲委任為執行董事及行政總裁，自二零一六年五月二十日起生效，並已於二零一七年三月九日辭任執行董事及行政總裁。
- 李文峰先生已獲委任為執行董事及董事會聯席主席，自二零一六年五月二十日起生效；並已於二零一六年十月十九日調任為董事會副主席及非執行董事。
- 葉家寶先生已由本公司行政總裁調任為本公司全資附屬公司豐藝國際文化投資有限公司之行政總裁，自二零一六年五月二十日起生效；並已於二零一七年二月七日分別辭任執行董事及豐藝國際文化投資有限公司之行政總裁。
- 陶峰女士已辭任獨立非執行董事，薪酬委員會主席、審核委員會及提名委員會各自之成員，自二零一七年二月十四日起生效。
- 李玉先生已獲委任為獨立非執行董事，薪酬委員會主席、審核委員會及提名委員會各自之成員，自二零一七年二月十四日起生效。
- 韓星星女士已終止擔任山西廣和山水文化傳播股份有限公司(上海證券交易所：600234)之董事，自二零一六年九月三十日起生效。

除上文所述者外，於本年報日期並無其他董事資料變更。

Report of the Directors (Continued) 董事會報告(續)

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of related party transactions are set out in note 37 to the consolidated financial statements. Other than the Share Subscription as disclosed under "Connection Transactions" in the section "Management Discussion and Analysis", the Group did not have other transactions constituting connected or continuing connected transactions of the Company which are not exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

DIVIDEND

The Board does not recommend a payment of final dividend for the year (2015: nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 29 May 2017 to Friday, 2 June 2017 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Tricor Investor Services Limited, not later than 4:30 p.m. on Friday, 26 May 2017. Tricor Investor Services Limited is located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association although there are no restrictions against such rights under company laws in the Cayman Islands.

CORPORATE GOVERNANCE

Details of Company's corporate governance policies and practices are set out in the section "Corporate Governance Report" on page 30 to 40 of this annual report.

ENVIRONMENTAL PROTECTION

Details of the Company's environmental policy and performance are set out in the section "Environmental, Social & Governance Report" on page 41 to 55 of this annual report.

EVENT AFTER REPORTING PERIOD

Details of the Group's event after the reporting period are set out in note 40 to the consolidated financial statements.

有關連人士交易及關連交易

有關連人士交易之詳情載於綜合財務報表附註37。除「管理層討論及分析」一節內「關連交易」項下所披露之股份認購事項外，本集團並無其他交易構成本公司之關連或持續關連交易而不獲豁免遵守上市規則之申報、公告及獨立股東批准之規定。

股息

董事會建議本年度不派付末期股息(二零一五年：無)。

暫停辦理股份過戶登記

本公司將於二零一七年五月二十九日(星期一)至二零一七年六月二日(星期五)(首尾兩天包括在內)暫停辦理股份過戶登記，期間概不會辦理股份過戶登記手續。為符合出席應屆股東週年大會並於會上投票的資格，所有過戶文件及有關股票最遲須於二零一七年五月二十六日(星期五)下午四時三十分前送達本公司的香港股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

優先購股權

雖然開曼群島公司法例並無對優先購股權作出任何限制，惟組織章程細則並無關於優先購股權之規定。

企業管治

本公司之企業管治政策及常規之詳情載於本年報第30至40頁「企業管治報告」一節。

保護環境

本公司之環境政策及表現之詳情載於本年報第41至55頁「環境、社會及管治報告」一節。

報告期後事項

本集團之報告期後事項詳情載於綜合財務報表附註40。



Report of the Directors (Continued) 董事會報告(續)

AUDIT COMMITTEE

An audit committee of the Company (the "Audit Committee") was established by the Board with written terms of reference which are consistent with the provisions set out in the relevant section of the CG Code.

During the year ended 31 December 2016, the Audit Committee held two meetings to consider, among other things, the financial reporting matters. The Audit Committee is principally responsible for reviewing the Company's accounting principles and practices, discussing audit findings, risk management and internal controls, and financial reporting matters with the management of the Company. As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Cheung Ngai Lam (as chairman), Ms. Han Xingxing and Mr. Li Yu.

The consolidated financial statements of the Group for the year ended 31 December 2016 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

The terms of reference of the Audit Committee are in line with the CG Code and are posted on the websites of the Company and the Stock Exchange. Under its amended terms of reference dated 31 December 2016, the Audit Committee is required, amongst other things, (1) to oversee the relationship with the external auditors, (2) to review the Group's preliminary results, interim results and annual financial statements, (3) to monitor the integrity of the financial statements of the Group, (4) to review the scope, extent and effectiveness of the Group's internal control system, internal audit and risk management matters, and (5) to review the Group's financial and accounting policies.

審核委員會

董事會已設立本公司審核委員會(「審核委員會」)，並訂定書面職權範圍。審核委員會之職權範圍與企業管治守則相關部分所載之條文一致。

於截至二零一六年十二月三十一日止年度，審核委員會已舉行兩次會議，考慮(其中包括)財務申報事宜。審核委員會主要負責審閱本公司的會計原則及慣例，並與本公司管理層商討審計結果、風險管理及內部監控及財務申報事宜。於本年報日期，審核委員會由三名獨立非執行董事，分別為張毅林先生(出任主席)、韓星星女士及李玉先生組成。

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度之綜合財務報表。審核委員會認為有關業績乃遵照相關會計準則、規則及規例而編製，且已作出充足披露。

審核委員會之職權範圍符合企業管治守則並刊載於本公司及聯交所網站。根據其日期為二零一六年十二月三十一日之經修訂職權範圍，審核委員會須(其中包括)(1)監察與外聘核數師之關係；(2)審閱本集團之初步業績、中期業績及年度財務報表；(3)監察本集團財務報表之完整性；(4)檢討本集團內部監控制度之範圍、程度和成效、審視內部審計和風險管理事宜；及(5)檢討本集團之財務及會計政策。



Report of the Directors (Continued) 董事會報告(續)

AUDITOR

Messrs Deloitte Touche Tohmatsu (“Deloitte”) resigned as auditors of the Company with effect from 18 December 2014 and Reanda Lau & Au Yeung (HK) CPA Limited was appointed as the auditor of the Company with effect from 18 December 2014 to fill the vacancy following Deloitte’s resignation and subsequently resigned as auditor of the Company with effect from 18 December 2015. Moore Stephen CPA Limited was appointed as the auditor of the Company with effect from 18 December 2015 to fill the vacancy following Reanda Lau & Au Yeung (HK) CPA Limited’s resignation. An nomination proposal will be submitted to the forthcoming annual general meeting of the Company to re-appoint Moore Stephens CPA Limited as auditor of the Company.

On behalf of the Board

Tang Hon Kwo
Chairman

Hong Kong, 29 March 2017

核數師

德勤•關黃陳方會計師行(「德勤」)已於二零一四年十二月十八日辭任本公司核數師，利安達劉歐陽(香港)會計師事務所有限公司已於二零一四年十二月十八日獲委任為本公司核數師以填補德勤辭任後之空缺，並其後已於二零一五年十二月十八日辭任本公司核數師。大華馬施雲會計師事務所有限公司已於二零一五年十二月十八日獲委任為本公司核數師以填補利安達劉歐陽(香港)會計師事務所有限公司辭任後之空缺。於本公司應屆股東週年大會上，將提呈提名建議以續聘大華馬施雲會計師事務所有限公司為本公司核數師。

代表董事會

主席
鄧漢戈

香港，二零一七年三月二十九日



Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report of the Group for the year ended 31 December 2016.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in the interest of its shareholders. The corporate governance principles of the Company emphasize a quality board, transparency and accountability to all shareholders of the Company.

The Directors are in the opinion that the Company has complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules ("CG Code") during the year ended 31 December 2016 except the following deviation.

In respect of code provisions E.1.2 and A.6.7 of the Corporate Governance Code, Mr. Tang Hon Kwo, being an executive Director and Chairman of the Company, and Ms. Han Xingxing and Ms. Tao Feng, both being independent non-executive Directors at that time, were unable to attend the annual general meeting held on 15 June 2016 due to other commitments. The Company shall continue to communicate with the Directors and make best effort to ensure their availabilities to attend general meetings and avoid time conflict.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The management are delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group. In addition, the Board has also delegated various responsibilities to the Board Committees. Further details of these committees are set out in this report.

All directors have full and timely access to all relevant information in relation to the Company as well as the advice and services of the company secretary, if and when required, with a view to ensure that the Board procedures and all applicable rules and regulations are followed. There are established procedures for Directors to seek independent professional advice for them to discharge their duties and responsibilities at the Company's expenses, where appropriate.

The Board is also responsible for performing the corporate governance duties set out in the Code which included developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with respect of the code provision in the Code and disclosures in this report.

董事會欣然提呈本集團截至二零一六年十二月三十一日止年度之本企業管治報告。

企業管治常規

本公司致力維持良好之企業管治標準及程序，以確保資料披露之完整性、透明度及質素，保障股東之利益。本公司奉行之企業管治原則強調董事會保持優良水平，而本公司亦須對全體股東問責並將一切坦誠相告。

董事認為，本公司於截至二零一六年十二月三十一日止年度內一直遵守上市規則附錄十四所載之企業管治守則（「企業管治守則」）之適用守則條文，惟以下偏離除外：

就企業管治守則之守則條文第E.1.2及A.6.7條而言，本公司執行董事兼主席鄧漢戈先生以及當時的兩名獨立非執行董事韓星星女士及陶峰女士因事而未能出席於二零一六年六月十五日舉行之股東週年大會。本公司將繼續與各董事進行溝通，並盡全力確保彼等出席股東大會及避免時間衝突。

董事會

董事會負責領導及監控本公司，並負責監管本集團之業務、策略方針及表現。董事會亦將權責下放予管理層以進行本集團之日常管理及運作。此外，董事會亦將不同的職責分派至董事會各附屬委員會。該等委員會之詳情載於本報告內。

倘有需要時，全體董事均可充分和適時查閱一切與本公司相關之資料及獲得公司秘書之建議及服務，以確保遵守董事會議事程序及所有適用之規則及規例。本公司已訂立程序讓董事就履行彼等之職務及職責尋求獨立專業意見，費用概由本公司承擔（如合適）。

董事會亦負責履行守則所載之企業管治職務，包括制訂及檢討本公司有關企業管治、培訓和董事持續專業發展的政策和常規，以及審視本公司遵守守則所載守則條文之情況以及於本報告內所作之披露。

Corporate Governance Report (Continued) 企業管治報告(續)

Composition

The Board currently comprises three executive Directors, a non-executive Director and three independent non-executive Directors from different business and professional fields. The Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business and professional expertise, experiences and independent judgement to the Board for its efficient and effective delivery of the Board function.

The compositions of the Directors in office during the year and up to the date of this annual report are set out in the "Report of the Directors" in this annual report on page 20.

The Board is principally responsible for formulating business strategies and monitoring the performance of the business of the Group. The Board decides on corporate strategies, approves overall business plans, evaluates the Group's financial performance and management and reviews the financial and internal control system. Other than the daily operational decisions which are delegated to the management of the Group, most of the decisions are taken by the Board. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, the monitoring of operating budgets, the implementation of internal control procedures and the ensuring of compliance with relevant statutory requirements and other rules and regulations.

Chairman and CEO

At the date of the report, Mr. Tang Hon Kwo is the Chairman of the Company. During the year under review, Mr. Ip Ka Po, the CEO at that time, (re-designated as the chief executive officer of Eastern Culture International Limited, a wholly-owned subsidiary of the Company on 20 May 2016 and resigned on 7 February 2017) and Mr. Lam Chi Keung (appointed on 20 May 2016 and resigned on 9 March 2017) were the CEO of the Company. The roles of the Chairman and CEO are served by different individuals to achieve a balance of authority and power. The main responsibility of the Chairman is to lead the Board and manage its work to ensure that it effectively operates and fully discharges its responsibilities. Supported by the members of committees of the Board, the CEO is responsible for the day-to-day management of the Group's business, recommending strategies to the Board, and determining and implementing operational decisions. The Board will actively look for a suitable candidate to be the new CEO of the Company and will make further announcement upon the appointment of the position.

Directors' and Officer's Insurance

The Company has purchased the directors' and officers' liability insurance for the members of the Board for the year to provide protection against potential claims arising from the lawful discharge of duties by the Directors.

組成

董事會現時由三名執行董事、一名非執行董事及三名獨立非執行董事組成，彼等來自不同行業及專業領域。董事（包括獨立非執行董事）具備廣泛而寶貴之業務及專業知識、經驗及獨立判斷力，有助董事會有效及高效履行董事會職責。

年內及直至本年報日期為止之董事組成載於本年報第20頁之「董事會報告」。

董事會主責制定業務策略及監察本集團之業務表現。董事會決定企業策略、批核整體業務計劃、評估本集團之財務表現及管理，以及檢討財務及內部監控制度。除日常營運決策交由本集團管理層負責外，大部份決定由董事會作出。董事會授權本集團管理層進行之具體工作包括執行董事會批准之策略；監察經營預算；執行內部監控程序；以及確保本集團符合有關法定要求及其他規則和規例。

主席及行政總裁

於本報告日期，鄧漢戈先生為本公司主席。於回顧年內，時任行政總裁葉家寶先生（於二零一六年五月二十日調任為本公司全資附屬公司豐藝國際文化投資有限公司之行政總裁並於二零一七年二月七日辭任）及林芝強先生（於二零一六年五月二十日接替葉家寶先生獲委任為行政總裁及於二零一七年三月九日辭任）分別擔任本公司行政總裁。主席及行政總裁之角色由不同人士擔任，達致授權及權力分佈均衡。主席主要負責領導董事會及管理董事會之工作，確保其有效運作及全面履行其職責。行政總裁在董事會轄下各委員會成員的支持下，負責本集團之日常業務管理、向董事會提出策略上的建議，以及作出及執行營運決策。董事會將積極尋找合適的候選人擔任本公司新任行政總裁，並將在委任職位後作出進一步公告。

董事及高級人員之保險

本公司於年內為董事會成員購買董事及高級人員責任保險，為董事依法履職過程中可能產生之潛在賠償責任提供保障。



Corporate Governance Report (Continued)

企業管治報告(續)

Non-Executive Director

All the existing non-executive Director and independent non-executive Directors were appointed for a specific term. Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for a specific term, subject to renewal, retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association.

Confirmation of Independence

Throughout the period and up to the date of this report, the Company has complied with the requirements under Rules 3.10 of the Listing Rules. It requires that at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. The Company has received written annual confirmation from each independent non-executive Director of their independence pursuant to the requirements of rule 3.13 of the Listing Rules. As such, all independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules.

Appointments, Re-election and Removal of Directors

Each of the executive Directors and independent non-executive Directors has entered into a service contract or letter of appointment with the Company for a specific term. Such term is subject to her/his re-appointment by the Company at an annual general meeting upon such Director's retirement by rotation at least once every three years and offering herself/himself for re-election. Pursuant to the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the following general meeting of the Company and shall then be eligible for re-election and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election. Also, pursuant to the Articles of Association, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

Compliance with the Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its model code for securities transactions by Directors. Having made specific enquiries, all the Directors confirmed that they have complied with the Model Code during the period ended 31 December 2016.

非執行董事

所有現任非執行董事及獨立非執行董事均有特定委任年期。非執行董事及獨立非執行董事已各自與本公司訂立有特定委任年期之委任函件，委任可予續期，但須根據組織章程細則於本公司股東大會上輪流退任及膺選連任。

獨立性確認書

於期內及截至本報告日期，本公司已遵守上市規則第3.10條之規定。有關規定要求至少一名獨立非執行董事須擁有適當之專業資格或會計或財務管理經驗。本公司接獲各獨立非執行董事根據上市規則第3.13條之規定就其獨立身分發出之週年確認書。因此，根據上市規則所載有關獨立性之指引，全體獨立非執行董事均屬獨立人士。

董事之委任、重選及免任

執行董事及獨立非執行董事已各自與本公司訂立服務合約或委任書，當中訂有指定任期，惟該任期須於有關董事每三年在股東週年大會上輪流退任至少一次及願意重選連任時，獲本公司重新委任後方可作實。根據組織章程細則，任何董事如獲董事會委任以填補臨時空缺，則只留任至本公司其後首次股東大會，屆時符合資格重選連任，而任何董事如獲董事會委任作為董事會新增成員，則只留任至本公司下屆股東週年大會，屆時符合資格重選連任。此外，根據組織章程細則，當時最少三分之一的董事（或若彼等之人數並非三或三之倍數，則取最接近但不少於三分之一的數目）須輪流退任，前提是每名董事須至少每三年輪流退任一次。

遵守有關董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行交易的標準守則，作為其董事進行證券交易之標準守則。經作出具體查詢後，全體董事均確認彼等於截至二零一六年十二月三十一日止年度內已遵守標準守則。

Corporate Governance Report (Continued) 企業管治報告(續)

Directors' continuous training and development

The Directors are committed to comply with the CG Code A.6.5 concerning continuous professional development and understand the importance to constantly enhance and refresh their knowledge and skills. In this connection, the Directors have attended formal training seminars and/or study related materials relevant to directors' duties and responsibilities during the year. All Directors have confirmed that they have met the minimum requirements under the CG Code A.6.5 for the year ended 31 December 2016 and provided such training record to the Company.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of Directors' and the CEO's remuneration are set out in note 14 to the consolidated financial statements.

Accordingly to Code B.1.5 of the CG Code, the annual remuneration of other members of senior management (other than directors) by band for the year ended 31 December 2016 is set out below:

Remuneration bands 薪酬等級		Number of persons 人數
HK\$nil to HK\$1,000,000	零港元至1,000,000港元	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-

BOARD COMMITTEES

The Board has established the following Board committees to oversee the particular aspects of the Group's affairs.

AUDIT COMMITTEE

The Board has established an Audit Committee with written terms of reference in compliance with, where applicable, the Code of the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Cheung Ngai Lam and with Ms. Han Xingxing and Mr. Li Yu as members. The primary duties of the Audit Committee are, among others, to review the financial reporting system, risk management and internal control system of the Group, to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and to review the annual and interim financial statements and accounting policies of the Group. The Audit Committee meets at least twice a year to carry out the aforesaid primary duties. Minutes of the meetings are kept by the company secretary of the Company (the "Company Secretary") at the principal place of business of the Company in Hong Kong.

董事之持續培訓及發展

董事致力遵守有關持續專業發展的企業管治守則A.6.5並明白不斷精進及更新本身的知識及技能乃極為重要。就此，董事已於年內出席有關董事職務及責任之正式培訓研討會及/或研習相關資料。全體董事均已確認本身於截至二零一六年十二月三十一日止年度已達到企業管治守則A.6.5之最低規定並已向本公司提供相關培訓紀錄。

董事及高級管理層之薪酬

董事及行政總裁之薪酬詳情載於綜合財務報表附註14。

根據企業管治守則之守則B.1.5，截至二零一六年十二月三十一日止年度高級管理層其他成員(不包括董事)之薪酬等級如下：

董事委員會

董事會已設立以下董事委員會監管本集團各方面事務。

審核委員會

董事會已於適用情況根據上市規則所載之該守則成立審核委員會，並以書面形式劃定其職權範圍。審核委員會現時由三名獨立非執行董事組成，張毅林先生為主席而韓星星女士及李玉先生為成員。審核委員會主要職責為(其中包括)審議本集團的財務申報系統、風險管理及內部監控系統、就外聘核數師之委任、續聘及罷免向董事會提出建議、批准外聘核數師之酬金及委聘條款、根據適用準則檢討並監督外聘核數師能否保持獨立客觀以及核數程序是否有效，以及審閱本集團之全年及中期財務報表和會計政策。審核委員會每年召開最少兩次會議以履行上述主要職責。會議紀錄由本公司之公司秘書(「公司秘書」)存置於本公司在香港之主要營業地點。



Corporate Governance Report (Continued)

企業管治報告(續)

The members of the Audit Committee during the year and their attendance were as follows: 以下為年內之審核委員會成員及彼等之出席率：

Independent Non-Executive directors 獨立非執行董事		Meting attended/ Eligible to attend 已出席之會議/ 符合資格出席之會議
Ms. Han Xingxing	韓星星女士	2/2
Mr. Cheung Ngai Lam (appointed on 25 January 2016)	張毅林先生 (於二零一六年一月二十五日獲委任)	2/2
Ms. Tao Feng (resigned on 14 February 2017)	陶峰女士 (於二零一七年二月十四日辭任)	2/2

REMUNERATION COMMITTEE

The Board has established a remuneration committee of the Company ("Remuneration Committee") with written terms of reference in compliance with, where applicable, the Code of the Listing Rules. The Remuneration Committee currently comprises three independent non-executive Directors and is chaired by Mr. Li Yu and with Mr. Cheung Ngai Lam and Ms. Han Xingxing as members. The primary duties of the Remuneration Committee are, among others, to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and to determine with delegated responsibility the remuneration packages of executive Directors and senior management. In fulfilling the functions, the Remuneration Committee will take into consideration factors such as salaries paid by comparable companies, respective time commitment and responsibilities of the Directors and senior management and whether the remuneration packages are competitively attractive to retain the Directors and senior management. The Remuneration Committee meets at any time when necessary and desirable to carry out the aforesaid duties but in any event at least once a year. Minutes of the meeting are kept by the Company Secretary at the Company's principal place of business in Hong Kong.

The members of the Remuneration Committee during the year and their attendance were as follows:

薪酬委員會

董事會已於適用情況根據上市規則所載之該守則成立本公司之薪酬委員會(「薪酬委員會」)，並以書面形式劃定其職權範圍。薪酬委員會現時由三名獨立非執行董事組成，李玉先生為主席而張毅林先生及韓星星女士為成員。薪酬委員會的主要職責為(其中包括)就本公司全體董事及高級管理人員之薪酬政策及架構向董事會提出建議，以及釐定(獲董事會轉授責任)執行董事及高層管理人員之薪津待遇。薪酬委員會於履行職能時將考慮可比較公司所付薪金、董事及高級管理人員付出之時間及其職責，以及薪津組合是否具競爭力足以吸引董事及高級管理人員留任等因素。薪酬委員會於每當需要及合宜時召開會議以履行上述職責，但無論如何每年至少召開一次會議。公司秘書把會議紀錄存置於本公司在香港之主要營業地點。

以下為年內之薪酬委員會成員及彼等之出席率：

Independent Non-Executive directors 獨立非執行董事		Meting attended/ Eligible to attend 已出席之會議/ 符合資格出席之會議
Ms. Han Xingxing	韓星星女士	2/2
Mr. Cheung Ngai Lam (appointed on 25 January 2016)	張毅林先生 (於二零一六年一月二十五日獲委任)	1/1
Ms. Tao Feng (resigned on 14 February 2017)	陶峰女士 (於二零一七年二月十四日辭任)	2/2
Ms. Wong Chi Yan (resigned on 25 January 2016)	黃志恩女士 (於二零一六年一月二十五日辭任)	1/1

Corporate Governance Report (Continued) 企業管治報告(續)

NOMINATION COMMITTEE

The Board has established a nomination committee of the Company (“Nomination Committee”) with written terms of reference in compliance with, where applicable, the Code of the Listing Rules. The Nomination Committee currently comprises three independent non-executive Directors and is chaired by Ms. Han Xingxing and with Mr. Cheung Ngai Lam and Mr. Li Yu as members. The primary duties of the Nomination Committee are, among others, to review the composition of the Board and make recommendations to the Board on the selection of individuals nominated for directorship. With a view to achieving and maintaining a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting its strategic objectives and its sustainable development. The Nomination Committee meets at any time when necessary and desirable to carry out the aforesaid duties but in any event at least once a year. Minutes of the meeting are kept by the Company Secretary at the principal place of business in Hong Kong.

The members of the Nomination Committee during the year and their attendance were as follows:

提名委員會

董事會已於適用情況根據上市規則所載之該守則成立本公司之提名委員會(「提名委員會」)，並以書面形式劃定其職權範圍。提名委員會現時由三名獨立非執行董事組成，韓星星女士為主席而張毅林先生及李玉先生為成員。提名委員會之主要職責為(其中包括)檢討董事會之組成及對獲提名參與董事選舉之人選向董事會提出建議。為達致及維持可持續而均衡的發展，本公司視董事會成員多元化為支持其達到策略目標及實現可持續發展的關鍵元素。提名委員會於每當需要及合宜時召開會議以履行上述職責，但無論如何每年至少召開一次會議。公司秘書把會議紀錄存置於本公司在香港之主要營業地點。

以下為年內之提名委員會成員及彼等之出席率：

Independent Non-Executive directors 獨立非執行董事		Meting attended/ Eligible to attend 已出席之會議/ 符合資格出席之會議
Ms. Han Xingxing	韓星星女士	2/2
Mr. Cheung Ngai Lam (appointed on 25 January 2016)	張毅林先生 (於二零一六年一月二十五日獲委任)	1/1
Ms. Tao Feng (resigned on 14 February 2017)	陶峰女士 (於二零一七年二月十四日辭任)	2/2
Ms. Wong Chi Yan (resigned on 25 January 2016)	黃志恩女士 (於二零一六年一月二十五日辭任)	1/1

BOARD MEETINGS AND GENERAL MEETINGS

The Board holds at least four meetings in a financial year and meets at any other times as and when required, among others, to review financial and internal control, risk management, corporate governance, company strategy and operating performance of the Group. Minutes of the Board meetings are kept by the Company Secretary for record and are available for inspection by the Directors and auditors of the Company.

董事會會議及股東大會

董事會於每個財政年度最少舉行四次會議，亦會於需要時舉行額外會議，以(其中包括)檢討本集團之財務及內部控制、風險管理、企業管治、公司策略及營運表現。董事會會議紀錄由公司秘書保存，可供董事及本公司核數師查閱。



Corporate Governance Report (Continued)

企業管治報告(續)

The individual attendance record of each Director in office during the year ended 31 December 2016 at the Board meetings and general meetings is set out below:

於截至二零一六年十二月三十一日止年度在任之各董事於董事會會議及股東大會之出席情況載列如下：

董事姓名 Name of Directors	已出席之會議／ 符合資格出席之會議 Meetings attended/ Eligible to attend	
	董事會會議 Board Meetings	股東大會 General Meetings
Executive directors :	執行董事：	
Mr. Tang Hon Kwo (<i>Chairman</i>)	鄧漢戈先生(主席)	9/11 0/2
Mr. Ma Zhi (appointed on 24 February 2016)	馬志先生 (於二零一六年二月二十四日獲委任)	9/11 1/2
Mr. Sze Siu Bun	施少斌先生	9/11 0/2
Mr. Ip Ka Po (resigned on 7 February 2016)	葉家寶先生 (於二零一七年二月七日辭任)	11/12 2/2
Mr. Lam Chi Keung (<i>Chief Executive Officer</i>) (appointed on 20 May 2016 and resigned on 9 March 2017)	林芝強先生(行政總裁) (於二零一六年五月二十日獲委任 及於二零一七年三月九日辭任)	8/8 1/1
Non-Executive director :	非執行董事：	
Mr. Li Wenfeng (<i>Deputy Chairman</i>) (appointed as executive Director and Co-Chairman on 20 May 2016 and redesignated as a non-executive director and Deputy Chairman on 19 October 2016)	李文峰先生(副主席) (於二零一六年五月二十日 獲委任為執行董事兼聯席主席及於 二零一六年十月十九日 調任為非執行董事兼副主席)	7/7 1/1
Independent Non-Executive Director	獨立非執行董事：	
Mr. Cheung Ngai Lam (appointed on 25 January 2016)	張毅林先生 (於二零一六年一月二十五日獲委任)	10/10 2/2
Ms. Han Xingxing	韓星星女士	10/11 0/2
Ms. Tao Feng (resigned on 14 February 2017)	陶峰女士 (於二零一七年二月十四日辭任)	9/11 0/2

All current Directors are subject to retirement by rotation in accordance with the Articles of Association.

所有現任董事均須遵守組織章程細則輪流退任之規定。

Corporate Governance Report (Continued) 企業管治報告(續)

CORPORATE GOVERNANCE FUNCTIONS

The Company has not set up a corporate governance committee. However, the Board has adopted the written terms of reference on Corporate Governance in compliance with the Code of the Listing Rules and the Board is responsible for performing the corporate governance duties set out therein. The Board has reviewed the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's code of conduct and the Company's compliance with the Code and the disclosure in this Corporate Governance Report.

COMPANY SECRETARY

Ms. Wong Sze Wing ("Ms. Wong") was appointed on 18 November 2016 as the Company Secretary and is a full time employee of the Group. During the year ended 31 December 2016, Ms. Wong has duly complied with the relevant professional training requirements under Rule 3.29 of the Listing Rules.

FINANCIAL REPORTING AND INTERNAL CONTROL

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Group and have adopted the accounting principles generally accepted in Hong Kong and complied with the requirements of Hong Kong Financial Reporting Standards which also include Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. As at 31 December 2016, directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis. The accounting systems and internal control of the Company are designed to prevent any misappropriation of the Company's assets, any unauthorised transactions as well as to ensure the accuracy of the accounting records and the true and fairness of the financial statements.

The Board also acknowledges its responsibility to present a balanced, clear and understandable financial report with sufficient disclosures as required under the Listing Rules, and to report to the regulators as to information required to be disclosed pursuant to the statutory requirements. The reporting responsibilities of the Company's independent auditor are set out in the Independent Auditor's Report on pages 56 to 63.

企業管治職能

本公司並無設立企業管治委員會。然而，董事會已根據上市規則之該守則採納企業管治之書面職權範圍，並負責履行當中所載之企業管治職務。董事會已審議本公司之企業管治政策及常規、董事及高級管理人員之培訓及持續專業發展、本公司符合法律及監管規定之政策及常規、本公司之行為守則，以及本公司符合該守則之情況及本企業管治報告所載之披露資料。

公司秘書

王思穎女士(「王女士」)於二零一六年十一月十八日獲委任為公司秘書，彼為本集團之全職僱員。於截至二零一六年十二月三十一日止年度，王女士已妥為遵守上市規則第3.29條之相關專業培訓規定。

財務報告及內部監控

董事對財務報表之責任

董事確認彼等為本集團編製財務報表之責任並已採納香港普遍接納之會計原則，並遵守香港財務報告準則的規定，包括香港會計師公會頒佈之香港會計準則及詮釋以及香港公司條例之披露要求。於二零一六年十二月三十一日，董事並不知悉任何與可能對本公司之持續經營能力構成重大疑問之事件或狀況有關之重大不確定情況。因此，董事按持續經營基準編製本公司之財務報表。本公司的會計制度及內部監控旨在防止本公司資產被挪用及任何未授權交易，以及確保會計紀錄準確及財務報表真實公正。

董事會亦確認其負責提供公允且清晰易懂的財務報告以及按上市規則規定作出足夠披露，並向監管部門報告法律規定須予披露的信息。本公司獨立核數師之報告責任載於第56至63頁之獨立核數師報告。



Corporate Governance Report (Continued)

企業管治報告(續)

Risk management and internal control

The Board recognises it has overall responsibility of the Group's risk management and internal control systems and reviews their effectiveness on an ongoing basis. The Board oversees the management in the design, implementation and monitoring of the risk management internal control systems.

Risk assessment and internal control

In assisting the Board for evaluating and determining the risks it is willing to take in achieving its strategic objective, the Board has engaged an independent advisory firm-Moore Stephens Advisory Services Limited to conduct a risk assessment. The assessment adopted a risk model, a framework for helping the Board to identify, evaluate and prioritise the nature and extent of the business risks including strategic risks, operation risks, financial risks as well as information risks. The assessment includes interviewing the Directors and senior management along with qualitative and quantitative analysis to evaluate the significance/impact and likelihood in occurrence of the risks.

The management has reviewed the results of the risk assessment and has provided a confirmation to the Board that the Group has effective risk management and internal control systems to provide reasonable, though not absolute, assurance for mitigating the risks that may deter the Group from achieving its business objectives in any material aspects. The management reviews and evaluates the design of internal controls in place and monitors their effectiveness on a regular basis, and reports to the Audit Committee on any significant issues. The Group has established a defined management structure with clear lines of reporting, limits of authority, operational policies and procedures to ensure reliability of operational efficiency and safety, financial reporting and compliance with applicable laws and regulations.

In addition, the management has established policies and procedures for the dissemination of inside information. The Group promptly assesses all material information while ensuring confidentially, once identified as inside information, the detail information is vetted and disseminated publicly in a timely manner.

風險管理及內部監控

董事會確認其須對本集團之風險管理及內部監控系統承擔全面責任，並持續檢討有關系統之有效性。董事會監督管理層設計、執行及監察風險管理及內部監控系統。

風險評估及內部監控

為協助董事會評估及釐定其為達成策略目標而願意接受之風險，董事會已委聘獨立顧問公司馬施雲諮詢有限公司進行風險評估。於評估報告內採納之風險模型是為協助董事會識別、評價及優先處理業務風險，包括策略風險、經營風險、財務風險以及信息風險之性質及程度而設之框架。評估工作包括訪問董事及高級管理層以及進行定性及定量分析以評價風險之意義／影響及風險之發生機率。

管理層已審閱風險評估結果，並已向董事會確認，本集團之風險管理及內部監控系統為有效，可合理(但非絕對)保證減輕該等可在任何重大方面妨礙本集團達成業務目標之風險發生。管理層檢討並評估內部監控之現行設計，定期監察其有效性，並向審核委員會匯報任何重大問題。本集團已建立明確之管理架構，對匯報、權力限制、營運政策及程序等有清晰之界定，以確保經營效率、作業安全、財務申報及遵行適用法律法規等方面可靠執行。

此外，管理層已就內幕消息之傳播制定政策及程序。本集團在確保信息保密的同時適時評估所有重大信息，一旦確認某項消息為內幕消息時，其將仔細審查有關信息並及時向公眾發佈。



Corporate Governance Report (Continued) 企業管治報告(續)

Internal audit function

The Audit Committee has outsourced the internal audit function of the Group to an independent advisory firm, Moore Stephens Advisory Services Limited that has conducted the risk assessment of the Group. Based on the risk assessment results, the Audit Committee has worked with the internal auditors to develop the Group's three years internal audit plan. The plan is a rolling plan, it will be updated at least once a year according to the changing business environment and risk exposure. This year, the internal auditors has conducted internal audit in the areas of securities investment and money lending business. The internal auditors did not identify any significant internal control weaknesses, they reported the findings and recommendations for improvements to the Audit Committee. The Board adopted the results of the internal audit report and ensured that the management has implemented the recommendations for improvement stipulated by the internal audits.

Based on the risk assessment, the risk management and internal control systems that management has put in place, and the results of the internal audits, the Board concluded that the Group has effective risk management and internal control systems covering all material aspects including financial, operational and compliance controls.

The Board is responsible for establishing the Group's internal control framework, covering all material controls including financial, operational and compliance controls, as well as risk management functions of different systems. Review has been carried out in a systematic approach based on the risk assessments of the operations and controls. The Board considers that the key areas of the Group's internal control systems are reasonably implemented.

AUDITOR'S REMUNERATION

As at 31 December 2016, the fees paid and payable to the Group's auditor in respect of their statutory audit and other audit services provided to the Group were as follows:

內部審計職能

審核委員會已外判本集團之內部審計職能予前述為本集團進行風險評估之獨立顧問公司馬施雲諮詢有限公司。根據風險評估結果，審核委員會已與內部核數師合作制定本集團之三年內部審計計劃。該計劃為滾動計劃，其將按市況及風險狀況變動每年最少更新一次。於本年度，內部核數師就證券投資及放貸業務範疇進行內部審計。內部核數師並無發現任何重大內部監控不足，並已向審核委員會匯報其發現結果及改善建議。董事會接納內部審計報告並確保管理層已執行內部審計中訂明之改善建議。

根據風險評估、管理層現行制定之風險管理及內部監控系統、及內部審計結果，董事會判定本集團之風險管理及內部監控系統已有效涵蓋所有重大監控，包括財務、營運及合規控制。

董事會負責建立本集團內部控制框架，涵蓋所有重大監控，包括財務、營運及合規控制，以及不同系統之風險管理職能。已根據營運及監控之風險評估而進行系統性檢討。董事會認為本集團已經合理地實行內部監控制度之主要範疇。

核數師酬金

截至二零一六年十二月三十一日，就本集團核數師向本集團提供之法定審核及其他審核服務而已付及應付予彼等之費用如下：

		Amount 金額 (HK\$'000) (千港元)
Type of services	服務種類	
Statutory audit services	法定審核服務	795
Non-statutory audit services	非法定審核服務	400
		1,195

Corporate Governance Report (Continued) 企業管治報告(續)

INVESTOR RELATIONS

The Board recognises the importance of good communication with the Shareholders and is committed to providing clear and full performance information of the Group to the Shareholders. Information in relation to the Group is disseminated to Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Additional information of the Group is also available to the Shareholders on the Group's website. The Group values feedback from the Shareholders to foster investor relationships.

SHAREHOLDERS' RIGHTS

Pursuant to article 58 of the Articles, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the 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; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one 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. The aforesaid written requisition must state the objects of the meeting and must be signed by the relevant shareholder(s) and deposited at the Company's head office in Hong Kong at Rooms 2501-14, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

The procedures for Shareholders to propose a person for election as a director of the Company are available on the Group's designated website for corporate communications (www.capitalfp.com.hk/eng/index.jsp?co=707).

Enquiries raised by any Shareholder can be forwarded to the Board at the Company's head office in Hong Kong at Rooms 2501-14, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year.

投資者關係

董事會深明與股東維持良好溝通極為重要，並致力向股東提供有關本集團表現之清晰、全面資訊。有關本集團之資訊是經多個正式渠道適時地向股東發放，包括中期及年度報告、公佈及通函。有關本集團的更多資料亦可在本集團網站上閱覽。本集團珍視股東之反饋意見，藉此促進投資者關係。

股東權利

根據細則第58條，任何於遞呈要求日期持有不少於本公司繳足股本(附有於本公司股東大會上表決的權利)十分之一的一名或以上股東，於任何時間有權透過向本公司之董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；該大會應於遞呈該要求後兩個月內舉行。倘遞呈要求後二十一日內，董事會未有召開該大會，則遞呈要求人士可自行以同樣方式作出此舉，遞呈要求人士由於董事會未有召開大會而產生的所有合理開支應由本公司向其補償。上述之書面要求必須列明會議之目的，並須經由相關股東簽署及送抵本公司之香港總辦事處，地址為香港灣仔港灣道30號新鴻基中心25樓2501-14室。

股東建議提名人士參選本公司董事之程序可於本公司公司通訊之指定網站(www.capitalfp.com.hk/chi/index.jsp?co=707)閱覽。

股東如有垂詢，可致函董事會並送交本公司之香港總辦事處，地址為香港灣仔港灣道30號新鴻基中心25樓2501-14室。

章程文件

本公司之章程文件於年內並無變更。



Environmental, Social and Governance Report 環境、社會及管治報告

We are pleased to present this report in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) published by the Stock Exchange. This report describes the Group’s policies that were designed to fulfil the Group’s obligations with respect to sustainable development and social responsibilities areas, as required by the ESG Guide.

The principal activities of the Group are primarily engaged in four business streams including (i) processing, printing and sales of finished fabrics; (ii) trading of fabric and clothing; (iii) money lending; and (iv) securities investment. In light of the global economic trend and fierce competition in the market, the Group has taken appropriate streamlining measures including consolidation of existing businesses and exploring new opportunities in (1) the advertising, cultural, media and entertainment industry; and (2) securities brokerage, securities advisory, and asset management. The report content is focused mainly on the production factories and offices of printing and dyeing business in Fujian and Shishi, and the Group’s Hong Kong headquarters office, which are the areas that represent the majority of the Group’s social, environmental and economic impacts.

Whilst the Group strives to create positive values for the Shareholders, the Group also dedicates to fulfil its corporate social responsibility through continuous effort. The Group believes that all stakeholders’ interest must be taken into account in order to enhance its relationship with its stakeholders including shareholders, employees, customers, suppliers, business partners, regulators and the society.

A. ENVIRONMENTAL PROTECTION

The Group’s fabric processing and printing business is closely related to environmental protection and the usage of natural resources. The Group has established a set of management policies, mechanisms and measures on environmental protection and natural resources conservation to help ensure the sustainable development and operation of the Group. The Group strives to enhance the efficiency in the usage of energy, water and materials and also complies with relevant local environmental regulations and international general practices, with an aim to reduce the use of natural resources and protect the environment.

我們根據聯交所發佈的《環境、社會及管治報告指引》(簡稱「環境指南」)提交本報告。本報告描述了本集團的政策，旨在履行本集團在可持續發展和社會責任領域的義務，如同環境指南所要求。

本集團從事四個主要業務，包括(i)成品布料加工、印花及銷售；(ii)成品布料和衣服貿易；(iii)放債業務；及(iv)證券投資。鑒於全球經濟趨勢和市場競爭激烈，本集團採取適當的精簡措施，包括整合現有業務，並在(1)廣告、文化、傳媒及娛樂業和(2)證券經紀、證券諮詢及資產管理等方面開拓新機遇。報告內容主要集中在福建和石獅印刷和染色業務的生產工廠和辦公室以及本集團的香港總部辦公室，這些都是本集團對社會、環境和經濟作出影響的主要地方。

本集團努力為股東創造價值，同時致力於通過不斷的努力履行企業社會責任。本集團認為，必須考慮所有利益相關者的利益，與利益相關者維持良好關係，包括股東、員工、客戶、供應商、業務夥伴、監管機構和社會。

A. 環境保護

本集團的布料加工和印花業務與環境保護和自然資源的使用密切相關。本集團制定了一套有關環境保護和自然資源保護的管理政策、機制和措施，以確保本集團的可持續發展和經營。本集團致力於提高能源、水和原材料的使用效率，並遵守相關的地方環境法規和國際一般慣例，以減少自然資源的使用和保護環境。



Environmental, Social and Governance Report (Continued) 環境、社會及管治報告 (續)

The fabric processing and printing subsidiaries of the Group strictly comply with the laws and regulations in the PRC, including but not limited to the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”, the “Environmental Protection Law of the People’s Republic of China” and the “Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Waste”, as well as the local rules and standards in the PRC in respect of prevention and control of environmental pollution of discarded dangerous chemicals, standard of air pollutants and integrated wastewater discharge standard. During the year, the Group was not aware of any environmental related penalty or material non-compliance with relevant standards, rules and regulations.

本集團布料加工及印花業務子公司嚴格遵守中國法律法規，包括但不限於《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國環境保護法》、《中華人民共和國固體廢物污染環境防治法》以及在中國關於廢棄危險化學品、環境污染防治方面的地方規則和標準、空氣污染物標準和綜合廢水排放標準。本年內，本集團並無涉及任何與環境有關的罰款或違反重大相關標準、規則及規例。



Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

A.1 Emissions

The Group require the following inputs in the operation and production of finished fabrics, the outputs that have an impact on the environment are listed below:

Inputs

生產輸入

- Electricity
電
- Water
水
- Production equipment
生產機器·用具
- Raw materials
原材料
 - Raw fabrics (unfinished pure cotton, polyester cotton, synthetic fibre, combined fabrics and nylon cotton)
坯布(粗加工純棉布、滌棉布、化纖布、複合布及錦棉布)
 - Dyeing and fabrics processing chemicals (powder, organic solvents, resins and pigments, etc)
染色及布料加工化學物(粉末·有機溶劑·樹脂和顏料等)
 - Others
其他

Processes

生產過程

- Singeing
燒毛
- Desizing
退漿
- Sourcing
煮洗
- Bleaching
漂布
- Mercerising
絲光
- Dyeing
染色
- Pre-processing
預先處理
- Post-processing
後整理
- Dehydration
脫水
- Drying
烘乾
- Raised finish
起毛
- Brushing
磨毛
- Shearing
修剪
- Steam grain
蒸汽紋理
- Heat Setting
高溫定型
- Abrasion
磨光
- Tencel-like processing
仿天絲處理
- Printing
印花
- Steaming
蒸汽操作
- Parallel washing
平幅水洗
- Setting
定型
- Shrinking
預縮
- Packing
包裝

A.1 排放物

本集團在成品布料的操作和生產中需要以下的資源輸入，對環境有影響的輸出如下：

Outputs

生產輸出

- Atmospheric emissions
大氣排放物
 - Major waste gas (dust particulates)
主要廢棄物排放(磨毛灰)
- Wastewater discharge
廢水排放
 - Sewage (COD, chroma)
污水(化學需氧量·色度)
- Hazardous solid waste
危險固體廢物
 - Oil polluted fabric
油污布料
 - Waste oil
廢油
 - Other non-recyclable waste (domestic, industrial)
其他不可回收廢物(工業·生活)
- Non-hazardous solid waste
非危險固體廢物
 - Recyclable plastics product packaging
可回收塑膠製品包裝袋
 - Scrap iron
廢鐵
 - Cartons, paper tube
紙箱·紙管
 - Auxiliaries bag
助劑袋
 - Suede dust, hatha dust
磨毛塵·花衣球



Environmental, Social and Governance Report (Continued)

環境、社會及管治報告 (續)

Waste gas emission

Waste gas emission is minor for the Group fabric manufacturing business. Singeing and sueding are the major processes in fabric processing and printing business to remove impurities in raw fabrics, dust particulates are the major air pollutants ejected from the production processes. Apart from the direct emission of dust particulates, our greenhouse gases emissions are indirectly, principally resulting from electricity consumed at the factories and offices as well as from business travel by employees.

With respect to the prevention of air pollution, the Group follows the guiding principles to keep the factory emission in line with the local emission standards, and introduce pollution assessment on production processes with the aim for proper handling of the pollution in accordance with the regulatory requirements.

A qualified third party was outsourced by the Group to carry out an environmental assessment in 2016, there was no significant incidents record on environmental pollution.

Waste water treatment

Stable water supply is crucial to the Group's dyeing operation. The Group currently sources water from the local government.

The Group is aware of the potential environmental impact of the waste water generated by the Group's bleaching, dyeing, mercerising processes. The use of sodium hydroxide within the mercerising process, generate waste water containing dilute sodium hydroxide which is toxic and harmful. The waste water generated from the manufacturing process contains high value of Chemical Oxygen Demand ("COD"). COD is the total amount of oxygen required to chemically oxidize the bio degradable and non-biodegradable organic. Higher COD levels mean a greater amount of oxidizable organic material in the sewage discharge, which will reduce dissolved oxygen (DO) levels. A reduction in DO can lead to anaerobic conditions, which is deleterious to higher aquatic life forms. Waste water currently discharged by the Group is processed by a third-party contractor. Waste water treatment service is charged in a monthly basis according to emission volume respectively.

廢氣排放

廢氣排放對於本集團布料製造業務是次要的。成品布料加工和布料印花業務中的主要工藝是燒毛和磨毛，以除去成品原料中的雜質，灰塵顆粒是廢氣排放方面的主要空氣污染物。除了塵埃顆粒排放外，我們的溫室氣體排放是間接的，主要是源於工廠和辦公室消耗的電力以及員工的商務旅行。

在防止空氣污染方面，本集團遵循指引原則，使工廠排放符合當地排放標準，並對生產過程進行污染評估，根據法規要求正確處理污染問題。

本集團委託了一個合資格第三方在二零一六年進行了環境評估，結果顯示了本集團在年內沒有顯著的环境污染事故。

污水排放處理

穩定的供水對本集團的染色作業非常重要。本集團目前從地方政府獲取水供應。

本集團瞭解漂白及染色工序產生的廢水對環境的潛在影響。在絲光處理中使用氫氧化鈉，產生含有稀釋氫氧化鈉的廢水，這是有毒有害的。生產過程產生的廢水含有高化學需氧量（「COD」）值，COD是化學氧化生物可降解和不可生物降解的有機物所需的氧氣總量。較高的COD水平意味著污水排放物中更多的可氧化有機物質，這將降低溶解氧（「DO」）水平。DO的減少可導致厭氧條件，這對較高等的水中生物是有害的。本集團目前排出的廢水由第三方承包商處理，廢水處理服務按照排放量按月計費。



Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

In terms of waste water recycling, the Group is continuously looking possible way to enhance recycling of waste water. The cooling water involved in singeing, shrinking, drying and the waste water produced from dehydration are all collected and reused for bleaching and dyeing process. The Group also intends to construct its own waste water treatment plant.

Waste management

The Group is dedicated to managing waste in a responsible way and strives to optimise the use of resources. Hazardous wastes like discharge from waste and waste gas treatment facilities and waste equipment cleaning solvents as well as wastes from workshops and research and development laboratories, etc., are delivered to external qualified units for processing. Non-hazardous wastes like some waste bags, clips, papers, etc., are recycled by external qualified units for reuse. General garbage is cleaned by the sanitation department regularly.

A.2 Use of Resources

The Group adheres to the concept of energy conservation and emission reduction leads to green production. The resources used by the Group are principally attributed to electricity and water and steam gas consumed at the factories; sodium hydroxide in the dyeing process; diesel, heat, natural gas, coal oil in other production and domestic use. We aim to improve our energy utilisation efficiency to achieve low-carbon practices and emission reduction throughout our production and operation, and strive to save the resources.

The Group has implemented guidelines and policies for energy saving management which include in-house rules and regulations for both office and factory employees to follow. Energy saving and emission reduction measures include:

Water saving measures

- Reused water produced from singeing machines and pre-shrinking machines for production process.
- Modified water tanks of scouring and bleaching machines, mercerizing machine and dyeing machines to reduce storage water surface areas, thus reduce water and steam consumption.
- Modified scouring and bleaching machines to shorten the production process and reduce electricity, water and steam consumption.

在廢水回收方面，本集團不斷尋求加強廢水回收的方法。將用於燒毛，預縮，烘乾和脫水產生的冷卻水全部收集並再用於漂白和染色過程。本集團亦計畫興建自己的污水處理廠。

廢物處理

本集團致力於優化處理廢物的方式，並努力減少資源的使用。危險廢物，如廢物和廢氣處理設施和廢物設備清潔溶劑的排放，以及工房和研發實驗室的廢物等，都交付給外部合資格單位進行處理。非危險廢物，如一些廢物袋，夾子，紙張等，由外部合資格單位回收再利用。一般垃圾則由衛生部門定期清理。

A.2 資源使用

本集團堅持節能減排的理念，實現綠色生產。本集團的資源使用主要是由於工廠消耗的電力，水和蒸汽，於染色過程中的氫氧化鈉；於生產和生活中的柴油，熱能，天然氣，煤油。我們的目標是提高我們的能源使用效率，在我們的生產和經營中實現低碳工序和減排，努力節省資源。

本集團已實施節能管理指導方針和政策，包括內部規章制度，以便辦公室和工廠員工遵守。節能減排措施包括：

節水措施

- 循環再用於燒毛機和預縮機生產過程排放的廢水。
- 改造煮洗機，漂布機，絲光機和染色機的水箱，減少存水面積，從而減少水和蒸氣消耗。
- 改造煮洗機和漂布機，把三單元工序縮減至二單元，降低電力，水和蒸汽的耗用量。



Environmental, Social and Governance Report (Continued)

環境、社會及管治報告 (續)

Steam saving measures

- Replaced heating facilities in scouring and bleaching machines to enhance the effectiveness.
- Applied high-capacity roller into dryer machines, reducing 30% of water retained in fabrics, thus saving steam consumption.
- Installed humidity meter and set humidity standard to control the process of drying and avoid overheating, thus reducing steam consumption.
- Optimised draining valve of dryer machines to reduce outflow of steam gas.
- Recycled steam from heat-setting stenter and various machines.

Electricity saving measures

- Applied variable frequency air compressor to reduce electricity consumption.
- Applied energy saving initiatives including maximizing the use of natural light and energy-saving lighting systems, applying optimal temperature setting of air-conditioning; switching off air-conditioning systems and lighting in vacant working areas after operation hours; turning off office equipment when not in use.

Reduction of emissions measures:

- Recycled sodium hydroxide and reused the waste water from mercerizing machines into scouring and bleaching machines for desizing fabrics, reducing waste water discharge and concentration of dilute sodium hydroxide in the waste water produced.
- Installed automatic facilities for mercerizing machine, enhance efficient use of alkali and reduce waste water emission.
- Modified stove setting to reduce coal consumption.
- Replaced liquefied gas by natural gas in singeing process, reduce waste gas emission.
- Replaced stoves filling coal fuel with electrical stoves to reduce air pollutants.

A.3 Environment and natural resources

As a socially responsible enterprise, protecting nature and the environment has become our inescapable social responsibility, the Group constantly look for ways to maximise benefits with minimal resource consumption and environmental impact, and continue to strive for sustainable development.

蒸汽節約措施

- 更換煮洗機和漂布機的加熱設施，提高效能。
- 改裝烘乾機，在進機前的機台安裝高效軋車，降低30%布料帶水量，減少蒸汽使用量。
- 安裝濕度計和設定濕度標準，確保適量使用烘乾機，降低操作失誤和過烘的可能性，從而減少蒸汽使用量。
- 優化烘乾機的疏水閥，降低蒸汽流失，減少蒸汽使用量。
- 回收回用熱風定型機和其他機器的餘熱。

節電措施

- 使用變頻調速空氣壓縮機，降低用電量。
- 應用節能措施，包括最大限度使用天然光線和安裝節能照明系統，應用最佳空調溫度設置，在非辦公時間和空閒時段，關閉空調和照明系統。

減排措施

- 回收氫氧化鈉和回用絲光機排放的廢水於煮洗過程，回用漂布機排放的廢水於退漿過程，降低廢水排放和稀釋氫氧化鈉於廢水中的濃度。
- 在絲光機安裝自動配件裝置，提升鹼使用的效能和降低廢水排放。
- 改造鍋爐，降低煤使用量。
- 以天然氣取代液化氣於燒毛過程，減少廢氣排放。
- 用電爐替代燃煤燃燒爐，減少污染物排放。

A.3 環境及天然資源

作為一個對社會負責任的企業，保護自然環境已成為我們不可逃避的社會責任，本集團不斷尋求資源消耗和環境影響最小化的方法，並繼續努力實現可持續發展。

Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

With respect to minimising the environmental impact, we mainly focus on sewage treatment and reduction of waste emission and implemented a number of measures as above mentioned to conserve the environment.

The Group is planning to replace with high capacity and energy saving stenter/setting machines to enhance operational effectiveness in heat conservation; and increase the proportion in using overflow rapid dyeing machine to reduce steam and chemical consumption.

Raw fabrics are the main raw materials which include unfinished pure cotton, polyester cotton, synthetic fibre, combined fabrics and nylon cotton. Since these are processed materials from cotton which can be widely obtained, thus the impact to the natural resources is not significant.

B. SOCIAL COMMITMENT

B.1 Employment and Labour Practices

The Group believes that quality talents are important assets of an enterprise and also the cornerstone for sustaining corporate development. We are committed to providing a fair and competitive compensation package to attract and retain quality talents, in the form of a basic salary, incentives bonus, mandatory provident fund, and other fringe benefits. Remuneration packages are reviewed periodically. In addition, the Group maintains a share option scheme for the purpose of providing incentives and rewards to the eligible participants for their contribution to the Group.

As at 31 December 2016, the Group had about 750 employees in PRC and Hong Kong.

The Group has a set of comprehensive human resources management policy to support everything we do in regard to human resources. The policies include compensation and dismissal, recruitment and promotion, working hours, appraisal, training and benefits. The Group has always strictly observed the relevant legislations in the PRC and Hong Kong regarding the equal employment opportunities, child labour and forced labour.

在減少環境影響方面的大前提下，我們主要從污水處理和減少廢物排放方面著手，並採取了一系列措施來保護環境。

本集團計畫購入高容量及節能的拉幅機／定型機，以提高節能運行的效率；並增加使用溢流快速染色機減少蒸汽和化學品的消耗。

坯布是主要的原材料，包括未完成的純棉，聚酯棉，合成纖維，組合織物和尼龍棉。由於這些棉花加工材料是可廣泛獲得的，因此對自然資源的影響不顯著。

B. 社會承諾

B.1 僱傭及勞工實踐

本集團相信優秀人才是企業的重要資產同時是企業發展的基礎。本集團用基本薪金、獎勵金、強制性公積金及其他附帶福利致力提供公平及具競爭力的薪酬方案以吸引及保留優秀人才。薪酬待遇會受到定期審查。此外，本集團為給合資格參與者向本集團作出貢獻提供獎勵及獎勵訂立一項購股權計劃。

於二零一六年十二月三十一日，本集團於中國及香港約有750名僱員。

本集團有一套全面的人力資源管理政策以支持本集團在人力資源方面所做的一切。該政策包括薪酬和解僱、招聘和晉升、工作時間、評估、培訓及福利。本集團一直嚴格遵守中國和香港有關平等就業機會，童工及強迫勞動的相關法律。



Environmental, Social and Governance Report (Continued)

環境、社會及管治報告 (續)

The Group abides by the employment regulations, relevant policies and guidance of the relevant jurisdictions where it operates, including the “Employment Ordinance”, the “Employees’ Compensation Ordinance” and the “Occupational Safety and Health Ordinance”, etc. in Hong Kong; and the “Labour Law of the People’s Republic of China” and the “Labour Contract Law of the People’s Republic of China” in the PRC.

The Company has its internal procedure to report employees’ information regularly in order to review employment practices so as to avoid any non-compliance. Furthermore, the Group strictly complies with the internal recruitment process during recruitment to ensure no employment of child labour and forced labour in any form. The Group also strives to establish harmonious labour relationships. We protect the rights of staff in terms of providing rest and leave days according to relevant government laws and regulations. During the year, the Company was not aware of any material non-compliance with relevant standards, rules and regulations regarding operations and activities, labour practices.

B.2 Health and Safety

The Company is an investment holding company located in Hong Kong and the nature of the daily operation is mainly office-based which means that we have a relatively low safety risk profile. The Company has equipped its office with suitable fire-fighting facilities like fire extinguishers. Designated staff would conduct inspection from time to time so as to ensure the exit passageway clear and unblocked. In addition, the management office of our headquarters office organises fire drills from time to time.

The Group’s subsidiaries in Fujian and Shishi engage in processing, printing and sales of finished fabrics. The Group strongly believes that ensuring stable and safety production is the most important social responsibility to its shareholders, employees and the community where it situates. Therefore, the Group has always regarded ensuring safety and stable production as one of the priorities in corporate management. Sound management systems have been established in occupational health and safety in strict compliance with the regulations on occupational health and safety the PRC.

The factories of the Group have stringent policies in place to periodically review the functionality of machinery and equipment, workshop condition during the production process. At the same time, we continuously reduce workload intensity for frontline staff and improve the working environment.

本集團遵守僱傭的指引、相關政策及所屬司法管轄區的僱傭條例包括香港的《僱傭條例》、《僱員補償條例》及《職業安全及健康條例》及中國的《中華人民共和國勞動法》和《中華人民共和國勞動合同法》。

本集團有內部程式定期報告員工的資訊以審查就業做法以避免任何不合規的情況。此外，本集團嚴格遵守招聘過程中的內部招聘流程以確保不以任何形式僱用童工和強迫勞動。本集團還致力於建立和諧的勞資關係。本集團根據相關的政府法律及法規保護員工休息和休假的權利。本年內，本集團並未發現任何重大違反有關營運、活動及勞工慣例的相關標準，規則及規例。

B.2 職業健康安全

本集團為香港一所投資控股公司，本集團的日常運作性質主要為辦公室文書工作，這意味著本集團的職業健康安全風險也相對較低。本集團已為其辦公室配備了適當的防火設備，如滅火器。本集團已委任指定員工不時對其防火安全設施進行檢查，同時確保防火通道暢通無阻。此外，本集團總部辦公室也不時組織消防演習。

本集團位於福建及石獅的子公司的主要業務為成品布料加工，印刷與布料銷售。本集團堅信保持一個安全與穩定的生產環境是本集團對當地社區，其員工及股東最重要的企業社會責任。因此安全與穩定的生產環境是本集團其中一個重要監控事項，本集團已建立了全面的職業健康安全管理體系，並嚴格遵守中華人民共和國職業健康與安全的相關法規。

本集團工廠已制定了嚴格安全管理政策，以確保工廠所有機械與設備的功能及車間安全生產環境得到定期的檢查。同時本集團也不斷的改善前線員工的工作量及其工作環境。



Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

Apart from equipping and maintaining the healthy and safe facilities, the Group focuses on enhancing the awareness and knowledge of the staff on health and safety risks. To provide a systemic occupational safety education to the staff and targeting at the actual operation situations, the Group formulated comprehensive on-job training. The Group also maintains a set of handling mechanism which stipulates a clear procedure of reporting any work-related injury to the Group. During the reporting period, the Group has not identified any non-compliance cases relating to health and safety.

The Fujian factory of the Group had obtained Quality Management System Certification (ISO9001) and Environmental Management System Certification (ISO14001) formulated by the International Organisation for Standardisation ("ISO") and they were certified, thus effectively guaranteeing the establishment of a healthy, safe and stable working environment. Daily operations are inspected by relevant department assigned by the Group, according to the occupational health and safety requirements of the respective company. Any non-compliance will also be identified and rectified on a timely basis.

B.3 Development and Trainings

The Group strongly believes that cultivation and retention of talents is the core of the Group's development and is essential in strengthening the competitiveness of the Group. The Group considers the staff as its strategic partners and provides various and specific in-house training courses to enhance their know-how and skills. Based on actual needs, the Group also supports employees in enrolling in job-related training courses. The Group constantly allocates resources in staff training. During the year, quality assurance management training program and environmental management training program are the main training activities offered to employee. These two programs include training in numerous areas which aim to provide comprehensive training for employee in most of the departments. Main training area included quality assurance in production process, inspection assurance of materials received from supplier, health and safety education within the using of production equipment and machinery, customer relationship management.

除了不斷完善及維護職業健康安全設施外，本集團還致力於提高員工對職業健康安全風險的認知，為員工提供有系統的職業安全教育。並針對本集團不同崗位的實際運作需要，為相關崗位制定全面的培訓。本集團亦設有一套工傷意外的處理機制，明確的規定員工對任何所發生的工傷意外進行即時的彙報及處理。在本報告所述期間，本集團未發現任何與職業健康安全的相關不合規情況。

本集團福建工廠已獲得由國際標準組織（「ISO」）制定的品質管制體系認證(ISO9001)和環境管理體系認證(ISO14001)，以便有效保證員工有一個健康、安全及穩定的工作環境。本集團已委任相關部門對本集團的職業健康安全環境進行定時檢查，以確保任何不合規情況得到及時的發現與糾正。

B.3 發展及培訓

本集團堅信人才的培養及留存是本集團發展的核心並是加強本集團競爭力的關鍵。本集團認為職工是其戰略夥伴，為提高其專門知識和技能，本集團提供各種具體的內部培訓課程。根據實際需要，本集團同時支援員工參加與工作相關的培訓課程。本集團不斷分配資源到員工培訓上。本年內，品質保證管理培訓計畫和環境管理培訓計畫是向員工提供的主要培訓活動。這兩個方案包括在許多領域的培訓，目的是為大多數部門的僱員提供全面的培訓。主要培訓領域包括生產過程的品質保證、從供應商收到的材料的檢查保證、使用生產設備和機械的健康和安全教育、客戶關係管理。



Environmental, Social and Governance Report (Continued)

環境、社會及管治報告 (續)

In daily operations, the Group provides induction training for new employees. Experienced employees will act as mentors to guide the new comers on jobs. Such arrangements can enhance the communication and team spirit, also improve their technical skills and managerial capability and encourage the learning and further development of the employees at all levels. The Group arranges the trainings designated according to the roles and responsibilities of the employees, mainly includes human resources management, managerial skills, legal affairs, risk management, project running, financial and auditing, technical research and development, environmental protection, occupational health and safety etc. The Group also updates the latest information of the industry and laws and regulations which is essential to the Group's operation and their job responsibilities from time to time.

The Group will continue to intensify its efforts to promote staff training programmes, and each member company integrates internal training with external training to enhance management and technical training. The Group believes that by means of offering comprehensive training opportunities, it could help providing the necessary protection for talent reserves for corporate development.

B.4 Labour Standards

The Group strictly complies with the labour legislations and the relevant guidelines in different areas where the businesses situated. In Hong Kong, we complied with all applicable rules and regulations such as the "Minimum Wage Ordinance", the "Sex Discrimination Ordinance", the "Race Discrimination Ordinance" and the "Disability Discrimination Ordinance" etc.. In the PRC, we complied with the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China" and "Law of the People's Republic of China on the Protection of Disabled Persons" etc.. During the year, the Company was not aware of any material non-compliance with relevant standards, rules and regulations.

B.5 Supply Chain Management

Raw fabrics are the main raw materials purchased by the Group. Raw materials used by the Group in its fabrics processing operations comprise principally raw fabrics, dyeing chemicals and fabrics processing chemicals which are all procured in the PRC.

在日常業務中本集團為新員工提供入職培訓。有經驗的員工將作為導師指導新入職員工工作。這種安排可以增強溝通和團隊精神並同時提高他們的技術能力和管理能力及鼓勵各級員工的學習和進一步發展。本集團根據員工的職位及職責安排培訓，主要包括人力資源管理，管理技能，法律事務，風險管理，專案運行，財務及審計，技術研發，環境保護，職業健康及安全等。本集團亦不時更新本行業的最新資料及本集團營運所必需的法律法規及其工作職責。

本集團將繼續加強工作人員培訓計畫，各成員公司將內部培訓與外部培訓相結合以加強管理和技術培訓。本集團相信透過提供全面的培訓機會可以為企業發展提供必要的人才保留的保護。

B.4 僱傭標準

本集團嚴格遵守業務所在地中不同領域的勞動立法和相關指引。在香港，本集團遵守所有適用的規則和規例，例如《最低工資條例》、《性別歧視條例》、《種族歧視條例》及《殘疾歧視條例》等。在中國，本集團遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國殘疾人保護法》等。本年內，本公司未發現任何重大違反相關標準，規則和條例的情況。

B.5 供應鏈管理

坯布為本集團採購之主要原材料。本集團在織物加工業務中使用的原材料主要包括坯布、染色化學品及布料加工化學均在中國採購。



Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

The Group implements supplier management in accordance with internal guidance which governs the engagement of suppliers. Suppliers are chosen according to screening and evaluation procedures among the suppliers, based on the quality as well as price. In addition, to ensure supplier capability in quality assurance, safety and other aspects of environmental management, field investigation will be conducted on their production capacity, technology level, quality assurance capabilities, supply capacity, safety and environment management qualifications if needed. Only the highly qualified suppliers complied with regulatory requirements are eligible for the selection by the Group.

The Group strictly implements supplier management. All suppliers are assessed with criteria specified by the Group for this purpose, in which we evaluate new suppliers' overall capabilities, assets position, nature of business, reputation in the industry, quality of products, goods delivery and compliance with law and regulations.

As customers are becoming more concerned about environmental issues, and stress the importance of using environmentally friendly materials. The Group will continue to communicate these demands to our suppliers, strengthen our cooperation with suppliers, coordinate with them in product trials, and work with them to produce socially responsible products.

B.6 Product and Service Responsibility

Customer service

The Group has established long-term relationships with our customers comprising apparel retailers, garment manufacturers and fabrics suppliers. The Group has established an in-house research and development team. The research and development team has been devoting to new products development to suit the changing market demand as well as improvements in the Group's existing products and production processes.

本集團根據內部指導實施供應商管理以管理供應商的參與。供應商的選擇是根據品質和價格進行篩選和評估程式。此外，為確保供應商在品質保證、安全和環境管理等方面的能力，本集團將根據實際需要對供應商的生產能力、科技水準、品質保證能力、供應能力、安全和環境管理資格進行現場調查。只有符合監管要求的高品質供應商才有被本集團選擇的資格。

本集團嚴格執行供應商管理。所有供應商將根據本集團為此目的指定的標準進行評估，本集團將評估新供應商的總體能力、資產位置、業務性質、行業聲譽、產品品質、貨物交付及遵守法律和規條。

隨著客戶越來越關注環境問題並強調使用環保材料的重要性。本集團將繼續向供應商傳達這些要求、加強與供應商的合作、在產品試驗中與他們協調並與他們合作生產對社會負責的產品。

B.6. 產品和服務責任

客戶服務

本集團與我們的客戶建立長期合作關係，包括衣服零售商，衣服製造商和布料供應商。本集團已成立內部研發團隊。研發團隊一直致力於新產品開發，以適應不斷變化的市場需求以及本集團現有產品和生產流程的改進。



Environmental, Social and Governance Report (Continued)

環境、社會及管治報告 (續)

Customer satisfaction is the foundation of an enterprise's survival, and we continuously try to improve on this. With various production facilities and processing techniques, the Group is capable of processing and producing a wide variety of high quality finished fabrics to meet the changing needs and demands of its customers. The Group continually improves its service quality and responds immediately to customers' needs in terms of delivery lead time, quality and price. We have a customer-oriented focus and strive to provide quality products and services by continuously hearing what our customers are looking for. The Group has established a complaint and handling policy and customer communication policy. The trading department collects customers' feedbacks through issuing survey to customer relating to our manufactured products which are used as important references in our constant efforts to improve product quality and promote customer satisfaction. We are always trying to improve, and address complaints or feedback quickly to resolve any issues.

Product quality and safety management

The Group is committed to provide customers of high quality and safe products and place high importance on any customer demand for product quality. From product development to production, the Group strictly follows international legal requirements and complies with the brand customers' lists of prohibited and restricted substances in the selection of raw materials. We also monitor the production from start to finish to ensure products are consistent with the principles of eco-friendliness and human health.

The Group is committed to achieve high product and service quality by implementing stringent and comprehensive quality control procedures throughout the production process from purchase of raw fabrics and dyeing chemicals to product packaging. Raw fabrics are inspected to ensure uniformity in density, thickness and texture before putting into mass processing so as to ensure the quality of the finished fabrics and to minimize possible disruptions to the operation. Each batch of dyeing chemicals is also being tested. The Group has obtained several accreditations for its quality control system: Xuesheng was accredited with ISO 9001:2000 certification (excluding design and development requirement) on 9 March 2005 for its dyeing and finishing of knitting fabrics activities and Xiefeng was accredited with ISO 9001:2000 certification on 14 March 2005 for its design dyeing and finishing of tatting fabrics activities. The quality control department was established by the Group so as to monitor the quality of the Group's products and the processing procedures of the Group.

客戶滿意是企業生存的基礎，我們不斷努力改進。憑藉各種生產設備和加工技術，本集團能夠加工和生產各種高品質成品布料，以滿足客戶不斷變化的需求和需求。本集團不斷提高服務品質，並在交貨時間、品質和價格方面回應客戶需求。本集團以客戶為中心，努力提供優質的產品和服務，不斷聽取客戶的需求。本集團亦同時制定了投訴處理政策和客戶溝通政策。交易部門通過向客戶發出有關我們產品的調查，收集客戶的回饋。我們相信客戶的意見是提高產品品質和客戶滿意度的重要參考。我們一直追求改進，並儘快解決投訴或回饋，以解決任何客戶問題。

產品品質和安全管理

本集團致力於為客戶提供高品質和安全的產品，並高度重視客戶對產品品質的需求。從產品開發到生產，本集團嚴格遵守國際法律規定，符合品牌客戶在原材料選擇中禁用和限用物質清單。我們還從始至終監控生產，以確保產品符合生態友好和人類健康的原則。

本集團承諾，在涵蓋了從採購坯布及染色化學品至產品包裝之整個生產工藝流程上通過實施嚴格且全面之品質控制程式，使產品及服務質素達到高水準。坯布於進行大量加工前，須經過檢驗以確保其密度、厚度及質地均勻一致，並以此確保成品布料之品質及將運作可能中斷的風險降至最低。每批染色化學品亦需經過檢驗。本集團已為其品質控制系統獲取若干品質認證：協盛於二零零五年三月九日為其針織布料業務之染色及整理取得ISO9001:2000認證（不包括設計及開發要求），協豐於二零零五年三月十四日為其梭織布料業務之設計、染色及整理取得ISO9001:2000認證。此外，本集團成立了品質控制部門，以監測本集團產品的品質和加工程式。

Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

During the year, the amount of defective products produced by the Group was minimal and complaints by customers in respect of defective products were insignificant.

Intellectual property right protection

The Group markets its products under its own trademarks. The trademarks “” and “” were issued by the Trademark Office of the State Administration for Industry and Commerce of the PRC and the Trade Marks Registry of the Intellectual Property Department in Hong Kong respectively. During the year, no claim has been made in relation to infringement of intellectual property rights.

Money lending practice

The money lending business is conducted through Rende Finance Limited (“Rende”). Rende is a licensed money lender in Hong Kong under the Money Lenders Ordinance. The Group has established a set of policies and procedures to evaluate the trustworthiness and creditability of potential borrowers. We also evaluate the usage of funds, we seek to work with companies that are environmentally conscious; they make efforts to conserve resources and reduce energy use, waste and pollution. During the year, the Group has strictly adhered to relevant rules and regulations including the “Money Lenders Ordinance”.

Securities Investment practice



The Group practises a set of principles when making investment decisions. Good business practices help to generate better profits and returns for investors particularly in the long run. We assess these companies and are concerned with their transparency and accountability, corporate governance and how they behave with respect to environmental, social; and workers’ rights. We invest in companies with good practices in dealing with environmental, social and governance issues.

Privacy and information security

In order to gain trust from our stakeholders, the privacy and security of their information is important to us. The Group adopts appropriate security measures in safeguarding sensitive information and data, including, but not limited to, trade secrets, know how, client information, supplier information and other proprietary information.

年內，本集團生產之次品數量已降至最低限度，客戶對本集團次品之投訴亦寥寥可數。

智慧財產權保護

本集團以自己的商標出售其產品。商標和分別由中國國家工商行政管理總局商標局和香港知識產權署商標註冊處簽發。本年內，本集團任何成員公司並無遭受任何與侵犯智慧財產權有關之索償。

放貸業務

放債業務由仁德信貸財務有限公司(「仁德」)進行。仁德是香港香港持牌放債人，業務根據《放債人條例》進行。本集團制定了一套政策和程式，以評估潛在借款人的可信度和還債能力。我們也評估資金的使用，我們尋求與響應環保意識的公司合作；努力節約資源，減少能源使用，廢物排放和污染。本年內，本集團嚴格遵守《放債人條例》等有關規則。

證券投資實踐

在作出投資決策時，本集團會執行一套原則。良好的商業慣例有助於為投資者創造更好的利潤和回報，特別是從長遠來看。我們評估這些公司，並關注其透明度和問責制度，公司治理以及他們在處理環境，社會，和工人權利的方式。我們投資有良好環境，社會和內部治理措施的公司。

隱私和資訊安全

為了獲得利益相關者的信任，資訊的隱私和安全對我們是很重要。本集團採取適當的安全措施保護敏感資訊和資料，包括但不限於商業秘密，知識，客戶資訊，供應商資訊和其他專有資訊。



Environmental, Social and Governance Report (Continued)

環境、社會及管治報告 (續)

B.7 Anti-Corruption and Anti-Money Laundering

A system with good moral integrity and anti-corruption mechanism is the cornerstone for the sustainable and healthy development of the Group. In addition to compliance with relevant laws and regulations in Hong Kong and the PRC, the Group also maintains a "Staff Handbook", which states the code of conduct and requires the employees, during the course of business engagement, not to (whether directly or indirectly) provide, undertake, request or receive any improper benefits, or take any other actions which are in violation of integrity, illegal or dishonest behaviours which are in breach of fiduciary duties. Such behaviours to be prevented include criminal acts such as bribery, extortion, fraud, money laundering and other acts such as the provision of illegal political contributions, inappropriate charitable donation or sponsorship, provision or acceptance of unreasonable gifts, entertainments or other improper benefits, infringement of trade secrets, trademarks, patents, copyrights and other intellectual property rights, and engagement in acts of unfair competition, etc.

The Group has policy sets forth procedures for performing customer due diligence process, identifying customer involvement in money laundering activities, detecting and monitoring suspicious transactions, and reporting of suspicious transactions according to the guidelines from the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance, Cap 615 (the AMLO).

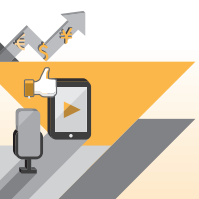
The Group has established an effective whistle-blowing policy for reporting suspected irregularities, fraud and corruption via specified channels. We also continue to improve our internal control and monitoring system. If problems are identified, we take immediate action, and have a zero tolerance approach to corruption in order to prevent irregularities.

B.7 反貪污及反洗黑錢

具有良好道德誠信和反腐敗機制的體制是本集團可持續健康發展的基石。除遵守香港及中國的相關法律法規外，本集團亦持有「員工手冊」，其中載有行為守則並規定員工在業務過程中不得（不論直接或間接）提供、承諾、要求或接受任何不當利益，或採取任何違反誠信、非法或不誠實行為的違反受託責任的行為。要預防的犯罪行為包括賄賂、勒索、欺詐、洗黑錢和其他行為例如提供非法政治捐款、不當的慈善捐贈或贊助、提供或接受不合理的禮品、娛樂或其他不當利益、侵權商業秘密、商標、專利、版權和其他智慧財產權、以及參與不正當競爭行為等。

本集團根據香港適用的反洗黑錢法律和法規包括香港法例第615章《打擊洗錢及恐怖分子資金籌集（金融機構）條例》制定了相關政策去執行客戶盡職調查程式、調查客戶有否參與洗黑錢活動、檢測和監控可疑交易及報告可疑交易。本集團制定了有效的舉報政策通過特定管道報告可疑的違規行為、欺詐和腐敗行為。

本集團還繼續完善內部控制和監控系統。如果發現問題，本集團會立即採取行動並對腐敗採取零容忍辦法以防止違規行為。



Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

B.8 Community Investment

The Group is committed to creating sustainable prosperity that brings long-term social and economic benefits for all stakeholders, particularly to maintain the relationship with interest groups which are relevant to business operation. This is realized by first meeting the needs of the factory employees and then further extending the caring and services to their families and to the surrounding community. The Group has made donations and organised fund raising events to provide subsidy of employees who suffered from cancer, serious disease and severe work injury.

The Group understands and recognises that there are those who are less fortunate in society. Going forward, the Group will look for worthy charities or humanitarian causes to support through monetary donations or other means to create a positive impact on the local society.

B.8 社區投資

本集團致力於創造可持續繁榮並為所有利益相關者帶來長期的社會和經濟效益，特別是維持與業務運營相關的利益集團的關係。通過先滿足工廠員工的需求，然後進一步將關懷和服務延伸到他們的家庭和周圍社區實現。本集團已進行捐款及舉辦集資活動為患有癌症、嚴重疾病及嚴重工傷的僱員提供資助。

本集團明白並認識到有些人在社會上不幸。所以展望未來，本集團將尋求有值得的慈善機構或人道主義並通過貨幣捐贈或其他方式支援對當地社會產生積極影響。



Independent Auditor's Report

獨立核數師報告

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大華馬施雲
會計師事務所有限公司

Independent Auditor's Report to the Members of Co-Prosperity Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

致協盛協豐控股有限公司全體股東之 獨立核數師報告

(於開曼群島註冊成立之有限公司)

Qualified Opinion Arising from Limitation of Scope

We have audited the consolidated financial statements of Co-Prosperity Holdings Limited (the "Company") (the "Consolidated Financial Statements") and its subsidiaries (collectively referred to as the "Group") set out on pages 64 to 199, 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 the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

因審計範圍受到限制而發表保留意見

我們審計了列載於第64至199頁協盛協豐控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，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財務報表附註，包括重大會計政策概要。

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the Consolidated Financial Statements give a true and fair view of the financial position of the Group as at 31 December 2016, and of its financial performance and its 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.

我們認為，除本報告中「保留意見的基準」一節所述事項的可能影響外，綜合財務報表已按照香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實和公允地反映了貴集團於二零一六年十二月三十一日的財務狀況與截至該日止年度的財務表現和現金流量，並已遵照香港公司條例的披露規定妥為編製。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Basis for Qualified Opinion

As at 31 December 2016, the Group has (i) deposits for other investments of approximately RMB447,615,000 (equivalent to HK\$500,000,000) for an investment in Asia Television Limited ("ATV"), as detailed in note 21(a)(i) in the Consolidated Financial Statements and (ii) receivables due from ATV of approximately RMB61,037,000 (equivalent to approximately HK\$68,180,000), as detailed in note 23 to the Consolidated Financial Statements. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the nature and recoverability of these deposits and receivables as at 31 December 2016 because the management of the Group was unable to access certain financial information or other information in relation to the assets and liabilities of ATV, which was undergoing provisional liquidation proceedings, as detailed in note 21(a)(i) to the Consolidated Financial Statements. Consequently, we were unable to determine whether any adjustments or impairment to these amounts were necessary.

In addition, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the purchase price allocation on acquisition of Star Platinum Enterprises Limited ("Star Platinum"), as detailed in note 12 to the Consolidated Financial Statements, was incomplete due to the reason as stated above. Consequently, we were unable to determine whether any adjustment to the assets and liabilities obtained from the acquisition of Star Platinum was necessary.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

保留意見的基準

於二零一六年十二月三十一日，貴集團有(i)就投資於亞洲電視有限公司(「亞視」)的其他投資之按金約人民幣477,615,000元(相等於500,000,000港元)，詳情載於綜合財務報表附註21(a)(i)；及(ii)應收亞視賬款約人民幣61,037,000元(相等於約68,180,000港元)，詳情載於綜合財務報表附註23。由於貴集團的管理層無法查閱若干有關亞視資產負債狀況的財務資料或其他資料(亞視正進行臨時清盤程序，詳情載於綜合財務報表附註21(a)(i))，故我們於二零一六年十二月三十一日並未能取得充分及適當的審計證據，使我們信納上述按金及應收賬款的性質及其可收回性。故此，我們無法確定是否須對有關款項作出任何調整或減值。

此外，我們未能取得充分及適當的審計證據，使我們信納就收購星鉑企業有限公司(「星鉑企業」)作出的購買價分配(詳情載於綜合財務報表附註12)，因上述原因而未有完成。故此，我們無法確定是否須對因收購星鉑企業而獲得的資產及負債作出任何調整。

我們已按照香港會計師公會頒佈的香港審計準則(「香港審計準則」)執行審計工作。我們於該等準則下承擔的責任已進一步載述於本報告「核數師就審計綜合財務報表承擔的責任」一節。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得的審計證據能充分及適當地為我們的審計意見提供基礎。



Independent Auditor's Report (Continued)

獨立核數師報告(續)

Other information in the annual report

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises all the information in the Company's 2016 annual report other than the Consolidated Financial Statements and our auditor's report thereon (the "Other Information").

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 the Other Information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the nature and recoverable amount of the deposits paid for an investment and receivables due from ATV as at 31 December 2016. Accordingly, we are unable to conclude whether or not the Other Information is materially misstated with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements as at and for the year ended 31 December 2016. 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.

其他信息

貴公司董事(「董事」)需對其他信息負責。其他信息包括刊載於 貴公司二零一六年年報內的所有信息，但不包括綜合財務報表及我們的核數師報告(「其他信息」)。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。誠如上文「保留意見的基準」一節所述，我們於二零一六年十二月三十一日並未能取得充分及適當的審計證據，使我們信納就投資於亞視而已付之按金及應收亞視賬款的性質及其可收回性。因此，我們無法確定其他信息在這方面是否存在重大錯誤陳述。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對在二零一六年十二月三十一日及截至該日止年度之綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。



Independent Auditor's Report (Continued) 獨立核數師報告(續)

Key Audit Matters – continued

In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter 關鍵審計事項

Impairment of inventories (please refer to note 22 in the Consolidated Financial Statements)
存貨減值(請參閱綜合財務報表附註22)

The Group has inventories with net carrying amount of approximately RMB106,724,000 as at 31 December 2016, which represented over 8.9% of total assets of the Group. The Group assesses the carrying amount of the inventories at the reporting date and wrote down inventories of RMB18,018,000 for the year ended 31 December 2016.

貴集團於二零一六年十二月三十一日擁有賬面淨值約人民幣106,724,000元之存貨，佔貴集團總資產8.9%。貴集團評估存貨於報告日期之賬面值並於截至二零一六年十二月三十一日止年度撇減存貨人民幣18,018,000元。

Management has made estimates based on certain assumptions relating to slow-moving and obsolescence of the inventories.

管理層已根據若干有關滯銷及陳舊存貨之假設作出估計。

Provision considerations included inventory ageing profiles, as well as different market factors impacting the sale of finished goods and the product life of raw materials.

進行撥備之考慮因素包括存貨賬齡以及多項影響成品銷售及原材料使用壽命之不同市場因素。

關鍵審計事項－續

除「保留意見的基準」一節所述的事項外，我們已確認下述事項為應於本報告溝通的關鍵審計事項。

How our audit addressed the Key Audit Matter

我們的審計如何對關鍵審計事項進行處理

Our procedures in relation to management's impairment assessment included:

我們就管理層減值評估之程序包括：

- Evaluating the assumptions and estimates applied to the slow-moving and obsolescence by testing the accuracy of historical information and data trends, changing trends applied against the current balances; and
透過測試針對現有結餘所使用之過往信息及數據趨勢透、趨勢變動之準確度，評價該等應用於滯銷及陳舊存貨之假設及估計；及
- performing analytical procedures on obsolescence levels and write down rates
就陳舊程度及撇減率進行分析程序。



Independent Auditor's Report (Continued) 獨立核數師報告(續)

Responsibilities of the directors for the Consolidated Financial Statements

The Directors are responsible for the preparation of 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 audit committee of the Company ("Audit Committee") assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibility 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露要求編製真實而公允的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

本公司審核委員會（「審核委員會」）乃協助董事履行彼等之責任而監督貴集團的財務申報過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們的報告僅為股東（作為一個團體）而編製，並不為其他任何目的。我們並不就本報告的內容對任何其他人士承擔任何義務或接受任何責任。

合理保證是高水準的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。



Independent Auditor's Report (Continued) 獨立核數師報告(續)

Auditor's responsibility for the audit of the Consolidated Financial Statements – continued

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism 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.
 - 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.
- 核數師就審計綜合財務報表承擔的責任 – 續
- 在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和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，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計證據，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，或凌駕於內部控制之上，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。
 - 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
 - 評價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。根據所獲取的審計證據，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。如果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。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計證據。然而，未來事項或情況可能導致 貴集團不能持續經營。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Auditor's responsibility for the audit of the Consolidated Financial Statements – continued

- 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.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

核數師就審計綜合財務報表承擔的責任－續

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公允反映交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計證據，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

Auditor's responsibility for the audit of the Consolidated Financial Statements – continued

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.

Moore Stephens CPA Limited
Certified Public Accountants

Hung, Wan Fong Joanne
Practising Certificate Number: P05419

Hong Kong, 29 March 2017

核數師就審計綜合財務報表承擔的責任－續

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

大華馬施雲會計師事務所有限公司
執業會計師

洪緝舫
執業證書編號：P05419

香港，二零一七年三月二十九日



Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

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

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Turnover	營業額	7	203,331	273,301
Cost of sales	銷售成本		(163,658)	(311,119)
Gross profit/(loss)	毛利/(損)		39,673	(37,818)
Other income	其他收入		4,024	2,688
Other expenses, gains and losses	其他開支、收益及虧損	8	(33,153)	8,852
Gain on disposals of subsidiaries	出售附屬公司之收益	13	19,940	57,199
Impairment losses recognised in respect of property, plant and equipment	物業、廠房及設備之 已確認減值虧損	9	(3,776)	(4,900)
Reversal of impairment losses in respect of property, plant and equipment	撥回物業、廠房及設備 減值虧損	9	7,547	13,100
Fair value gain on financial assets at fair value through profit or loss	按公平值計入損益賬之 財務資產之公平值收益		57,406	–
Distribution and selling expenses	分銷及銷售開支		(3,530)	(5,540)
Administrative expenses	行政開支		(41,879)	(23,913)
Finance costs	融資成本	10	(15,166)	(14,676)
Profit/(loss) before taxation	除稅前溢利/(虧損)	11	31,086	(5,008)
Taxation	稅項	16	(1,889)	(1,892)
Profit/(loss) for the year attributable to the owners of the Company	本公司擁有人應佔之 本年度溢利/(虧損)		29,197	(6,900)
Other comprehensive income	其他全面收益			
Items that will be reclassified subsequently to profit or loss:	將於其後重新分類至 損益之項目：			
– exchange differences arising on translation	– 換算產生之匯兌差額		44,911	4,663
– release of translation reserve upon disposals of subsidiaries	– 出售附屬公司時解除 匯兌儲備	13	(1,401)	–
Total comprehensive income/(expense) for the year attributable to owners of the Company	本公司擁有人應佔之 本年度全面收益/ (開支)總額		72,707	(2,237)
			2016 二零一六年 RMB cents 人民幣分	2015 二零一五年 RMB cents 人民幣分
Earnings/(loss) per share	每股盈利/(虧損)			
– Basic and diluted	– 基本及攤薄	17	0.95	(0.38)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	49,699	59,105
Prepaid lease payments	預付租賃款項	19	412	426
Deposits for other investments	其他投資之按金	21(a)	456,567	–
Deposit for investments in subsidiaries	投資於附屬公司之按金	21(b)	7,162	–
			513,840	59,531
Current assets	流動資產			
Inventories	存貨	22	106,724	85,527
Trade and other receivables, deposits and prepayments	貿易及其他應收賬款、按金及預付款項	23	172,326	112,412
Loan receivables	應收貸款	24	138,817	149,871
Prepaid lease payments	預付租賃款項	19	14	14
Financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產	25	201,422	–
Pledged bank deposits	已抵押銀行存款	26	38,420	40,420
Bank balances and cash	銀行結餘及現金	26	27,820	76,196
			685,543	464,440
Assets classified as held for sale	分類為持作出售之資產	27	–	1,576
			685,543	466,016
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	28	266,843	57,158
Bond payables	應付債券	29	63,710	60,470
Taxation payables	應付稅項		4,277	4,290
Obligation under finance leases	融資租賃承擔	30	658	–
Short-term bank loans	短期銀行貸款	31	119,340	123,300
Short term loans from other financial institution	來自其他金融機構之短期貸款	31	26,647	2,000
Financial guarantee contracts	財務擔保合約	32	–	8,349
			481,475	255,567
Liabilities associated with assets held for sale	與持作出售資產有關之負債	27	–	–
			481,475	255,567
Net current assets	流動資產淨值		204,068	210,449

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

At 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註		
Total assets less current liabilities	總資產減流動負債		717,908	269,980
Non-current liabilities	非流動負債			
Obligation under finance leases	融資租賃承擔	30	1,623	—
Convertible bonds	可換股債券	33	26,589	—
			28,212	—
Net assets	資產淨值		689,696	269,980
Capital and reserves	資本及儲備			
Share capital	股本	34	351,608	186,229
Reserves	儲備		338,088	83,751
Total equity	總權益		689,696	269,980

The consolidated financial statements on pages 64 to 199 were approved and authorised for issue by the board of directors on 29 March 2017 and are signed on its behalf by:

第64至199頁之綜合財務報表已於二零一七年三月二十九日獲董事會批准通過並由以下人士代表簽署：

Tang Hon Kwo
鄧漢戈
Chairman
主席

Ma Zhi
馬志
Executive Director
執行董事

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	Special reserve	Share option reserve	Convertible bond equity reserve	Translation reserve	Statutory surplus reserve fund	Accumulated losses	Total
	Note	股本	股份溢價	特別儲備	購股權儲備	可換股債券權益儲備	匯兌儲備	法定盈餘儲備金	累計虧損	總計
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 Note (i) 附註(i)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 Note (ii) 附註(ii)	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	157,233	346,423	98,731	1,669	-	5,753	98,539	(490,942)	217,406
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(6,900)	(6,900)
Other comprehensive income for the year	本年度之其他全面收益	-	-	-	-	-	-	-	-	-
- Exchange differences arising on translation	- 換算產生之匯兌差額	-	-	-	-	-	4,663	-	-	4,663
Total comprehensive expense for the year	本年度之全面開支總額	-	-	-	-	-	4,663	-	(6,900)	(2,237)
Transfers	轉撥	-	-	-	-	-	-	409	(409)	-
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	34	1,502	-	(1,586)	-	-	-	-	3,326
Lapse of share options	購股權失效	-	-	-	(83)	-	-	-	83	-
Placement of new shares	配售新股份	34	27,494	-	-	-	-	-	-	123,721
Transaction costs for issue of shares	發行股份之交易成本	-	(3,131)	-	-	-	-	-	-	(3,131)
Disposal of a subsidiary	出售一間附屬公司	13	-	-	-	-	-	(69,105)	-	(69,105)
Transactions with owners	與擁有人之交易	28,996	96,506	-	(1,669)	-	-	(69,105)	83	54,811
At 31 December 2015	於二零一五年十二月三十一日	186,229	442,929	98,731	-	-	10,416	29,843	(498,168)	269,980
Profit for the year	本年度溢利	-	-	-	-	-	-	-	29,197	29,197
Other comprehensive income for the year	本年度之其他全面收益	-	-	-	-	-	-	-	-	-
- Exchange differences arising on translation	- 換算產生之匯兌差額	-	-	-	-	-	44,911	-	-	44,911
- Release of translation reserve upon disposals of subsidiaries	- 出售附屬公司時解除匯兌儲備	13	-	-	-	-	(1,401)	-	-	(1,401)
Total comprehensive income for the year	本年度之全面收入總額	-	-	-	-	-	43,510	-	29,197	72,707
Transfers	轉撥	-	-	-	-	-	-	241	(241)	-
Issue of shares under share placing	根據股份配售發行股份	34	105,880	-	-	-	-	-	-	222,920
Transaction costs attributable to issue of placing shares	發行配售股份之交易成本	34	-	(3,069)	-	-	-	-	-	(3,069)
Issue of shares under share subscription	根據股份認購發行股份	34	25,038	-	-	-	-	-	-	50,076
Issue of convertible bonds	發行可換股債券	33	-	-	-	4,578	-	-	-	4,578
Issue of shares upon conversion of convertible bonds	因轉換可換股債券而發行股份	34	34,461	-	-	(3,407)	-	-	-	72,504
Transactions with owners	與擁有人之交易	165,379	180,459	-	-	1,171	-	-	-	347,009
At 31 December 2016	於二零一六年十二月三十一日	351,608	623,388	98,731	-	1,171	53,926	30,084	(469,212)	689,696

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

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:

- i. The special reserve represents the differences between the nominal amount of the shares issued by the Company and the Group's former holding company and the aggregate amount of paid-up capital of the subsidiaries acquired pursuant to the group reorganisation in 2005 in preparation for the listing of the Company's shares, net of subsequent distribution to shareholders.
- ii. As stipulated by the relevant laws and regulations for foreign investment enterprises in People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. Appropriation to such reserve is made out of net profit after taxation of the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by their board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

附註：

- i. 特別儲備指本公司及本集團前控股公司已發行股份面值，與根據於二零零五年為籌備本公司股份上市之集團重組所收購之附屬公司之繳入資本總額之總和扣除其後向股東作出之分派之間的差額。
- ii. 按有關中華人民共和國(「中國」)外資企業之相關法例及法規，本公司之中國附屬公司須存置不可分派之法定盈餘儲備金。有關儲備之撥款乃來自中國附屬公司法定財務報表之除稅後純利，而款額及分配基準乃由有關公司之董事會按年決定。法定盈餘儲備金可用於彌補過往年度之虧損(如有)及可以資本化發行之方式轉換為資本。



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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Operating activities	經營業務		
Profit/(loss) before taxation	除稅前溢利／(虧損)	31,086	(5,008)
Adjustments for:	就下列各項作出調整：		
Interest income	利息收入	(2,361)	(1,252)
Interest expense	利息開支	15,166	14,676
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	9,576	11,456
Amortisation of prepaid lease payments	預付租賃款項之攤銷	14	138
Write-down of inventories	存貨撇減	18,018	67,317
Reversal of write-down of inventories	撥回存貨撥備	(16,406)	—
Written-off of interest receivables	應收利息之撇銷	5,014	—
Allowances for bad and doubtful debts	呆壞賬撥備	10,941	4,142
Reversal of allowances for bad and doubtful debts	撥回呆壞賬撥備	(450)	—
Loss on acquisition of a subsidiary	收購附屬公司之虧損	14,048	—
Gain on disposal of subsidiaries	出售附屬公司之收益	(19,940)	(57,199)
Net unrealised gain on financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產之未變現收益	(57,406)	—
Income from amortisation of financial guarantees contract	財務擔保合約之攤銷收入	(8,349)	(12,611)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,320	—
Impairment losses in respect of property, plant and equipment	有關物業、廠房及設備之減值虧損	3,776	4,900
Reversal of impairment losses in respect of property, plant and equipment	撥回有關物業、廠房及設備之減值虧損	(7,547)	(13,100)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(3,500)	13,459
Increase in inventories	存貨增加	(22,809)	(44,680)
Increase in financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產增加	(119,030)	–
(Increase)/decrease in trade and other receivables	貿易及其他應收賬款(增加)/減少	(52,999)	607
Increase in loan receivables	應收貸款增加	(231,815)	(149,871)
Decrease in trade and other payables	貿易及其他應付賬款減少	10,373	48,105
Cash used in operations	經營所耗用之現金	(419,780)	(132,380)
Taxation paid	已付稅項	(1,902)	(1,674)
Net cash used in operating activities	經營業務所耗用之現金淨額	(421,682)	(134,054)
Investing activities	投資業務		
Interest received	已收取之利息	2,361	1,252
Purchase of property, plant and equipment	購置物業、廠房及設備	(2,305)	(1,974)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	527	–
Proceeds from disposals of subsidiaries	出售附屬公司所得款項	13	43,393
Refundable deposits paid for acquisitions	就收購事項已付之可退還按金	23(i)	(3,581)
Deposits paid for other investments	就其他投資已付之按金	21(a)(ii)	(8,952)
Deposit for investments in subsidiaries	投資於附屬公司之按金	21(b)	(7,162)
Prepayment for acquisition of financial assets at fair value through profit or loss	收購按公平值計入損益賬之財務資產之預付款項	23(iii)	(40,688)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	2,000	12,791
Payment on acquisition of a subsidiary	收購附屬公司之付款	–	(1,576)
Deposit paid	已付按金	23(ii)	(25,131)
Net cash (used in)/generated from investing activities	投資業務所(耗用)/產生之現金淨額	(30,785)	28,755

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Financing activities	融資活動		
Interest paid	已付利息	(6,834)	(12,916)
Net proceeds from issuance of shares under share subscription	根據股份認購發行股份所得款項淨額	50,076	–
Proceeds from exercise of share options	行使購股權所得款項	–	3,326
Proceeds from placement of new shares	配售新股份所得款項	222,920	120,590
Share issuing expenses	股份發行開支	(3,069)	–
Proceeds from bank loans	來自銀行貸款之所得款項	119,840	–
Issue of convertible bonds	發行可換股債券	100,611	–
Loans from other financial institution raised	新增來自其他金融機構之貸款	–	182,010
Repayment of bank loans	償還銀行貸款	(123,800)	(139,000)
Repayment of finance leases	償還融資租賃	(553)	–
Repayment of loans from other financial institution	償還來自其他金融機構之貸款	(2,000)	(3,500)
Net cash generated from financing activities	融資活動所產生之現金淨額	357,191	150,510
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(95,276)	45,211
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	76,196	26,324
Effect on change of functional currency of the Company	對本公司功能貨幣變動之影響	47,562	–
Effect of foreign exchange rate changes	外幣匯率變動之影響	(662)	4,661
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	27,820	76,196
Analysis of the balances of cash and cash equivalents	現金及現金等價物之結餘分析		
Bank balances and cash	銀行結餘及現金	27,820	76,196

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

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands and acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 39. The Company's shares are listed on the Main Board of 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" of this report.

The consolidated financial statements have been presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated. During the year, the board of directors ("Directors") has re-visited the business plan and strategy of the Group. Since the business transactions, in terms of operating, investing and financing activities, of the Company itself are mainly denominated in Hong Kong dollars ("HK\$") during the year, the Directors decided that the functional currency of the Company itself has been changed from RMB to HK\$ with effect from 1 January 2016 as the Directors consider HK\$ is more appropriate. Exchange difference of approximately HK\$55,578,000 (equivalent to approximately RMB47,562,000) was arising from the date of change of functional currency which is recognised as a movement in the "other comprehensive income". The Directors consider such change does not have any other significant financial impact on the consolidated financial statements for the current financial year.

1. 一般事項

本公司根據開曼群島公司法成立並註冊為獲豁免有限責任公司。本公司為投資控股公司，其主要附屬公司之主要業務載於附註39。本公司股份在香港聯合交易所有限公司（「聯交所」）主板上市。本公司之註冊辦事處與主要營業地點的地址載於本報告「公司資料」一節。

綜合財務報表乃以人民幣（「人民幣」）呈列，除另有說明者外，所有價值均約整至最接近千位數。年內，董事（「董事」）會已重新審視本集團之業務計劃及策略。由於年內本公司自身經營、投資及融資業務之交易主要以港元（「港元」）計值，故董事認為港元更合適並決定將本公司之功能貨幣由人民幣改為港元，自二零一六年一月一日起生效。於更改功能貨幣日期產生之匯兌差額約55,578,000港元（相等於約人民幣47,562,000元）乃於「其他全面收益」確認為一項變動。董事認為，有關更改對本財政年度之綜合財務報表並無任何重大財務影響。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

1. GENERAL – CONTINUED

Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by The Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

In preparing the consolidated financial statements, the Directors have given careful consideration that the Group recorded current liabilities of approximately RMB481,475,000 as at 31 December 2016, which to be fall due and repayable within 12 months. However, the cash and cash equivalents as at 31 December 2016 was approximately RMB27,820,000. Considering the realisation of other current assets into cash and cash equivalents, such as financial assets at fair value through profit or loss and inventories, would take time, these conditions indicate the existence of uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. And therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. 一般事項 – 續

編製基準

綜合財務報表乃根據香港會計師公會(「香港會計師公會」)所頒佈之香港財務報告準則(「香港財務報告準則」,此統稱包括所有適用之香港會計準則(「香港會計準則」)及詮釋)編製。此外,綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露資料。

於編製綜合財務報表時,董事已仔細考慮有關本集團於二零一六年十二月三十一日之流動負債約為人民幣481,475,000元,該負債將於12個月內到期支付。然而,於二零一六年十二月三十一日之現金及現金等價物約為人民幣27,820,000元。考慮到將其他流動資產(如按公平值計入損益賬之財務資產及存貨)變現為現金及現金等價物之過程需時,上述情況顯示存在重大不明朗因素,而可能對本集團按持續經營基準經營之能力構成重大疑慮。因此,本集團未必可於正常業務過程中變現其資產及清償負債。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

1. GENERAL – CONTINUED

Basis of preparation – continued

The consolidated financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should the Group not able to continue as a going concern as the Directors are satisfied that the Group will have sufficient internal financial resources, raising of additional equity and support by its substantial shareholder in order to maintain the Group as a going concern, especially taking into account that fund raising by placing of the Company's shares for approximately HK\$155,220,000 (equivalent to approximately RMB138,150,000) was completed on 9 March 2017 (note 40(a)) and Mr. Deng Jun Jie, a substantial shareholder of the Company, has undertaken in favour of the Company by way of a deed of undertaking to provide unsecured facilities to the Group up to HK\$500 million (equivalent to approximately RMB448 million) which can be drawn by the Group at any time on or before 19 December 2017.

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, which are measured at fair value as explained in the accounting policies set out below.

1. 一般事項 – 續

編製基準 – 續

由於董事經特別計及於二零一七年三月九日完成配售本公司股份而集資約155,220,000港元(相等於約人民幣138,150,000元)(附註40(a))，以及本公司之主要股東鄧俊杰先生已透過承諾契據而向本公司承諾向本集團提供最多500,000,000港元(相等於約人民幣448,000,000元)之無擔保融通供本集團於二零一七年十二月十九日或之前任何時間提取等事宜後，信納本集團將擁有充足的內部財務資源、籌得額外股本及獲其主要股東支持，使本集團可維持持續經營，故綜合財務報表已按持續經營基準編製，且並不包括一旦本集團無法持續經營而將須作出之任何調整。

綜合財務報表乃根據歷史成本基準編製，惟按公平值計入損益賬之財務資產乃按公平值計量除外並已於下列會計政策解釋。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the preparation of the financial statements for the year ended 31 December 2016, the Group has applied, for the first time, the following new and revised standards issued by the HKICPA.

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation exception
Amendments to HKFRS 11	Joint Arrangements: Accounting for Acquisitions of Interests
HKFRS 14	Regulatory Deferral Accounts
Annual Improvements Project	Annual Improvements 2012–2014 Cycle

The adoption of the above new and revised standards has had no significant effect on the Group's consolidated financial statements.

2. 採用新訂及經修改之香港財務報告準則

就編製截至二零一六年十二月三十一日止年度之財務報表而言，本集團已首次採用由香港會計師公會頒佈之下列新訂及經修改之準則。

香港會計準則第1號之修訂	披露措施
香港會計準則第16號及香港會計準則第38號之修訂	澄清可接受的折舊及攤銷方法
香港會計準則第27號之修訂	獨立財務報表的權益法
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號之修訂	合營安排：收購權益的會計處理方法
香港財務報告準則第14號年度改進項目	監管遞延賬目 二零一二年至二零一四年週期之年度改進

採納上述新訂及經修改之準則對本集團之綜合財務報表並無重大影響。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – CONTINUED

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

HKAS 28 and HKFRS 10 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKAS 7 Amendments	Disclosure Initiative ¹
HKAS 12 Amendments	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 2 Amendments	Classification and Measurement of Share-Based Payment Transactions ²
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 15 Amendments	Clarifications of HKFRS 15 Revenue 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
- ⁴ Effective for annual periods beginning on or after a date to be determined

2. 採用新訂及經修改之香港財務報告準則－續

本集團並無於該等綜合財務報表提前應用以下已頒佈但尚未生效之新訂及經修改之香港財務報告準則。

香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港會計準則第7號之修訂	披露措施 ¹
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 ¹
香港財務報告準則第2號之修訂	以股份為基礎之付款交易之分類及計量 ²
香港財務報告準則第9號	財務工具 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15號之修訂	澄清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年度期間生效
- ² 於二零一八年一月一日或之後開始之年度期間生效
- ³ 於二零一九年一月一日或之後開始之年度期間生效
- ⁴ 於有待釐定之日期或之後開始之年度期間生效

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – CONTINUED

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

HKFRS 9 – Financial Instruments

HKFRS 9 has introduced new requirements for (a) classification and measurement of financial assets, (b) impairment of financial assets and (c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

2. 採用新訂及經修改之香港財務報告準則－續

有關此等預期將適用於本集團之香港財務報告準則之進一步資料載列如下：

香港財務報告準則第9號－財務工具

香港財務報告準則第9號引入(a)財務資產之分類及計量；(b)財務資產減值；及(c)一般對沖會計處理之新規定。

具體而言，就分類及計量財務資產而言，香港財務報告準則第9號規定香港財務報告準則第9號範疇內所有已確認之財務資產，於後續按攤銷成本或公平值計量。於目的為收回合約現金流量之業務模式下持有以及該合約現金流量僅為支付本金與未償還本金之利息之債務投資，一般於各後續會計期末按攤銷成本計量。於目的同時為收回合約現金流量及出售財務資產之業務模式下持有以及訂有合約條款令於特定日期產生之現金流量僅為支付本金與未償還本金之利息之債務投資，一般按公平值計入其他全面收益計量。所有其他債務投資及股本投資於後續會計期末按彼等之公平值計量。此外，根據香港財務報告準則第9號，實體可不可撤回地選擇於其他全面收益呈列股本投資（須並非持作買賣亦非收購方於業務合併（就此應用香港財務報告準則第3號）中確認之或然代價）之後續公平值變動，其中僅股息收入一般於損益賬確認，且於終止確認該投資後之累計公平值變動將不會重新分類至損益賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – CONTINUED

HKFRS 9 – Financial Instruments – continued

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

2. 採用新訂及經修改之香港財務報告準則－續

香港財務報告準則第9號－ 財務工具－續

就按公平值計入損益賬之財務負債之計量而言，香港財務報告準則第9號規定，除非於其他全面收益確認財務負債公平值變動將會產生或增加損益賬之會計錯配，否則，因該負債之信貸風險改變而導致之財務負債公平值變動金額須於其他全面收益呈列。歸因於財務負債信貸風險之公平值變動其後不會重新分類至損益賬。根據香港會計準則第39號，指定為按公平值計入損益賬之財務負債之全部公平值變動金額乃於損益賬中呈列。

就財務資產減值而言，香港財務報告準則第9號已採納預期信貸虧損模式，而非採納香港會計準則第39號規定之已產生信貸虧損模式。一般而言，預期信貸虧損模式規定實體於各報告日期評估財務資產自初始確認起之信貸風險變動，並按信貸風險變動之程度確認預期信貸虧損。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – CONTINUED

HKFRS 9 – Financial Instruments – continued

With regard to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group is still in the process of assessing the impact of HKFRS 9. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 15 – Revenue from Contracts with Customers and the Clarifications to HKFRS 15

HKFRS 15 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.

2. 採用新訂及經修改之 香港財務報告準則－續

香港財務報告準則第9號－ 財務工具－續

就一般對沖會計處理之規定而言，香港財務報告準則第9號保留目前香港會計準則第39號可運用之三類對沖會計處理機制。根據香港財務報告準則第9號，已為合資格作對沖會計處理之各類交易提供更大靈活性，明確地擴闊合資格作為對沖工具之工具類別及可作對沖會計處理之非財務項目之風險成分類別。此外，有效性測試已全面革新，並以「經濟關係」原則取代。對沖有效性不再需要追溯評估。新規定同時引入增加披露有關實體風險管理活動之規定。

本集團仍在評估香港財務報告準則第9號之影響。董事認為，在本集團完成有關評估前，披露該準則對該等綜合財務報表之影響屬不可行。

香港財務報告準則第15號－ 客戶合約收益，澄清 香港財務報告準則第15號

香港財務報告準則第15號新制定單一全面模式，供實體用於客戶合約收益之會計處理。香港財務報告準則第15號生效後，將取代現時之收益確認指引，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 (Continued)

綜合財務報表附註 (續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – CONTINUED

HKFRS 15 – Revenue from Contracts with Customers and the Clarifications to HKFRS 15 – 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 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 amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

2. 採用新訂及經修改之香港財務報告準則－續

香港財務報告準則第15號－客戶合約收益，澄清

香港財務報告準則第15號－續

香港財務報告準則第15號之核心原則為：實體應確認收益以體現向客戶轉移承諾貨品或服務，所按轉移金額能反映實體預期就交換該等貨品或服務有權獲得之代價。具體而言，香港財務報告準則第15號引入一項確認收益之五步驟方法：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於（或隨著）實體完成履約責任時確認收益

根據香港財務報告準則第15號，於實體完成履約責任，即某項履約責任下之相關貨品或服務之「控制權」轉移予客戶時確認收益。

香港財務報告準則第15號已加入更規範化之指引以處理特定情況。此外，香港財務報告準則第15號要求全面披露。

香港財務報告準則第15號之修訂包括對下列項目作出澄清：識別履約責任；對主理人與代理人之考慮；知識產權許可；及過渡規定。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – CONTINUED

HKFRS 15 – Revenue from Contracts with Customers and the Clarifications to HKFRS 15 – continued

The Group does not expect the adoption of HKFRS 15 would result in significant impact on the amounts reported on the Group's consolidated financial statements in future. However, there will be additional qualitative and quantitative disclosures upon the adoption of HKFRS 15.

HKFRS 16 Leases

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

With regard to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets. Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

2. 採用新訂及經修改之 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，澄清

香港財務報告準則第15號－續
本集團預期，未來採納香港財務報告準則第15號將不會對本集團於綜合財務報表內報告之金額造成重大影響。然而，一旦採納香港財務報告準則第15號，將會作出額外的定性及定量披露。

香港財務報告準則第16號－租賃
香港財務報告準則第16號生效後，將取代現有之租賃指引，包括香港會計準則第17號租賃及相關詮釋。

就承租人之會計處理而言，香港會計準則第17號所規定之經營租賃與融資租賃區分已被由承租人就所有租賃確認使用權資產及相應負債之模式取代，其中不包括短期租賃及低價值資產之租賃。具體而言，使用權資產初始按成本計量及後續按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初始按有關日期之未支付租賃付款之現值計量。其後，租賃負債就利息及租賃付款作出調整。此外，現金流量之分類亦將受到影響，原因為香港會計準則第17號項下之經營租賃付款乃呈列為經營現金流量；而於香港財務報告準則第16號之模式下，租賃付款將分拆為本金及利息部分，並將分別呈列為融資及經營現金流量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS – CONTINUED

HKFRS 16 Leases – continued

With regard to lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

The operating lease commitments of the Group in respect of leased premises as at 31 December 2015 and 2016 are set out in note 36. The Group expects that the adoption of HKFRS 16 is unlikely to result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will require to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

2. 採用新訂及經修改之香港財務報告準則－續

香港財務報告準則第16號－租賃－續

就出租人之會計處理而言，香港財務報告準則第16號大體繼承香港會計準則第17號之出租人會計處理規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號規定須於財務報表進行全面披露。

本集團於二零一五年及二零一六年十二月三十一日有關租賃物業之經營租賃承擔載於附註36。本集團預期，採納香港財務報告準則第16號不大可能對本集團業績造成重大影響，惟預期該等租賃承擔之若干部分將須於綜合財務狀況表內確認為使用權資產及租賃負債。

3. 主要會計政策

所採納之主要會計政策如下。

綜合基準

綜合財務報表包括本公司及其所控制之實體及其附屬公司之財務報表。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of consolidation – continued

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

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

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

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

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

3. 主要會計政策 – 續

綜合基準 – 續

倘本公司直接或間接擁有被投資方之投票權或類似權利少於大多數，則本集團於評估其是否可對被投資方行使權力時將考慮一切相關事實及情況，包括：

- 與被投資方之其他投票權持有人之合約安排；
- 其他合約安排所產生之權利；及
- 本集團之投票權及潛在投票權。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本公司會重新評估其是否對被投資方擁有控制權。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團之會計政策一致。

集團內公司間之所有資產及負債、權益、收入、開支及有關本集團成員之間交易的現金流量，已於綜合賬目時全數對銷。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of consolidation – continued

When the Group loses control of a subsidiary, it (i) derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost, and (ii) recognises the aggregate of the fair value of the consideration received, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group.

Business combination and goodwill

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

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

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

3. 主要會計政策 – 續

綜合基準 – 續

當本集團失去對附屬公司的控制權，其(i)按該附屬公司的資產及負債於失去控制權當日之賬面值終止確認有關資產及負債；及(ii)確認已收代價之公平值之總和，由此產生的任何差額於本集團應佔損益中確認為收益或虧損。

業務合併及商譽

業務合併乃以收購法入賬。業務合併轉移之代價按公平值計量，其計算方式為本集團轉讓資產之購買日公平值、由本集團承擔被收購方前擁有人之債務、以及由本集團發出以換取被收購方控制權之權益之總和。對於每宗業務合併，本集團可選擇是否按公平值或按非控股權益於被收購方可識別資產淨值之比例計量屬於目前之擁有權權益及賦予其持有人於清算時按比例分佔該實體淨資產之非控股權益。收購相關成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之財務資產及負債，以作出適當之分類及標示，其中包括分離被收購方主合約中之嵌入式衍生工具。

倘業務合併分階段進行，以往持有之股本權益會以收購日期之公平值重新計量，任何因此產生之收益或虧損於損益中確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Business combination and goodwill – continued

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in the consolidated income statement.

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

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non – controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in income statement as a bargain purchase gain.

3. 主要會計政策 – 續

業務合併及商譽 – 續

倘業務合併分階段完成，本集團先前於被收購方持有之股本權益重新計量至收購日期(即本集團獲得控制權當日)之公平值，而所產生之收益或虧損(如有)於綜合收益表確認。

由收購方將予轉讓之任何或然代價將於收購日期按公平值確認。倘或然代價被分類為一項資產或負債，而屬香港會計準則第39號範疇內之財務工具，會按公平值計量，而其公平值變動於損益或作為其他全面收益變動確認。倘或然代價不屬於香港會計準則第39號所界定範圍，則按照適當之香港財務報告準則計量。倘或然代價歸類為權益，則毋須重新計量，且往後結算於權益列賬。

商譽初始按成本計量，乃所轉移之代價、被收購方之非控股權益金額，以及收購方先前持有被收購方股本權益之公平值(如有)之總和與所收購之可識別資產及承擔負債之收購日期淨額比較之超出數額。倘經重新評估後，所收購之可識別資產及承擔負債之收購日期淨額超過所轉移之代價、被收購方之非控股權益金額、及收購方先前持有被收購方權益之公平值(如有)之總和，超出部份立即於收益表確認作為議價購買收益。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Business combination and goodwill – continued

After initial recognition, goodwill is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The group performs its annual impairment test of goodwill as at 31 December. For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the cash-generating units (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating units (or group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (or group of cash-generating units) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

3. 主要會計政策 – 續

業務合併及商譽 – 續

初始確認後，商譽按成本扣除累計減值虧損（如有）列賬，並在綜合財務狀況表中個別列示。

商譽每年進行減值測試，或倘事件或情況變化顯示賬面值可能受損，則可能更頻密地進行測試。本集團於十二月三十一日進行年度商譽減值測試。為進行減值測試，商譽分配至本集團可望從合併協同效益中得益之每個現金產生單位（或現金產生單位組別）而不論該單位或該組單位是否獲分配本集團其他資產或負債。減值通過評估涉及商譽之現金產生單位（或現金產生單位組別）之可收回金額確定。倘現金產生單位（或現金產生單位組別）之可收回金額低於其賬面值，減值虧損首先予以分配以減少分配至現金產生單位（或現金產生單位組別）之商譽賬面值，然後根據單位資產賬面值按比例再分配至單位之其他資產。任何已確認之商譽減值虧損於後續期間不再轉回。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Business combination and goodwill – continued

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

Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3. 主要會計政策 – 續

業務合併及商譽 – 續

倘商譽已分配至現金產生單位(或現金產生單位組別)而該單位之部份業務已出售,則與所出售業務相關之商譽會在釐定出售之收益或虧損時計入該業務之賬面值。在該等情況出售之商譽,乃根據所出售業務之相對價值及現金產生單位之保留份額計量。

附屬公司

附屬公司為本公司可對其行使控制權之被投資方。取得控制權之條件為本集團透過參與被投資方之業務而享有或有權享有浮動回報,且有能力行使權力影響該等被投資方之回報(亦即本集團之現有權利賦予其能力操控被投資方之相關業務)。

於附屬公司之權益乃按成本減減值虧損(如有)於本公司之財務狀況表內列賬。本公司按已收及應收股息入賬附屬公司之業績。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings (classified as finance lease) held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated useful lives, using straight-line method, as follows:

Leasehold land and buildings	Over the estimated useful lives of 30 years
Leasehold improvements	Over the remaining life of the lease but not exceeding 3 years
Furniture, fixtures and equipments	10% - 25%
Motor vehicles	20%
Plant and machinery	10%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. 主要會計政策 – 續

物業、廠房及設備

物業、廠房及設備包括為用於生產或供應貨品或服務，或為行政目的（在建工程除外）而持有之租賃土地及樓宇（分類作融資租賃），乃按成本減其後之累計折舊及其後之累計減值虧損於綜合財務狀況表列賬。

物業、廠房及設備項目（不包括在建物業）扣除剩餘價值後採用直線法於其估計可使用年期內確認折舊以撇銷其成本，其折舊如下：

租賃土地及樓宇	按估計可使用年期 30年
租賃改良	按剩餘租賃年期（但 不超過3年）
傢俬、裝置及設備	10%至25%
汽車	20%
廠房及機器	10%

估計可使用年期、剩餘價值及折舊方法於各報告期間結束時檢討，估計變動之影響按預期基準入賬。

物業、廠房及設備項目於出售後或預期持續使用資產將不會產生未來經濟利益時取消確認。因出售或報廢物業、廠房及設備項目產生之任何收益或虧損，按該項資產之出售所得款項與賬面值之間的差額釐定，並於損益賬內確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property, plant and equipment – continued

Properties in the course of construction for production, supply or administrative purposes are carried at cost less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Leasing

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

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

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

3. 主要會計政策 – 續

物業、廠房及設備 – 續

正處於為生產、供應或行政目的而興建階段之物業按成本值減任何已確認減值虧損列賬。當在建工程完成及可投入作擬定用途時，有關物業將撥入物業、廠房及設備之適當分類。當該等資產可投入作擬定用途時，開始計提折舊，其基準與其他物業類資產相同。

租賃

凡租賃條款將擁有權之絕大部份風險及回報轉移至承租人之租賃，均分類為融資租賃。所有其他租賃則分類為經營租賃。

本集團作為承租人

根據融資租賃持有之資產初始按其公平值或最低租賃付款之現值(取金額較低者)確認為資產。相應之租賃承擔以負債列示。租賃付款於本金與利息之間進行分析。利息部分於租期內從損益中扣除，其按租賃負債之固定比例計算。本金部分可用作扣減欠付出租人之餘額。

經營租賃款項以直線法於租賃期內確認，惟倘另一個有系統的基準更能代表使用租賃資產所產生之經濟利益之時間模式則除外。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leasing – continued

Leasehold land and building

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

(a) *Financial assets*

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss (“FVTPL”) are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition to the financial assets.

3. 主要會計政策 – 續

租賃 – 續

租賃土地及樓宇

當租賃包括土地及樓宇部份，本集團根據對附於各部份所有權的絕大部份風險及回報是否已轉移本集團之評估，分別將各部份的分類評定為融資或經營租賃，惟該兩部份均明顯為經營租賃（在此情況，整份租約歸類為經營租賃）除外。具體而言，最低租賃款項（包括任何一筆過預付款項）於租賃訂立時按租賃土地部份及樓宇部份中的租賃權益相對公平值比例於土地與樓宇部份之間分配。

在租賃款項能夠可靠分配的情況，被列為經營租賃的租賃土地權益於綜合財務狀況表中呈列為「預付租賃款項」，並於租期內按直線基準攤銷。

存貨

存貨乃按成本與可變現淨值兩者之較低者列賬。成本使用先進先出法計算。可變現淨值指存貨之估計售價減估計完工成本及銷售所需之所有成本。

財務工具

(a) *財務資產*

本集團視乎資產收購之目的，於初始確認時將其財務資產分類。按公平值計入損益賬之財務資產（「按公平值計入損益賬之財務資產」）初始按公平值計量，而所有其他財務資產初始則按公平值加收購財務資產之直接應佔交易成本計量。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(a) *Financial assets – continued*

Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets held for trading and those designated as at FVTPL upon initial recognition.

Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Financial assets designated upon initial recognition as at FVTPL are designated at the date of initial recognition and only if the criteria in HKAS 39 “Financial Instruments: Recognition and Measurement” are satisfied.

Subsequently to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), and also incorporate other types of contractual monetary assets. Subsequent to initial recognition, loans and receivables (including trade and other receivables, loan receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of loans and receivables below).

3. 主要會計政策 – 續

財務工具 – 續

(a) *財務資產 – 續*

按公平值計入損益賬之財務資產

按公平值計入損益賬之財務資產包括持作買賣之財務資產及於初始確認時指定為按公平值計入損益賬之財務資產。

倘收購目的乃為於不久將來出售，則財務資產將分類為持作買賣。除非為指定作有效對沖工具或財務擔保合約，否則衍生工具（包括已分離之嵌入式衍生工具）亦分類為持作買賣。

於初始確認時指定為按公平值計入損益賬之財務資產僅可於初始確認日期指定，並須符合香港會計準則第39號「財務工具：確認及計量」之標準。

於初始確認後，按公平值計入損益賬之財務資產乃按公平值計量，其公平值變動於其產生期間於該期損益賬確認。

貸款及應收款項

貸款及應收款項乃非於活躍市場報價之固定或可釐定付款之非衍生財務資產。其主要因向客戶提供貨物及服務（貿易應收賬款）而產生，並包括其他類別之合約貨幣資產。於初步確認後，貸款及應收款項（包括貿易及其他應收賬款、應收貸款、已抵押銀行存款，以及銀行結餘及現金）採用實際利率法按攤銷成本減任何已識別減值虧損計量（見下文有關貸款及應收款項減值之會計政策）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(a) *Financial assets – continued*

Impairment of loans and receivables

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows to the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

3. 主要會計政策 – 續

財務工具 – 續

(a) *財務資產 – 續*

貸款及應收款項減值

本集團於各報告期末評估財務資產有否出現減值之任何客觀跡象。倘有客觀減值跡象顯示於初始確認財務資產後發生了一項或多項事件，而該事件能影響財務資產之估計未來現金流量，且影響程度能可靠地估計，則財務資產出現減值。減值跡象可包括：

- 債務人出現重大財政困難；
- 違反合約，如拖欠或欠付利息或本金付款；
- 因債務人有財務困難而授予寬免；及
- 債務人很可能破產或進行其他財務重組。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(a) *Financial assets – continued*

Impairment of loans and receivables – continued
For certain categories of loans and receivables, such as trade receivables and loan receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

3. 主要會計政策 – 續

財務工具 – 續

(a) *財務資產 – 續*

貸款及應收款項減值 – 續
對於若干類別之貸款及應收款項，例如貿易應收賬款及應收貸款，該等經評估並無個別減值的資產會再整體評估有否減值。應收款項組合的客觀減值證據包括本集團過往收款的經驗、組合中平均信貸期屆滿仍未付款的延期還款數字增加以及全國或地方經濟狀況出現與拖欠應收款項有關的明顯變化。

減值虧損之確認金額為資產之賬面值與按原先實際利率折現之估計未來現金流量之現值間之差額。

賬面值是按所有貸款及應收款項之減值虧損而直接減少，惟貿易及其他應收賬款之賬面值乃透過使用撥備賬目而減少。撥備賬目之賬面值變動於損益賬內確認。倘貿易及其他應收賬款被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入損益賬內。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(b) *Financial liabilities and equity instruments*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

3. 主要會計政策 – 續

財務工具 – 續

(b) *財務負債及股本工具*

集團實體發行之債務及股本工具乃根據合約安排之性質與財務負債及股本工具之定義分類為財務負債或股本。

股本工具

股本工具乃證明實體於扣減其所有負債後之資產中擁有剩餘權益之任何合約。本公司發行之股本工具以已收所得款項扣除直接發行成本確認。

可換股債券

本公司發行之複合工具(可換股債券)之組成部分乃依照合約安排內容及按財務負債及股本工具之定義分類為財務負債及權益。凡以定額現金或另一財務資產交換本公司所持有定額數目之股本工具結算之換股選擇權，均為股本工具。

於發行日期，負債部分之公平值乃採用類似非可換股工具之當時市場利率作出估算。此金額乃採用實際利息法按攤銷成本基準入賬列作負債，直至其於轉換時註銷或於該工具之到期日時終止入賬。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(b) *Financial liabilities and equity instruments* – continued

Convertible bonds – continued

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible bonds using the effective interest method.

3. 主要會計政策 – 續

財務工具 – 續

(b) *財務負債及股本工具 – 續*

可換股債券 – 續

分類為權益之換股選擇權乃透過自整體複合工具之公平值中扣減負債部分金額而釐定。其將於扣除所得稅影響後在權益內確認及入賬，且其後不會重新計量。此外，分類為權益之換股選擇權將一直保留於權益內，直至該換股選擇權獲行使，而在這情況下，於權益內確認之結餘將轉撥至股份溢價。倘換股選擇權於可換股債券到期日仍未獲行使，於權益內確認之結餘將轉入保留溢利。換股選擇權到期後將不會於損益內確認任何盈虧。

與發行可換股債券相關之交易成本乃按所得款項總額之分配按比例分配至負債及權益部分。與權益部分相關之交易成本乃直接於權益確認。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股債券之年期採用實際利息法攤銷。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(b) *Financial liabilities and equity instruments* – continued

Financial liabilities

The Group's financial liabilities include trade and other payables, bond payables, short-term bank loans, short-term loans from other financial institution and debt component of convertible bonds are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, contingent liabilities and contingent assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

3. 主要會計政策 – 續

財務工具 – 續

(b) *財務負債及股本工具 – 續*

財務負債

本集團財務負債(包括貿易及其他應付賬款、應付債券、短期銀行貸款、來自其他金融機構之短期貸款及可換股債券的債務部份)隨後採用實際利息法按攤銷成本計量。

財務擔保合約

財務擔保合約為一項要求發行人作出特定付款，以付還持有人因特定欠債人未能根據一項債務工具之原訂或經修訂條款於債務到期時還款所蒙受之損失之合約。

本集團發出之財務擔保合約初步按公平值計量，若並非指定為按公平值計入損益賬，則於其後按以下較高者計量：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定根據合約所承擔之金額；及(ii)初步確認金額扣除(在適用情況)根據收益確認政策確認之累計攤銷。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(b) *Financial liabilities and equity instruments* – continued

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(c) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

3. 主要會計政策 – 續

財務工具 – 續

(b) *財務負債及股本工具 – 續*

終止確認

本集團僅於自資產獲取現金流之合約權利到期時終止確認財務資產。

終止確認財務資產時，資產賬面值與已收及應收代價以及累計損益(已於其他全面收益確認並於權益累積)總和間之差額，於損益賬確認。

本集團只有在責任獲免除、取消或終止時，方會終止確認財務負債。獲終止確認之財務負債之賬面值與已付及應付代價間的差額會於損益賬確認。

(c) *抵銷財務工具*

當有法定可強制執行權力抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，財務資產與負債可互相抵銷，並在財務狀況表報告其淨額。法定可強制執行權利必須不得依賴未來事件而定，而在正常業務範圍中以及倘本集團或對方一旦出現違約、無力償債或破產時，這也必須可予強制執行。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments – continued

(d) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Share-based payment transactions

Share options granted to directors and employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

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

3. 主要會計政策 – 續

財務工具 – 續

(d) *實際利息法*

實際利息法是一種在相關期間內用於計算債務工具之攤銷成本以及分配利息收入之方法。實際利率是一種在債務工具的預期期限或(如適當)更短期間內能夠將預計未來現金收入額(包括所有構成實際利率整體部份在時點支付或收到的費用、交易費用及其他溢價或折價)完全折現為初始確認時之賬面淨值之利率。

債務工具之利息開支按實際利率基準確認。

以股份為基礎之付款交易

授予董事及僱員之購股權

所獲服務之公平值乃按所授出購股權於授出日期之公平值釐定，當所授出購股權即時歸屬，則於授出日期全數確認為開支，並相應增加權益(購股權儲備)。

於購股權獲行使時，先前於購股權儲備中確認之款額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使，先前於購股權儲備確認之金額將轉入保留溢利。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Impairment of non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

3. 主要會計政策 – 續

非財務資產之減值

於報告期間結束時，本集團審閱其非財務資產之賬面值，以釐定是否存在任何跡象顯示該等資產已遭受減值虧損。如出現任何上述跡象，則會估計資產之可收回金額以釐定減值虧損之幅度(如有)。倘不大可能估計個別資產之可收回金額，則本集團會估計有關資產所屬之現金產生單位之可收回金額。倘可確定合理及一致之分配基準，企業資產可分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及一致之分配基準之最小組別現金產生單位。

可收回金額為公平值減出售成本與使用價值之間之較高者。於評估使用價值時，估計未來現金流量會採用反映現時市場對貨幣時間價值及資產特殊風險之評值之稅前貼現率，貼現至其現有價值，及並無就此對未來現金流之估計予以調整。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則該項資產(或現金產生單位)之賬面值會調減至其可收回金額。減值虧損會即時於損益賬確認。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Impairment of non-financial assets – continued

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts, returns and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 主要會計政策 – 續

非財務形資產之減值 – 續

倘減值虧損其後撥回，則資產（或現金產生單位）賬面值會調高至其經修訂之估計可收回款額，惟已增加之賬面值不得超逾倘資產（或現金產生單位）於過往年度並無確認減值虧損時之賬面值。撥回之減值虧損即時確認為收入。

收入確認

收入乃按已收或應收代價之公平值計量，並相等於在一般業務過程中就提供商品及服務之已扣除折扣、退貨及銷售相關稅項之應收款額。

銷售貨品之收入於交付貨品及所有權已轉移時確認，屆時，下列所有條件已獲達成：

- 本集團已將貨品擁有權的重大風險及回報轉讓至買方；
- 本集團並無保留一般與擁有權有關的貨品持續管理權或實際控制權；
- 收入金額可以可靠量度；
- 與交易有關之經濟利益將可能流入至本集團；及
- 就交易產生或將產生之費用能夠可靠計量。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue recognition – continued

Subcontracting services income is recognised when the services are provided.

Loan interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. When a loan has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash receipts for the purpose of measuring the impairment loss.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income from sale of equity and debt securities is recognised on a trade date basis.

Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

3. 主要會計政策 – 續

收入確認 – 續

分包服務收入乃於提供服務時確認。

貸款利息收入乃按應計基準利用實際利率法，將財務工具預期可使用年期內的估計未來現金收入貼現至財務資產賬面淨值計算。倘貸款因減值虧損而撇減，利息收入按為計量減值虧損而用以貼現未來現金收入的利率確認。

財務資產之利息收入於經濟利益有機會流向本集團而收入金額能夠可靠地計量時確認。利息收入按時間基準，並參照未償還本金額及按所適用之實際利率累計。實際利率即以財務資產預期年限之估計未來現金收入完全折現為該資產於初始確認時賬面淨值之利率。

出售股本及債務證券之收入按交易日基準確認。

短期僱員福利

短期僱員福利為預期於僱員提供相關服務之年度報告期末後十二個月內全數結付之僱員福利(不包括離職福利)。短期僱員福利於僱員提供相關服務之年度確認。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Retirement benefit costs

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the municipal government of the PRC where a group entity operates. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

3. 主要會計政策 – 續

退休福利成本

本集團在中國的附屬公司的僱員為由一集團實體營運所在的中國市政府所設立的國營退休福利計劃的成員。該等附屬公司須按僱員工資的特定百分比作出退休福利計劃供款以資助有關福利。本集團對該等退休福利計劃的唯一責任為作出特定供款。

本集團亦根據香港強制性公積金計劃條例為受香港僱傭條例管轄的受聘僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受托人管理的定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入的5%向計劃供款，最高每月相關收入為30,000港元。計劃供款即時歸屬。

政府補助

在合理地確保本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方會予以確認。

政府補助乃就本集團確認的有關開支(預期以補助抵銷該等成本的開支)期間按系統化的基準於損益賬確認。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government grants – continued

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position presented as government grant and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

Borrowing costs

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

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

3. 主要會計政策 – 續

政府補助 – 續

具體而言，以要求本集團購買、建造或收購非流動資產為主要條件的政府補助乃於綜合財務狀況表確認為遞延收入並呈列為政府補助以及於相關資產的可用年期內有系統及合理地轉撥至損益賬。

政府補助是指在抵銷產生的開支或虧損，或給予本集團的即時財務支援（而無未來有關成本），於有關補助成為應收款項的期間在損益賬確認。

借貸成本

收購、興建或生產合資格資產（為需要頗長時間方可用作擬定用途或出售的資產）直接應佔之借貸成本乃計入該等資產之成本，直至資產大體上可用作擬定用途或出售。

所有其他借貸成本乃於產生之期間於損益賬確認。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit/(loss) before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策 – 續

稅項

所得稅開支指當期應付之稅項及遞延稅項之總和。

當期應付稅項乃基於本年度之應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅之收支項目，且不包括永不課稅或扣稅之項目，故應課稅溢利不同於綜合損益及其他全面收益表內所報告之「除稅前溢利／(虧損)」。本集團之當期稅項負債乃按報告期間結束時已制定或實質上制定之稅率計算。

遞延稅項乃就綜合財務報表內之資產及負債之賬面值與計算應課稅溢利時所使用之相應稅基之暫時差異而確認。所有應課稅暫時差額一般確認遞延稅項負債。遞延稅項資產一般在有可能錄得應課稅溢利以抵銷可扣稅暫時差額時就所有可扣稅暫時差額確認。倘暫時差額因商譽或因一項既不影響課稅溢利亦不影響會計溢利之交易中初次確認(業務合併除外)之資產及負債而產生，則該等資產及負債不予確認。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Taxation – continued

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for business combination.

3. 主要會計政策 – 續

稅項 – 續

遞延稅項負債乃按與於附屬公司之投資而有關之應課稅暫時差異而確認，惟若本集團可控制暫時差異之撥回，以及暫時差異可能不會於可見將來撥回則除外。與有關投資有關之可扣稅暫時差異產生之遞延稅項資產僅在有可能錄得足夠應課稅溢利以運用暫時差異之得益以及預期將於可見將來撥回時方予以確認。

遞延稅項資產之賬面值於報告期間結束時進行檢討，並調減至不再可能有足夠應課稅溢利可供收回全部或部份資產之程度。

遞延稅項資產及負債乃根據報告期間結束時已頒佈或實際頒佈之稅率（及稅法）按預期結算負債或變現資產期間之相關稅率計量。

遞延稅項負債及資產的計算反映本集團預期報告期間結束時收回或償還資產及負債賬面值後的稅務後果。

即期及遞延稅項於損益賬確認，惟對於在其他全面收益確認或直接於權益確認的項目，即期及遞延稅項亦在其他全面收益或直接於權益確認。倘即期或遞延稅項於業務合併之初步會計處理時產生，則稅務影響乃計入業務合併之會計處理內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during the year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve. Such translation differences are reclassified to profit or loss from equity in the period in which the foreign operation is disposed of.

3. 主要會計政策 – 續

外幣

於編製個別實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易乃按交易日之現行匯率使用各有關功能貨幣（即有關實體經營所在之主要經濟環境之貨幣）記錄。於報告期間結束時，以外幣列值之貨幣項目乃按該日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

因結算貨幣項目及換算貨幣項目產生之匯兌差額乃於其產生之期間於損益賬內確認。

就呈列綜合財務報表而言，本集團海外營運之資產與負債乃採用報告期間結束時之現行匯率換算為本集團之呈列貨幣（即人民幣）。收支項目按當年平均匯率換算，除非年內之匯率大幅波動，在此情況，使用交易當日之匯率換算。產生之匯兌差額（如有）於其他全面收益確認，並於權益累計列於匯兌儲備項下。上述匯兌差額於海外業務出售當期從權益重新分類至損益賬。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Foreign currencies – continued

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation 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.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3. 主要會計政策 – 續

外幣 – 續

於出售海外業務(即出售本集團於海外業務之全部權益,或出售涉及失去對包含海外業務之附屬公司之控制權、出售涉及失去對包含海外業務之共同控制實體之共同控制權,或出售涉及失去對包含海外業務之聯營公司之重大影響力)時,本公司擁有人應佔就該業務於權益累計之所有匯兌差額重新分類至損益賬。

現金及現金等價物

現金及現金等價物包括手頭現金及活期存款,以及可隨時轉換為已知數額之現金、價值變動風險輕微且於短期內(一般為購入後三個月內)到期之短期高流動性投資。

撥備及或然負債

倘本集團因過往之事件而須承擔現有責任(不論是法定或推定),且為履行責任可能須流出經濟利益,而責任金額能作出可靠估計,則確認撥備。倘貨幣時值重大,則撥備按預期履行責任所需開支之現值列賬。

所有撥備均於各報告期末檢討,並作出調整以反映當前最佳估計。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Provisions and contingent liabilities – continued

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 uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Related parties

- (a) A person, or a close member of that person's family, is related to the Company if that person:
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of key management personnel of the Company or the Company's parent.

3. 主要會計政策 – 續

撥備及或然負債 – 續

倘不大可能須流出經濟利益，或流出金額不能可靠地估計，則除非有極微量可能性須流出經濟利益，否則該責任須披露為或然負債；而除非流出經濟利益之可能性極微，否則潛在責任（其存在僅會於在未來發生（或不發生）一項或以上非完全由本集團控制之不確定事件時證實）亦會披露為或然負債。

有關連人士

- (a) 倘任何人士符合以下條件，則彼或其近親與本公司有關連：
- (i) 擁有本公司控制權或共同控制權；
 - (ii) 對本公司擁有重大影響力；或
 - (iii) 為本公司或本公司母公司主要管理人員之一。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Related parties – continued

- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group;
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of the other entity of which the other entity is a member);
 - (iii) The entity and the Company 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;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
 - (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); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the report entity.

Close member 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.

3. 主要會計政策 – 續

有關連人士 – 續

- (b) 倘任何實體符合以下任何條件，則為與本公司有關連：
- (i) 該實體與本公司屬同一集團之成員公司；
 - (ii) 該實體為另一實體（或屬同一集團成員公司之另一實體）之聯營公司或合營企業；
 - (iii) 該實體與本公司均為同一第三方之合營企業；
 - (iv) 該實體為一間第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
 - (v) 該實體是為本公司或與本公司相關之實體之僱員利益而設的離職後福利計劃；
 - (vi) 該實體由第(a)項所指之人士控制或共同控制；
 - (vii) 第(a)(i)項所指之人士對該實體有重大影響力或為該實體（或該實體之母公司）主要管理人員之一；及
 - (viii) 該實體或其所屬集團旗下任何成員公司向報告實體或報告實體之母公司提供主要管理人員服務。

一名個別人士之近親指在與該實體進行交易時預期可影響或可被該個別人士影響之家屬。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the noncurrent asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

Immediately before the initial classification as held for sale, the non-current assets (or disposal groups) are measured in accordance with applicable HKFRSs. Subsequent to classification, non-current assets (or disposal groups) that are within the scope of the measurement requirements of HKFRS 5 “Non-current assets held for sale and discontinued operations” are measured at the lower of their previous carrying amount and fair value less costs of disposal.

On disposal of the non-current assets (or disposal groups), any gain or loss (calculated as the difference between the net disposal proceeds and the carrying amount of the non-current assets) is included in the profit or loss in the period in which the assets are disposed of.

3. 主要會計政策 – 續

持作出售之非流動資產 (或出售集團)

倘非流動資產之賬面金額將主要透過出售交易(而非透過持續使用)收回,則非流動資產(或出售集團)分類為持作出售。此條件僅於出售極有可能及非流動資產(或出售集團)可以其現況供即時出售,方視為達成。管理層必須承諾進行出售,即應預期於分類日期起計一年內合資格確認為一項已完成出售。

當本集團承諾進行涉及失去一間附屬公司控制權之出售計劃,倘符合上述條件,該附屬公司之所有資產及負債均分類為持作出售,不論本集團會否於出售后保留其前附屬公司之非控股權益。

緊接首次分類為持作出售前,非流動資產(或出售集團)乃根據適用香港財務報告準則計量。於分類後,屬於香港財務報告準則第5號「持作出售之非流動資產及已終止業務」計量規定範圍之非流動資產(或出售集團)按其以往賬面值與公平值減出售成本之較低者計量。

於出售非流動資產(或出售集團)時,任何收益或虧損(按出售所得款項淨額與非流動資產賬面值之間的差額計算)計入出售資產期間之損益內。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

4. 估計不明朗因素之主要來源

於應用附註3所述的本集團會計政策時，本公司董事須就從其他來源不顯而易見的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及認為屬有關的其他因素為基礎。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘若會計估計修訂只影響該期間，則有關修訂會在修訂估計期間確認。倘若有關修訂既影響當期，亦影響未來期間，則有關修訂會在修訂期間及未來期間確認。

以下為對下一個財政年度內之資產及負債之賬面值造成重大調整之重大風險而有關未來之主要假設，以及於報告期間結束時估計不明朗因素之其他主要來源。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY – CONTINUED

Estimated impairment of property, plant and equipment and prepaid lease payments

When there is an indication that property, plant and equipment, prepaid lease payments or a cash-generating unit (“CGU”) may be impaired, the Group estimates the recoverable amount of the relevant asset or the relevant CGU in which the relevant property, plant and equipment and prepaid lease payments are belonged to. The amount of the impairment loss is measured as the difference between the carrying amount of the relevant asset or the CGU and the recoverable amount. The recoverable amount is higher of value in use and fair value less costs to sell. Value in use is the estimated future cash flows discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the relevant asset or the CGU. Where the actual future cash flows or fair value less costs to sell are less or more than expected, or changes in facts and circumstances which result in revisions of the estimated future cash flows for the purpose of determining the value in use, further impairment loss or reversal of impairment loss may arise. As at 31 December 2016, the carrying amount of property, plant and equipment and prepaid lease payments are approximately RMB49,699,000 and RMB426,000 respectively (2015: RMB59,105,000 and RMB440,000 respectively). Details of impairment losses provided and reversed during the year are set out in note 9.

Estimated impairment of other non-financial assets

Determining whether other non-financial assets are impaired requires an estimation of the recoverable amount of the CGUs to which non-financial assets have been allocated. The recoverable amount calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amounts of the Group’s deposits for other investments and investments in subsidiaries are disclosed in note 21.

4. 估計不明朗因素之主要來源 – 續

物業、廠房及設備和預付租賃款項之估計減值

當有跡象顯示物業、廠房及設備、預付租賃款項或現金產生單位(「現金產生單位」)可能出現減值，本集團會估計相關資產或有關物業、廠房及設備和預付租賃款項所屬之相關現金產生單位之可收回金額。減值虧損金額按相關資產或現金產生單位的賬面值及可收回金額的差額計量。可收回金額為在用價值與公平值減出售成本的較高者。在用價值是以合適的貼現率將估計未來現金流量貼現至現值之數，該貼現率可反映目前市場對金錢時間值的評估及相關資產或現金產生單位之特有風險。倘實際未來現金流量或公平值減出售成本少於或高於預期，或事實或情況有變而令到釐定在用價值所用之估計未來現金流量有所修訂，則可能會產生進一步的減值虧損或撥回減值虧損。於二零一六年十二月三十一日，物業、廠房及設備和預付租賃款項之賬面值分別約為人民幣49,699,000元及人民幣426,000元(二零一五年：人民幣59,105,000元及人民幣440,000元)。有關年內已撥備及撥回之減值虧損詳情載於附註9。

其他非財務資產之估計減值

釐定其他非財務資產是否減值，需要估計非財務資產獲分配之現金產生單位之可收回金額。計算可收回金額需要本集團對預期自現金產生單位獲得之未來現金流量作出估計以及合適的貼現率(以計算現值)。倘實際未來現金流量較預期為少，則可能產生重大減值虧損。有關本集團於其他投資及投資於附屬公司之按金之賬面值在附註21披露。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY – CONTINUED

Impairment of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price for inventories, less all the estimated costs of completion and costs necessary to make the sales. The management reviews the inventory ageing listing on a periodical basis for those aged inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the consolidated financial statements for any obsolete and slow moving items. Although the Group carried periodic review on the net realisable value of inventory, the actual realisable value of inventory is not known until the sale was concluded. At 31 December 2016, the carrying amount of inventories is approximately RMB106,724,000 (2015: RMB85,527,000).

Provision for impairment of loans and receivables

The policy for the provision for impairment of loans and receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these loans and receivables, including the current creditworthiness and the past collection history of each customer or counterparty. If the financial conditions of customers or counterparties of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required. The carrying amounts of the Group's trade and other receivables and deposits and loan receivables are disclosed in notes 23 and 24 respectively.

4. 估計不明朗因素之主要來源 – 續

存貨減值

存貨乃按成本與可變現淨值兩者之較低者列賬。可變現淨值指存貨之估計售價減估計完工成本及銷售所需之所有成本。管理層定期檢視存貨賬齡清單，以識別出陳舊存貨。此涉及將陳舊存貨項目之賬面值與各自的可變現淨值互相比較，以確定是否需要在綜合財務報表中就任何陳舊及滯銷存貨作出撥備。雖然本集團定期檢視存貨之可變現淨值，但存貨的實際可變現價值要待銷售敲定時才能得知。於二零一六年十二月三十一日，存貨之賬面值約為人民幣106,724,000元(二零一五年：人民幣85,527,000元)。

貸款及應收款項減值撥備

本集團之貸款及應收款項減值撥備政策乃根據對賬目的可收回成數及賬齡分析之評估以及管理層之判斷制定。在評估該等貸款及應收款項能否最終變現時須作出大量判斷，包括每名客戶或對手方之當前信譽及過往收款記錄。倘本集團客戶或對手方之財務狀況惡化，導致其還款能力有所削弱，則可能須作出額外減值撥備。本集團之貿易及其他應收賬款、按金及應收貸款之賬面值乃分別於附註23及24披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

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 consists of liability component of convertible bonds, obligation under finance leases, bond payables, short-term bank loans, short-term loans from other financial institution, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated deficit as disclosed in the consolidated financial statements.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with the capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through various means, including but not limited to the new share issues, raising of bank or other loans or the redemption of existing debt.

5. 資本風險管理

本集團管理其資本，以確保本集團內各實體將可持續經營，同時透過優化債務及股本結餘提高股東之回報。本集團之整體策略與上年度不變。

本集團之資本架構包括綜合財務報表中披露的可換股債券之負債部分、融資租賃承擔、應付債券、短期銀行貸款及來自其他金融機構之短期貸款，扣除現金及現金等價物及本公司擁有人應佔權益（包括已發行股本、儲備及累計虧絀）。

本公司董事定期檢討資本架構。作為此項檢討一部份，本公司董事考慮資本成本及資本所附帶之風險。本集團將依據本公司董事之建議，透過不同方式，包括但不限於發行新股份、籌措銀行或其他貸款及贖回現有債務而平衡其整體資本架構。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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 INSTRUMENTS

a. Categories of financial instruments

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及 現金等價物)	300,017	289,633
Financial assets at fair value through profit or loss	按公平值計入損益賬之 財務資產	201,422	—
Financial liabilities	財務負債		
Financial liabilities at amortised costs	按攤銷成本計量之 財務負債	505,410	242,928
Financial guarantee contracts	財務擔保合約	—	8,349

b. Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables, loan receivables, financial assets at FVTPL, pledged bank deposits, bank balances and cash, trade and other payables, bond payables, finance leases, short-term bank loans, short-term loans from other financial institution, liability component of convertible bonds and financial guarantee contracts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market 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.

6. 財務工具

a. 財務工具之類別

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及 現金等價物)	300,017	289,633
Financial assets at fair value through profit or loss	按公平值計入損益賬之 財務資產	201,422	—
Financial liabilities	財務負債		
Financial liabilities at amortised costs	按攤銷成本計量之 財務負債	505,410	242,928
Financial guarantee contracts	財務擔保合約	—	8,349

b. 財務風險管理目標及政策

本集團之財務工具包括貿易及其他應收賬款、應收貸款、按公平值計入損益賬之財務資產、已抵押銀行存款、銀行結餘及現金、貿易及其他應付賬款、應付債券、融資租賃、短期銀行貸款、來自其他金融機構之短期貸款、可換股債券之負債部分及財務擔保合約。該等財務工具之詳情在各有關附註內披露。該等財務工具附帶之風險包括市場風險、信貸風險及流動資金風險。下文載列降低該等風險之政策。管理層管理及監察該等風險，以確保適時和有效地採取適當措施。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable rate bank deposits and bank loans. The management of the Group monitors the related interest rate risk exposure closely to minimise these interest rate risks.

The interest rate risk on bank deposits is limited because of the short maturity.

The interest rate risk on bank loans is limited because the bank loans at variable rate was immaterial to the Group.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of one year Loan Prime Rate published by People's Bank of China arising from the Group's bank loans.

The directors of the Company consider that the exposure to cash flow interest rate risk on bank deposits and bank loans are insignificant.

6. 財務工具－續

b. 財務風險管理目標及政策－續

市場風險

利率風險

本集團就浮息銀行存款及銀行貸款而承受現金流量利率風險。本集團管理層密切監察相關利率風險承擔度，將該等利率風險盡量降低。

銀行存款由於在短期內到期，故承擔之利率風險有限。

由於浮息銀行貸款之金額對本集團而言為微不足道，故就銀行貸款承擔之利率風險有限。

本集團就財務負債面對之利率風險詳述於本附註之流動資金風險管理一節。本集團之現金流量利率風險主要集中於源自本集團銀行貸款之中國人民銀行所公佈之一年期貸款最優惠利率之波動。

本公司董事認為就銀行存款及銀行貸款而面對之現金流量利率風險並非重大。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Currency risk

The functional currency of the group entities are mainly HK\$ and RMB in which most of the transactions are denominated. The directors of the Company consider that no major monetary assets and liabilities which expose the Group to currency risk for the year ended 31 December 2016. For the year ended 31 December 2015, the directors of the Company consider that trade and other receivables, loan receivables and bank balances and cash denominated in HK\$ are the major monetary assets; while trade and other payables and bond payables denominated in HK\$ are the major monetary liabilities which expose the Group to currency risk.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

6. 財務工具 – 續

b. 財務風險管理目標及政策 – 續

貨幣風險

集團實體之功能貨幣主要是港元及人民幣，大部份交易也是以人民幣計值。本公司董事認為，於截至二零一六年十二月三十一日止年度並無主要的貨幣資產及負債可引致本集團承受貨幣風險。截至二零一五年十二月三十一日止年度，本公司董事認為，以港元計值之貿易及其他應收賬款、應收貸款和銀行結餘及現金為主要貨幣資產；而以港元計值之貿易及其他應付賬款以及應付債券為令本集團面對貨幣風險之主要貨幣負債。

本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並會於需要時考慮對沖重大外匯風險。

本集團以外幣計值之貨幣資產及負債於報告期間結束時的賬面值如下：

Assets 資產		Liabilities 負債	
2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
HK\$	港元	–	243,090
		–	66,869

HK\$

港元

– 243,090

– 66,869

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Currency risk – continued

Sensitivity analysis

Since there are no major monetary assets and liabilities which expose the Group to currency risk for the year ended 31 December 2016, no sensitivity analysis is necessary.

For the year ended 31 December 2015, the following details the Group's sensitivity to a 5% increase in RMB, the functional currency of the group entity against HK\$. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A positive number below indicated a decrease in loss and increase in profit where the functional currency of the group entity strengthens 5% against the HK\$. For 5% weakening of the functional currency of the group entity against HK\$, this would be an equal and opposite impact on the loss/profit.

At 31 December 2015, if RMB strengthens/weakens against HK\$ by 5% with all other variables held constant, the Group's (loss)/profit for the year would have been increased/(decrease) by RMB8,811,000.

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. 財務工具 – 續

b. 財務風險管理目標及政策 – 續

市場風險 – 續

敏感度分析

由於截至二零一六年十二月三十一日止年度並無主要的貨幣資產及負債可引致本集團承受貨幣風險，故毋須進行敏感度分析。

下文詳列出截至二零一五年十二月三十一日止年度集團實體之功能貨幣—人民幣兌港元升值5%時，本集團之敏感度分析。此敏感度分析只包括仍然有效的外幣計值貨幣項目，並且就外幣匯率的5%變動調節於報告期間結束時的換算。下列的正數表示集團實體的功能貨幣兌港元升值5%時，虧損的減少及溢利的增加。若集團實體的功能貨幣兌港元貶值5%時，則會對虧損／溢利造成等額而相反的影響。

於二零一五年十二月三十一日，如人民幣兌港元升值／貶值5%而所有其他變數維持不變，本集團之年度（虧損）／溢利將增加／（減少）人民幣8,811,000元。

管理層認為，此敏感度分析不足以反映內在的外匯風險，因為於年結日面對的風險不可反映年內面對的風險。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Credit risk

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

In order to minimise the credit risk, the Group has policies in place for determining 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 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.

6. 財務工具－續

b. 財務風險管理目標及政策－續

信貸風險

於二零一六年十二月三十一日，本集團面對之最大信貸風險(因對手方未能履行責任而對本集團造成之財務損失)源自綜合財務狀況表所載各項已確認財務資產之賬面值。

為盡量減低信貸風險，本集團備有政策釐定信貸額度、信貸批核及其他監察程序，以確保採取跟進行動討回逾期債項。此外，本集團於報告期間結束時檢討各項個別貿易債項之可收回金額，以確保就不可收回之金額作出足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大為減低。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Credit risk – continued

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit – rating agencies and PRC stated-owned banks with good reputation.

In order to minimise the credit risk on the advances to third parties, the management of the Group closely monitor the follow-up action taken to recover any loans outstanding over 180 days. In addition, the Group monitors subsequent settlement of each of the loans and receivables 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 on the loan receivables is significantly reduced.

In addition, the Group exposes to concentration of credit risk on other receivable of approximately RMB61,037,000 (note 23(iv)) for the purpose of acquisition of Asia Television Limited ("ATV") as discussed on note 12 to the consolidated financial statements.

6. 財務工具 – 續

b. 財務風險管理目標及政策 – 續

信貸風險 – 續

流動資金之信貸風險有限，皆因對手方均為經國際信貸評級機構評定為高信貸評級之銀行以及信譽良好之中國國有銀行。

為了盡量減低墊款予第三方之信貸風險，本集團之管理層密切監察為收回任何未償還超過180日之貸款所採取之跟進行動。此外，本集團監察每筆貸款及應收款項之其後結清，確保就無法收回金額作出足夠的減值虧損。就此而言，本公司董事認為本集團就貸款應收款項而承受之信貸風險已大為減低。

此外，本集團就應收用於收購亞洲電視有限公司（「亞視」）之其他賬款約人民幣61,037,000元（附註23(iv)）而承受集中信貸風險，有關收購詳情載述於綜合財務報表附註12。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Based on the good working relationship with its banks and other financial institution and to optimise the use of the Group's liquid funds, the Group will consider renewing the bank and other financial institution loans upon their maturities. The directors of the Company are of the opinion that the existing facilities from banks and other financial institution could be successfully renewed upon maturity based on the past history and good relationships of the Group with the banks and other financial institution. The management monitors the utilisation of bank and other loans, finance leases, convertible bonds and bond payables and ensures compliance with loan covenants. The directors of the Company closely monitor the cash flow of the Group and, upon maturity, would arrange the renewal and refinancing of the bank and other loans and bond payables, where necessary, to enable the Group to carry on its operations in the foreseeable future. In this regard, the directors of the Company consider that the Group's liquidity risk is significantly reduced and are satisfied that the Group will be able to meet in full its financial obligations as they fall due the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going-concern basis.

6. 財務工具－續

b. 財務風險管理目標及政策－續

流動資金風險

在管理流動資金風險時，本集團監察及維持管理層認為數額足夠之現金及現金等價物，以給本集團之業務提供資金，並減輕現金流量波動之影響。鑑於本集團與往來銀行及其他金融機構保持良好的合作關係，以及為優化本集團流動資金的運用，本集團將考慮於銀行及其他金融機構貸款到期時重續有關貸款。本公司董事認為，基於過往記錄及本集團與銀行及其他金融機構之關係良好，現有來自銀行及其他金融機構之融資將可於到期時成功重續。管理層監察銀行及其他貸款、融資租賃、可換股債券以及應付債券之動用情況，並確保已遵守貸款契諾。本公司董事密切監察本集團之現金流量，並於需要時就到期之銀行及其他貸款以及應付債券進行重續及再融資安排，以便本集團於可見將來經營業務。就此而言，本公司董事認為本集團之流動資金風險已大大減低，並信納本集團於可見將來能夠全面履行其到期之財務責任。因此，綜合財務報表按持續經營基準編製。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Liquidity risk – continued

In addition, the Group is exposed to liquidity risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on (note 32).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

6. 財務工具－續

b. 財務風險管理目標及政策－續

流動資金風險－續

此外，本集團就其向銀行提供之財務擔保而面對相關流動資金風險。本集團在此方面之最大風險為倘若被要求履行有關擔保時本集團須支付之最高金額(附註32)。

下表詳列根據協定還款期本集團非衍生財務負債之剩餘合約到期日。就非衍生財務負債而言，下表乃根據本集團最早可被要求償還非衍生財務負債當日財務負債之未折現現金流量而編製，其包括利息及本金現金流量。若利率為浮息，則未折現金額是從報告期間結束時的利率得出。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Liquidity risk – continued

6. 財務工具 – 續

b. 財務風險管理目標及政策 – 續

流動資金風險 – 續

	Weighted average effective interest rate	On demand or less than 3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2016
	加權平均 實際利率 %	於要求時 償還或 三個月以下 RMB'000 人民幣千元	三個月 至一年 RMB'000 人民幣千元	一年以上 RMB'000 人民幣千元	未折現現金 流量總額 RMB'000 人民幣千元	於二零一六年 十二月 三十一日 之賬面值 RMB'000 人民幣千元
2016						
Trade and other payables*						
Trade and other payables*						
Bond payables	8.00	–	64,108	–	64,108	63,710
Convertible bonds	8.00	–	607	31,790	32,397	26,589
Obligation under finance leases	4.69	179	536	1,684	2,399	2,281
Short-term bank loans - fixed rate	5.44	–	125,805	–	125,805	119,340
Short-term loans from other financial institution - fixed rate	8.00	26,647	–	–	26,647	26,647
		293,669	191,056	33,474	518,199	505,410

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Liquidity risk – continued

6. 財務工具 – 續

b. 財務風險管理目標及政策 – 續

流動資金風險 – 續

	Weighted average effective interest rate	On demand or less than 3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at 31.12.2015 於二零一五年 十二月 三十一日 之賬面值
	加權平均 實際利率 %	於要求時 償還或 三個月以下	三個月 至一年	一年以上	未折現金 流量總額	RMB'000 人民幣千元
2015						
Non-derivative financial liabilities						
Trade and other payables*	-	57,158	-	-	57,158	57,158
Bond payables	15.00	-	65,603	-	65,603	60,470
Short-term bank loans - fixed rate	5.78	20,754	102,519	-	123,273	118,300
Short-term bank loan - variable rate	4.57	-	5,276	-	5,276	5,000
Short-term loans from other financial institution - fixed rate	10.50	2,175	-	-	2,175	2,000
		80,087	173,398	-	253,485	242,928

2015	二零一五年
Non-derivative financial liabilities	非衍生財務負債
Trade and other payables*	貿易及其他應付賬款*
Bond payables	應付債券
Short-term bank loans - fixed rate	短期銀行貸款 – 定息
Short-term bank loan - variable rate	短期銀行貸款 – 浮息
Short-term loans from other financial institution - fixed rate	來自其他金融機構之短期貸款 – 定息

* The amount includes trade payables, other payables, customers' deposits and amount due to a director.

* 該款項包括貿易應付賬款、其他應付款項、客戶按金及應付董事款項。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Liquidity risk – continued

The amounts included in financial guarantee contracts set out in note 32 are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely that no amount will be payable under the arrangement. However, this estimate is subject to change and depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

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

6. 財務工具－續

b. 財務風險管理目標及政策－續

流動資金風險－續

附註32所載之財務擔保合約中包含的金額為在擔保之對約方索償情況下，本集團根據安排可能須結付全數擔保金額的最高金額。根據報告期間結束時的預期，本集團認為須根據安排付款的機會極微。然而，該估計將視乎對約方根據擔保提出索償的可能性而有所改變，而提出索償的可能性則取決於對約方所持獲擔保財務應收款項出現信貸虧損的可能性。

上列款項中包括非衍生財務負債之浮息工具，若浮息之變化與報告期間結束時釐定的利率估計不同，則非衍生財務負債之浮息工具之相關款項可能出現變動。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Equity price risk

The Group is exposed to equity price risk through its investments classified as financial assets at FVTPL. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of the investments.

A decrease of 5% on equity price would have a negative impact of approximately RMB10,071,000 on profit or loss. An increase of 5% in the value of the listed equity securities would impact the Group's performance in a similar amount.

Fair values of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.

The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, deposits paid, loan receivables, pledged bank deposits, bank balances and cash, trade and other payables, bond payables, finance leases, short-term bank loans and short-term loans from other financial institution) are assumed to approximate their fair values.

6. 財務工具－續

b. 財務風險管理目標及政策－續

股價風險

本集團因投資於分類為按公平值計入損益賬之財務資產而承受股價風險。管理層透過密切監察股價及市況變動等可能影響投資價值之因素來管理此風險。

倘股價下跌5%，其將對損益賬造成約人民幣10,071,000元之負值影響。倘上市股本證券之價值上升5%，其將對本集團表現帶來相若金額之影響。

財務工具之公平值

財務資產及財務負債之公平值釐定如下：

具備標準條款及條件並於活躍市場買賣之財務資產及財務負債之公平值分別參考市場買入報價及賣價釐定。

到期期限少於一年之財務資產及財務負債（包括貿易及其他應收賬款、已付按金、應收貸款、已抵押銀行存款、銀行結餘及現金、貿易及其他應付賬款、應付債券、融資租賃、短期銀行貸款及來自其他金融機構之短期貸款）名義金額乃假設與其公平值相若。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Fair values of financial instruments – continued

The following table presents the carrying value of the Group's financial instruments measured at fair value across the three levels of the fair value hierarchy defined in HKFRS 13 "Fair Value Measurement" with fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: fair values measured using significant unobservable input.

6. 財務工具－續

b. 財務風險管理目標及政策－續

財務工具之公平值－續

下表呈列根據香港財務報告準則第13號「公平值計量」所界定之三個層級公平值等級架構以公平值計量之本集團財務工具之賬面值，各財務工具之公平值以對公平值計量而言關係重大之最低層級輸入數據為依據進行整體分類。公平值層級界定如下：

層級1：相同財務工具之公平值按活躍市場報價（不予調整）計量。

層級2：使用層級2輸入數據（即不符合層級1之可觀察輸入數據）而不使用重大不可觀察輸入數據計量之公平值，不可觀察輸入數據指並無市場資料之輸入數據。

層級3：使用重大不可觀察輸入數據計量之公平值。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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 INSTRUMENTS – CONTINUED

b. Financial risk management objectives and policies – continued

Fair values of financial instruments – continued

		2016		
		二零一六年		
		Level 1	Level 2	Level 3
		層級1	層級2	層級3
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Financial assets at fair value through profit or loss	按公平值計入損益賬之財務資產			
– Equity securities listed in Hong Kong, at fair value	– 香港上市股本證券 (按公平值計)	114,789	–	–
– Unlisted investment fund, at fair value	– 非上市投資基金 (按公平值計)	–	86,633	–

The fair value of financial assets at FVTPL categorised in Level 2 is determined based on the market value as stated in net asset value statement issued by the broker.

There were no transfers between the three Levels during the year and prior period.

6. 財務工具 – 續

b. 財務風險管理目標及政策 – 續

財務工具之公平值 – 續

分類為層級2之按公平值計入損益賬之財務資產公平值是基於證券商發佈之資產淨值表所載市場價值釐定。

於年內及過往期間，不存在三個層級之間的轉換。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. TURNOVER AND SEGMENT INFORMATION

An analysis of the Group's turnover for the year is summarised as follows:

7. 營業額及分類資料

本集團於本年度之營業額分析概述如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of goods from	以下商品銷售		
– sales of finished fabrics	– 出售成品布料	49,991	130,216
– trading of goods	– 商品貿易	3,548	3,632
		53,539	133,848
Subcontracting services	分包服務	118,643	133,557
Entertainment and media services	娛樂及媒體服務	713	–
Loan interest income	貸款利息收入	25,726	5,480
Securities investment	證券投資	4,710	416
		203,331	273,301

Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

分類報告

本集團按不同部門管理業務，而部門是同時以業務系列(產品和服務)和地理位置的方式組織。本集團呈列以下五個須報告分類，此與內部匯報資料予本集團最高執行管理層以作資源分配及表現評估的方式一致。並無營運分類已綜合入以下須報告分類。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. TURNOVER AND SEGMENT INFORMATION – CONTINUED

Segment reporting – continued

- Processing, printing and sales of finished fabrics and subcontracting services - the PRC;
- Trading of fabrics and clothing;
- Money lending;
- Securities investment; and
- Media, cultural and entertainment.

i) *Segment results, assets and liabilities*

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets attributable to the activities of the individual segments. Segment liabilities include trade and other payables attributable to the activities of the individual segments and short-term loans managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

7. 營業額及分類資料－續

分類報告－續

- 成品布料加工、印花及銷售及分包服務－中國；
- 布料及成衣貿易；
- 放債；
- 證券投資；及
- 媒體、文化及娛樂。

i) *分類業績、資產及負債*

就評估分類表現及在分類之間分配資源，本集團最高執行管理層按以下基準監察各須報告分類應佔之業績、資產及負債：

分類資產包括歸屬於各獨立分類之活動之非流動資產和流動資產。分類負債包括歸屬於各獨立分類之活動之貿易及其他應付賬款以及由分類直接管理之短期貸款。

收益及開支乃參考該等分類帶來之銷售以及該等分類錄得或因該等分類應佔之資產的折舊或攤銷所產生之開支而分配予須報告分類。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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. TURNOVER AND SEGMENT INFORMATION – CONTINUED

Segment reporting – continued

i) Segment results, assets and liabilities – continued

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2016 and 2015 is set out below.

7. 營業額及分類資料－續

分類報告－續

i) 分類業績、資產及負債－續

截至二零一六年及二零一五年十二月三十一日止年度就資源分配及評估分類表現而向本集團最高執行管理層提供之本集團須報告分類之資料如下：

	Processing, printing and sales of finished fabrics – PRC 成品布料加工、印花及銷售－中國		Trading of fabrics and clothing – Hong Kong 布料及成衣貿易－香港		Money lending – Hong Kong 放債－香港		Securities investment – Hong Kong 證券投資－香港		Entertainment and media – Hong Kong 娛樂及媒體－香港		Unallocated corporate office 未分配公司辦事處		Inter-segment elimination 分類間抵銷		Total 總計	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from external customers 來自外界客戶之收益	168,634	263,773	3,548	3,632	25,726	5,480	4,710	416	713	-	-	-	-	-	203,331	273,301
Revenue from inter-segment 內部分類收益	-	-	-	-	-	-	-	-	326	-	26,813	5,635	(27,139)	(5,635)	-	-
Reportable segment revenue 須報告分類收益	168,634	263,773	3,548	3,632	25,726	5,480	4,710	416	1,039	-	26,813	5,635	(27,139)	(5,635)	203,331	273,301
Reportable segment profit/(loss) (adjusted EBITDA) 須報告分類溢利/(虧損) (經調整EBITDA)	6,246	20,529	(228)	(198)	3,953	5,282	60,293	125	(4,247)	-	8,254	(9,425)	-	-	74,271	16,313
Depreciation and amortisation for the year 年度折舊和攤銷	(8,753)	(11,388)	(11)	(19)	-	-	-	-	-	-	(826)	(187)	-	-	(9,590)	(11,594)
Impairment of property, plant and equipment 物業、廠房及設備之減值	(3,776)	(4,900)	-	-	-	-	-	-	-	-	-	-	-	-	(3,776)	(4,900)
Reversal of impairment of property, plant and equipment 撥回物業、廠房及設備之減值	7,547	13,100	-	-	-	-	-	-	-	-	-	-	-	-	7,547	13,100
Loss on acquisition of a subsidiary 收購附屬公司之虧損	-	-	-	-	(14,048)	-	-	-	-	-	-	-	-	-	(14,048)	-
Finance costs 融資成本	(6,775)	(12,916)	-	-	(18,428)	(4,016)	(1,661)	-	-	-	(6,730)	(1,760)	18,428	4,016	(15,166)	(14,676)
Others 其他	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,152)	(3,251)
Profit/(loss) before taxation 除稅前溢利/(虧損)															31,086	(5,008)
Reportable segment assets 須報告分類資產	252,664	271,395	2,064	672	394,389	149,872	249,292	54,693	518,365	-	431,359	128,927	(648,750)	(80,012)	1,199,383	525,547
Additions to non-current segment assets during the year 年內添置非流動分類資產	574	1,470	74	-	-	-	-	-	-	-	4,492	9	-	-	5,140	1,479
Reportable segment liabilities 須報告分類負債	180,994	186,231	5,126	3,522	393,157	80,313	26,650	-	197,503	-	99,414	65,513	(393,157)	(80,012)	509,687	255,567

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. TURNOVER AND SEGMENT INFORMATION – CONTINUED

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and prepaid lease payments ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

		Turnover 營業額		Non-current assets 非流動資產	
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
PRC	中國	168,634	263,773	46,191	52,446
Hong Kong and overseas	香港及海外	34,697	9,528	3,920	7,085
		203,331	273,301	50,111	59,531

Information about major customers

There are no customers who individually contribute over 10% of the total revenue of the Group.

7. 營業額及分類資料 – 續

地區資料

下表載列有關(i)本集團來自外界客戶之收益；及(ii)本集團之物業、廠房及設備及預付租賃款項(「指定非流動資產」)的地理位置之相關資料。客戶的地理位置是基於提供服務或交付貨品的位置而釐定。指定非流動資產的地理位置是基於資產實際所在位置而釐定。

有關主要客戶之資料

並無個別客戶佔本集團總收益之10%以上。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

8. OTHER EXPENSES, GAINS AND LOSSES

8. 其他開支、收益及虧損

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Allowances for bad and doubtful debts of trade receivables	貿易應收賬款之呆壞賬撥備	-	(92)
Reversals of impairment loss in respect of deposits paid to suppliers	撥回已付供應商之按金之減值虧損	450	-
Impairment loss on deposits paid to suppliers	已付供應商之按金之減值虧損	(10,941)	(4,050)
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(10,629)	383
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	(1,320)	-
Loss on acquisition of a subsidiary (note 12)	收購附屬公司之虧損(附註12)	(14,048)	-
Written-off of interest receivables	撇銷應收利息	(5,014)	-
Income from amortisation of financial guarantee contracts (note 32)	財務擔保合約之攤銷收入(附註32)	8,349	12,611
		(33,153)	8,852

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

9. (IMPAIRMENT LOSSES RECOGNISED)/ REVERSAL OF IMPAIRMENT LOSSES RECOGNISED IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT

The (impairment losses recognised)/reversal of impairment losses by CGUs are as follows:

9. 物業、廠房及設備之 (已確認減值虧損) / 撥回已確認減值虧損

現金產生單位之 (已確認減值虧損) / 撥回減值虧損如下：

		2016 二零一六年		2015 二零一五年	
		Impairment losses recognised 已確認減值虧損 RMB'000 人民幣千元	Reversal of impairment losses 撥回減值虧損 RMB'000 人民幣千元	Impairment losses recognised 已確認減值虧損 RMB'000 人民幣千元	Reversal of impairment losses 撥回減值虧損 RMB'000 人民幣千元
CGU 1	現金產生單位1	-	3,740	-	1,500
CGU 2	現金產生單位2	-	3,807	-	8,800
CGU 3	現金產生單位3	(819)	-	(4,900)	-
CGU 4	現金產生單位4	(2,957)	-	-	2,800
		(3,776)	7,547	(4,900)	13,100

CGU 1, CGU 2, CGU 3 and CGU 4 belong to the Group's reportable segment of processing, printing and sales of finished fabrics.

現金產生單位1、現金產生單位2、現金產生單位3及現金產生單位4屬於本集團須報告之成品布料加工、印花及銷售分類。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

9. (IMPAIRMENT LOSSES RECOGNISED)/ REVERSAL OF IMPAIRMENT LOSSES RECOGNISED IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT— CONTINUED

CGU 1

For the year ended 31 December 2016, the directors of the Company reassessed the recoverable amounts of the CGU 1 with reference to the valuation report issued by an independent external valuer, Greater China Appraisal Limited (“2016 Valuation Report”), and a reversal of impairment losses of RMB3,740,000 were made in respect of property, plant and equipment. The recoverable amount is based on fair value less costs to sell which is determined based on market prices for assets and liabilities of CGU 1.

For the year ended 31 December 2015, the directors of the Company reassessed the recoverable amounts of the CGU 1 with reference to the valuation report issued by an independent external valuer, Greater China Appraisal Limited (“2015 Valuation Report”), and a reversal of impairment losses of RMB1,500,000 were made in respect of property, plant and equipment. The recoverable amount is based on fair value less costs to sell which was determined based on market prices for assets and liabilities of CGU 1.

9. 物業、廠房及設備之 (已確認減值虧損)／ 撥回已確認減值虧損—續

現金產生單位1

於截至二零一六年十二月三十一日止年度，本公司董事參考獨立外界估值師漢華評值有限公司所發出之估值報告（「二零一六年估值報告」）而重新評估現金產生單位1之可收回金額，並且就物業、廠房及設備作出人民幣3,740,000元之減值虧損撥回。可收回金額乃根據公平值減出售成本而得出，而公平值減出售成本是根據現金產生單位1之資產及負債之市場價格而釐定。

於截至二零一五年十二月三十一日止年度，本公司董事參考獨立外界估值師漢華評值有限公司所發出之估值報告（「二零一五年估值報告」）而重新評估現金產生單位1之可收回金額，並且就物業、廠房及設備作出人民幣1,500,000元之減值虧損撥回。可收回金額乃根據公平值減出售成本而得出，而公平值減出售成本是根據現金產生單位1之資產及負債之市場價格而釐定。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

9. (IMPAIRMENT LOSSES RECOGNISED)/ REVERSAL OF IMPAIRMENT LOSSES RECOGNISED IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT- CONTINUED

CGU 2

For the year ended 31 December 2016, the directors of the Company reassessed the recoverable amounts of the CGU 2 with reference to the 2016 Valuation Report, and a reversal of impairment losses of RMB3,807,000 were made in respect of property, plant and equipment. The recoverable amount is based on fair value less costs to sell which is determined based on market prices for assets and liabilities of CGU 2.

For the year ended 31 December 2015, the directors of the Company reassessed the recoverable amounts of the CGU 2 with reference to the 2015 Valuation Report, and a reversal of impairment losses of RMB8,800,000 was made in respect of property, plant and equipment as at 31 December 2015. The recoverable amount is based on value in use, are higher than the carrying amounts. The value in use calculation used cash flow forecast derived from the most recent financial budget approved by management based on their best estimates. The projected period was 5 years and the growth and discount rate used in the forecast was zero and 11.75%, respectively, for CGU 2. The reason for the reversal of impairment losses was mainly due to the increase in gross profit margin of the CGU 2's products during the year 2015. This was mainly because the increase in the selling prices of the products was sufficient to compensate the increase in prices of raw materials. Accordingly the projected cash inflows of the CGU 2 had been revised upward, and resulted in increase in the value in use relative to the estimation as at 31 December 2014.

9. 物業、廠房及設備之 (已確認減值虧損) / 撥回已確認減值虧損 - 續

現金產生單位2

於截至二零一六年十二月三十一日止年度，本公司董事參考二零一六年估值報告而重新評估現金產生單位2之可收回金額，並且就物業、廠房及設備作出人民幣3,807,000元之減值虧損撥回。可收回金額乃根據公平值減出售成本而得出，而公平值減出售成本是根據現金產生單位2之資產及負債之市場價格而釐定。

於截至二零一五年十二月三十一日止年度，本公司董事參考二零一五年估值報告而重新評估現金產生單位2之可收回金額，並且就於二零一五年十二月三十一日之物業、廠房及設備確認人民幣8,800,000元之減值虧損撥回。可收回金額乃根據在用價值而得出。在用價值計算是使用衍生自管理層根據彼等之最佳估計所批准的最近期財務預算的現金流量預測。就現金產生單位2而言，預測年期是5年而預測所用之增長率及貼現率分別為零及11.75%。作出減值虧損撥回，主要是因為現金產生單位2產品之毛利率於二零一五年上升。此主要是因為提高產品售價足以彌補原材料價格的升幅。因此，現金產生單位2之預測現金流入已上調，令到在用價值相對於二零一四年十二月三十一日之估計上升。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

9. (IMPAIRMENT LOSSES RECOGNISED)/ REVERSAL OF IMPAIRMENT LOSSES RECOGNISED IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT- CONTINUED

CGU 3

For the year ended 31 December 2016, the directors of the Company reassessed the recoverable amounts of the CGU 3 with reference to the 2016 Valuation Report, and impairment losses of RMB819,000 were made in respect of property, plant and equipment. The recoverable amount is based on fair value less costs to sell which is determined based on market prices for assets and liabilities of CGU 3.

For the year ended 31 December 2015, the directors of the Company reassessed the recoverable amounts of CGU 3 with reference to the 2015 Valuation Report, and impairment losses of RMB4,900,000 were made in respect of property, plant and equipment as at 31 December 2015. The recoverable amount was based on fair value less costs to sell are less than the carrying amounts which was determined based on market prices for assets and liabilities of CGU 3.

9. 物業、廠房及設備之 (已確認減值虧損)／ 撥回已確認減值虧損－續

現金產生單位3

於截至二零一六年十二月三十一日止年度，本公司董事參考二零一六年估值報告而重新評估現金產生單位3之可收回金額，並且就物業、廠房及設備作出人民幣819,000元之減值虧損。可收回金額乃根據公平值減出售成本而得出，而公平值減出售成本是根據現金產生單位3之資產及負債之市場價格而釐定。

於截至二零一五年十二月三十一日止年度，本公司董事參考二零一五年估值報告而重新評估現金產生單位3之可收回金額，並且就於二零一五年十二月三十一日之物業、廠房及設備作出人民幣4,900,000元之減值虧損。可收回金額乃根據公平值減出售成本而得出，而公平值減出售成本是根據現金產生單位3之資產及負債之市場價格而釐定。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

9. (IMPAIRMENT LOSSES RECOGNISED)/ REVERSAL OF IMPAIRMENT LOSSES RECOGNISED IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT – CONTINUED

CGU 4

For the year ended 31 December 2016, the directors of the Company reassessed the recoverable amounts of the CGU 4 with reference to the 2016 Valuation Report, and impairment losses of RMB2,957,000 were made in respect of property, plant and equipment. The recoverable amount is which is determined based on fair value less costs to sell, were less than the carrying amount. The estimation of fair value less costs to sell was based on market prices for assets and liabilities of CGU 4.

For the year ended 31 December 2015, the directors of the Company reassessed the recoverable amounts of CGU 4 with reference to the 2015 Valuation Report, and a reversal of impairment losses of RMB2,800,000 was made in respect of property, plant and equipment as at 31 December 2015. The recoverable amount is based on value in use. The value in use calculation used cash flow forecast derived from the most recent financial budget approved by management based on their best estimates. The projected period was 5 years and the growth and discount rate used in the forecast was zero and 11.75%, respectively, for CGU 4. The reason for the reversal of impairment losses was mainly due to the increase in gross profit margin of the CGU 4's products during the year 2015. This was mainly because the increase in the selling prices of the products was sufficient to compensate the increase in prices of raw materials. Accordingly the projected cash inflows of the CGU 4 had been revised upward, and resulted in increase in the value in use relative to the estimation as at 31 December 2014.

9. 物業、廠房及設備之 (已確認減值虧損)／ 撥回已確認減值虧損－續

現金產生單位4

於截至二零一六年十二月三十一日止年度，本公司董事參考二零一六年估值報告而重新評估現金產生單位4之可收回金額，並且就物業、廠房及設備作出人民幣2,957,000元之減值虧損。可收回金額乃根據公平值減出售成本而得出，其低於賬面值。公平值減出售成本是根據現金產生單位4之資產及負債之市場價格而估計。

於截至二零一五年十二月三十一日止年度，本公司董事參考二零一五年估值報告而重新評估現金產生單位4之可收回金額，並且就於二零一五年十二月三十一日之物業、廠房及設備作出人民幣2,800,000元之減值虧損撥回。可收回金額乃根據在用價值而得出。在用價值計算是使用衍生自管理層根據彼等之最佳估計所批准的最近期財務預算的現金流量預測。就現金產生單位4而言，預測年期是5年而預測所用之增長率及貼現率分別為零及11.75%。作出減值虧損撥回，主要是因為現金產生單位4產品之毛利率於二零一五年上升。此主要是因為提高產品售價足以彌補原材料價格的升幅。因此，現金產生單位4之預測現金流入已上調，令到在用價值相對於二零一四年十二月三十一日之估計上升。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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. FINANCE COSTS

10. 融資成本

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on bank and other borrowings wholly repayable within five years	須於五年內全數償還之銀行及其他借貸之利息		
– bank borrowings	– 銀行借貸	6,775	12,355
– other secured loan	– 其他有抵押貸款	1,661	–
– other unsecured loan	– 其他無抵押貸款	–	561
		8,436	12,916
Effective interest expense on bond payables	應付債券之實際利息開支	3,919	1,760
Effective interest expense on convertible bonds	有關可換股債券之實際利息開支	2,752	–
Interest expense on finance leases	有關融資租賃之利息開支	59	–
		15,166	14,676

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

11. PROFIT/(LOSS) BEFORE TAXATION

11. 除稅前溢利／(虧損)

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit/(loss) before taxation has been arrived at after charging:	除稅前溢利／(虧損)已扣除下列各項：		
Directors' remuneration (note 14)	董事酬金(附註14)	6,480	3,343
Staff's retirement benefits scheme contributions	員工之退休福利計劃供款	5,054	6,097
Staff costs	員工成本	26,193	24,752
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	9,576	11,456
Auditor's remuneration	核數師酬金		
– current year	– 本年度	698	755
– under-provision for prior years	– 以往年度撥備不足	75	–
Cost of inventories recognised as expenses (including write-down of inventories amounting to RMB18,018,000 (2015: RMB67,317,000))	支銷之存貨成本(包括存貨撇減人民幣18,018,000元(二零一五年：人民幣67,317,000元))	163,479	311,119
Net gain on securities investment – financial assets at fair value through profit or loss	證券投資之收益淨額－按公平值計入損益賬之財務資產公平值增加·		
Increase in fair value, net:	扣除以下項目：		
– disposed of during the year	– 一年內出售	4,710	416
– held at the end of the reporting period	– 於報告期末持有	57,406	–
		62,116	416
Operating lease rentals in respect of	有關以下項目之經營租賃租金		
– prepaid lease payments	– 預付租賃款項	14	138
– rented premises	– 租賃物業	4,691	151
and after crediting:	及已計入下列各項：		
Government rewards and subsidies (including in other income)*	政府獎勵及資助(計入其他收入內)*	27	1,436
Interest income from bank deposits	銀行存款利息收入	2,361	1,252

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

11. PROFIT/(LOSS) BEFORE TAXATION – CONTINUED

- * The government rewards and subsidies provided by the PRC government to the Group were paid mainly as an incentive for energy saving and organisational development of the Group. There are no conditions and contingencies attached to the receipt of the government subsidies and they are non-recurring in nature.

12. ACQUISITION OF A SUBSIDIARY

The Group has advanced a loan with a principal amount of HK\$280 million to Star Platinum Enterprises Limited (“Star Platinum”) during the year, as detailed in the circular dated 22 February 2016 and announcements dated 8 April 2016 and 30 April 2016 of the Company. The loan was secured by 99% of the issued share capital of Star Platinum (the “Share Pledge”). Star Platinum was held as to 99% by Mr. Si Rongbin, an independent third party of the Group and 1% by the Group’s wholly-owned subsidiary, One Alliance Limited which was held indirectly by a nominee of the Company. The nominee was also appointed as the sole director of Star Platinum to safeguard the Group’s loan receivable. At the same time, deeds of novation and variation were entered into by Star Platinum and China Culture Media International Holdings Limited (“CCMI”), which was wholly-owned by Mr. Si Rongbin, pursuant to which an aggregate amount of HK\$20 million advanced by the Group to CCMI shall be assigned to Star Platinum. The Group has further advanced HK\$5 million to Star Platinum in May 2016. Consequently, Star Platinum had total principal loan amount of HK\$305 million due to the Group.

11. 除稅前溢利／(虧損)－續

- * 中國政府向本集團每月提供之政府獎勵及資助，主要是作為激勵本集團節能及組織發展之獎勵金。收取有關政府資助並無附帶任何條件及或然負債，有關款項並不屬於經常性負債。

12. 收購附屬公司

誠如本公司發表日期為二零一六年二月二十二日之通函及發表日期為二零一六年四月八日及二零一六年四月三十日之公佈所詳述，於年內，本集團向星鉑企業有限公司（「星鉑企業」）提供了一筆本金額為280,000,000港元之貸款。該筆貸款以星鉑企業已發行股本之99%作抵押（「股份質押」）。星鉑企業由本集團之獨立第三方司榮彬先生持有99%及本集團之全資附屬公司One Alliance Limited（由本公司之代理人間接持有）持有餘下1%。該代理人亦獲委任為星鉑企業之唯一董事，旨在確保本集團能收回應收貸款。同時，星鉑企業與司榮彬先生全資擁有之中國文化傳媒國際控股有限公司（「中國文化傳媒國際」）訂立更替及變更契據，據此，本集團之前向中國文化傳媒國際提供之合共20,000,000港元墊款將轉讓予星鉑企業。本集團並進一步向星鉑企業提供5,000,000港元墊款。故此，星鉑企業應付本集團之貸款本金總額為305,000,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. ACQUISITION OF A SUBSIDIARY – CONTINUED

In July 2016, Star Platinum defaulted in repayment of loan interest approximately HK\$9,105,000 (equivalent to approximately RMB7,802,000) under the loan agreements. The Group has exercised its rights under the relevant security documents by, inter alia, enforcing the Share Pledge. Accordingly, on 29 July 2016, the Group became the legal and beneficial owner of the entire issued share capital of Star Platinum, and Star Platinum became a subsidiary of the Group thereafter.

The Group derecognised the loan and interest receivables and recognised them as the consideration of acquiring Star Platinum. On initial recognition, the Group recorded the assets and liability of Star Platinum, i.e. “deposit for other investment” of approximately HK\$500,000,000 (as detailed below and note 21a(i)), other receivables due from ATV (as detailed in note 23(iv)) of approximately HK\$48,208,000 and “other payables” of approximately HK\$250,038,000 (equivalent to RMB214,257,000 as at 29 July 2016) (of which HK\$220,000,000 as detailed below and HK\$30,000,000 which thereafter set-off with the deposit as detailed in note 23(ii)). Loss of approximately RMB14,048,000 arising from the acquisition of Star Platinum was recognised to the profit or loss for the year.

12. 收購附屬公司－續

於二零一六年七月，星鉑企業拖欠貸款協議項下之貸款利息約9,105,000港元(相等於約人民幣7,802,000元)。本集團已行使其於相關抵押文件項下之權利而(其中包括)強制執行股份質押。因此，於二零一六年七月二十九日，本集團成為星鉑企業全部已發行股本之法定及實益擁有人，而星鉑企業則隨之成為本集團之附屬公司。

本集團終止確認應收貸款及利息，並確認有關應收款項為收購星鉑企業之代價。於初始確認時，本集團將星鉑企業之資產及負債記賬，亦即記賬「其他投資之按金」約500,000,000港元(詳情見附註21a(i))、應收亞視之其他賬款(詳情見附註23(iv))約48,208,000港元及「其他應付賬款」約250,038,000港元(於二零一六年七月二十九日相等於人民幣214,257,000元，其中220,000,000港元之詳情見下文及於其後與按金抵銷之30,000,000港元之詳情見附註23(ii))。就收購星鉑企業產生之虧損約人民幣14,048,000元乃於本年度之損益賬確認。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. ACQUISITION OF A SUBSIDIARY – CONTINUED

On 29 July 2016, the net identifiable assets and liabilities assumed, of the Star Platinum are as follows:

12. 收購附屬公司－續

於二零一六年七月二十九日，星鉞企業所收購之可識別資產淨值及所承擔之可識別負債淨額如下：

		RMB'000 人民幣千元
Assets	資產	
– Deposit for other investment	– 其他投資之按金	428,450
– Advances to ATV	– 給予亞視之墊款	41,309
Liabilities	負債	
– Other payables	– 其他應付賬款	(214,257)
– Loan principal and interest payables	– 應付貸款及利息	(269,550)
Net liabilities	負債淨額	(14,048)
Loan principal and interest payables to the Group disposed of	已出售之應付本集團貸款本金及利息	269,550
Net identifiable assets acquired and liabilities assumed	所收購可識別資產淨值及所承擔可識別負債淨額	255,502
Loss on acquisition of a subsidiary	收購附屬公司之虧損	14,048
Consideration	代價	269,550

Star Platinum has entered into a sale and purchase agreement with six independent vendors (the "Vendors") on 30 April 2016 relating to the acquisition of (i) the aggregate of 689,934,950 issued shares of ATV, representing approximately 52.42% of the entire issued share capital of ATV (the "Sale Shares") and (ii) the debts and its consequential interest provided to ATV by the Vendors with aggregate amount of approximately HK\$2 billion ("Major Debts") (the "Acquisition"), at a total consideration of HK\$500,000,000 (equivalent to approximately RMB428,450,000 as at 29 July 2016) (the "Consideration"). The Consideration represented the value, as stated in the sale and purchase agreement, of Sale Shares and Major Debts with amounts of HK\$10,000,000 and HK\$490,000,000 respectively.

星鉞企業於二零一六年四月三十日與六名獨立賣方(「該等賣方」)訂立買賣協議，內容有關收購(i)亞視合共689,934,950股已發行股份，佔亞視全部已發行股本約52.42%(「銷售股份」)；及(ii)該等賣方向亞視提供之債務及其相應利息合共約2,000,000,000港元(「主要債務」)(兩者統稱「收購事項」)，總代價為500,000,000港元(於二零一六年七月二十九日相等於約人民幣428,450,000元)(「代價」)。代價反映按買賣協議所列之銷售股份及主要債務之價值分別為10,000,000港元及490,000,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. ACQUISITION OF A SUBSIDIARY – CONTINUED

ATV is a company incorporated in Hong Kong with limited liability on 6 April 1973. A petition to wind up ATV was filed at the High Court of Hong Kong (the “Court”) on 5 February 2016 and the joint and several provisional liquidators of ATV were appointed by order of the Court on 24 February 2016 (the “Provisional Liquidators”). ATV was engaged in television broadcasting and was the holder of the domestic free television programme service licence (which expired on 1 April 2016) and the non-domestic television programme service licence (which expired on 31 May 2016) in Hong Kong.

The Acquisition may drive Star Platinum to obtain the control and operation of ATV, which is subject to completion of a series of arrangements including the completion of the Acquisition, the scheme of arrangements to be proposed by Star Platinum to the creditors of ATV by which all liabilities of ATV shall be assumed by Star Platinum (“Scheme of Arrangements”), the completion of all ancillary incidental matters including the Court granting the order to sanction the withdrawal of the winding-up petition against ATV, the release of the Provisional Liquidators, the control over ATV returning from the Provisional Liquidators to the board of directors of ATV, Star Platinum having enough power and exposure or rights to control ATV, and ATV being able to resume to normal operation.

12. 收購附屬公司 – 續

亞視為一間於一九七三年四月六日在香港註冊成立之有限公司。於二零一六年二月五日，香港高等法院（「法院」）接獲有關亞視清盤之呈請，並於二零一六年二月二十四日命令為亞視任命共同及各別臨時清盤人（「臨時清盤人」）。亞視原從事電視廣播業務，並曾持有香港本地免費電視節目服務牌照（於二零一六年四月一日到期）及非本地電視節目服務牌照（於二零一六年五月三十一日到期）。

收購事項或會引致星鉑企業取得亞視之控制及經營權，惟須待一系列安排（包括完成收購事項、將由星鉑企業向亞視之債權人提出有關由星鉑企業繼承亞視之所有負債之債務償還安排計劃（「債務償還安排」），以及完成一切有附屬或附帶關係之事宜（包括獲法院頒發命令准予撤銷針對亞視之清盤呈請、臨時清盤人被免除職務、亞視之控制權由臨時清盤人交還予其董事會、星鉑企業有足夠權力控制亞視及承擔亞視之風險或享有權利，以及亞視能回復正常營運）完成後，方可作實。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. ACQUISITION OF A SUBSIDIARY – CONTINUED

As at 31 December 2016, Star Platinum had paid part of the Consideration of approximately HK\$280,000,000. The completion of the Acquisition and the settlement of the remaining balance of HK\$220,000,000 were approved by the shareholders of the Company in the extraordinary general meeting of the Company held on 6 January 2017. The balance of the Consideration will be funded by debt financing of borrowings. As at the date of acquisition of Star Platinum and as at 31 December 2016, all conditions precedent under the sale and purchase agreement were fulfilled so that the Group has the obligation to pay the balance of the Consideration. Therefore, the deposits recognised by the Group and the corresponding liabilities assumed to the Group were HK\$500,000,000 (equivalent to approximately RMB447,615,000 as at 31 December 2016) and HK\$220,000,000 (equivalent to approximately RMB196,951,000 as at 31 December 2016), respectively as at 31 December 2016. The completion of the Acquisition is subject to full payment of Consideration and a board meeting to be held by ATV on the shareholder change, as well as the other conditions set out above.

Details of the Acquisition are set out in the circular of the Company dated 19 December 2016 and announcements of the Company dated 23 September 2016, 17 October 2016, 11 November 2016 and 14 November 2016.

12. 收購附屬公司－續

於二零一六年十二月三十一日，星鉑企業已支付部分代價約280,000,000港元。完成收購事項及結清餘額220,000,000港元之事宜已於二零一七年一月六日舉行之本公司股東特別大會上獲本公司股東批准。代價之結餘將以債務融資或借貸撥付。於收購星鉑企業日期及於二零一六年十二月三十一日，買賣協議項下之所有先決條件已獲達成，本集團據此須履行支付代價餘額之義務。因此，於二零一六年十二月三十一日，本集團所確認之按金及本集團所承擔之相應負債分別為500,000,000港元（於二零一六年十二月三十一日相等於約人民幣447,615,000元）及220,000,000港元（於二零一六年十二月三十一日相等於約人民幣196,951,000元）。收購事項須待代價獲全數支付及亞視就變更股東舉行董事會會議，方告完成，有關完成亦受上文所載之其他條件所規限。

有關收購事項之詳情載於本公司發表日期為二零一六年十二月十九日之通函及本公司發表日期為二零一六年九月二十三日、二零一六年十月十七日、二零一六年十一月十一日及二零一六年十一月十四日之公佈。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. DISPOSAL OF SUBSIDIARIES

(a) Gain on disposal of Shifen Development Limited ("Shifen")

On 16 December 2015, the Group entered into an agreement with an independent third party (the "Purchaser of Shifen") pursuant to which the Group conditionally agreed to sell, and the Purchaser of Shifen conditionally agreed to acquire the entire issued share capital of Shifen and its subsidiary, 深圳前海世眾融資租賃有限公司 (collectively referred to as the "Shifen Group") and a loan, being the entire amount of the shareholder's loan owing by Shifen to the Company, at a total consideration of HK\$2,100,000 (equivalent to approximately RMB1,767,000).

The disposal was completed on 15 January 2016. The assets and liabilities of the Shifen Group at disposal date are disclosed as below:

13. 出售附屬公司

(a) 出售世芬發展有限公司 (「世芬」) 之收益

於二零一五年十二月十六日，本集團與一名獨立第三方 (「世芬之買方」) 訂立協議，據此，本集團有條件同意出售而世芬之買方有條件同意收購世芬及其附屬公司深圳前海世眾融資租賃有限公司 (統稱「世芬集團」) 之全部已發行股本以及一筆貸款 (即世芬應付予本公司之股東貸款之全部金額)，總代價為 2,100,000 港元 (相等於約人民幣 1,767,000 元)。

該項出售已於二零一六年一月十五日完成。世芬集團於出售日期之資產及負債披露如下：

		2016 二零一六年 RMB'000 人民幣千元
Net assets disposed of:	所出售之資產淨值：	
– Goodwill, which was classified as "assets classified as held for sale"	– 商譽 (此項目之前分類為「持作出售之資產」)	1,576
– Amount due to the Company	– 應付本公司款項	(3)
		1,573
Amount due to the Company disposed of	所出售之應付本公司款項	3
Gain on disposal of subsidiaries	出售附屬公司之收益	191
Satisfied by:	支付方式：	
Cash	現金	1,767

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. DISPOSAL OF SUBSIDIARIES – CONTINUED

(a) Gain on disposal of Shifen Development Limited (“Shifen”) – continued

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		2016 二零一六年 RMB'000 人民幣千元
Cash consideration	現金代價	1,767
Cash and bank balances disposed of	所出售之現金及銀行結餘	–
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司之現金及現金等價物流入淨額	1,767

(b) Gain on disposal of Competent Faith Limited (“Competent Faith”)

On 25 January 2016, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital of Competent Faith and shareholders' loan due from Competent Faith at the consideration of HK\$30,000,000 (equivalent to approximately RMB25,248,000). Competent Faith was principally engaged in property investment. The transaction was completed on 21 March 2016. The assets and liabilities of Competent Faith at disposal date are disclosed as below:

(b) 出售捷拓有限公司 (「捷拓」) 之收益

於二零一六年一月二十五日，本公司之直接全資附屬公司與一名獨立第三方訂立買賣協議，以出售捷拓之全部已發行股本以及捷拓應付之股東貸款，代價為30,000,000港元（相等於約人民幣25,248,000元）。捷拓主要從事物業投資業務。該項交易已於二零一六年三月二十一日完成。捷拓於出售日期之資產及負債披露如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. DISPOSAL OF SUBSIDIARIES – CONTINUED

(b) Gain on disposal of Competent Faith Limited (“Competent Faith”) – continued

13. 出售附屬公司 – 續

(b) 出售捷拓有限公司 (「捷拓」) 之收益 – 續

		2016 二零一六年 RMB'000 人民幣千元
Net assets disposed of:	所出售之資產淨值：	
– Property, plant and equipment	– 物業、廠房及設備	6,994
– Deposits paid	– 已付按金	6
– Other payables	– 其他應付賬款	(100)
– Amount due to the Group	– 應付本集團款項	(5,819)
		1,081
Reclassification of cumulative exchange difference from translation reserve to profit or loss	將累計匯兌差額由匯兌儲備重新分類至損益	(1,401)
		(320)
Amount due to the Company disposed of	所出售之應付本集團款項	5,819
Gain on disposal of a subsidiary	出售附屬公司之收益	19,749
Satisfied by:	支付方式：	
Cash	現金	25,248

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

有關出售附屬公司之現金及現金等價物流入淨額分析如下：

		2016 二零一六年 RMB'000 人民幣千元
Cash consideration	現金代價	25,248
Cash and bank balances disposed of	所出售之現金及銀行結餘	–
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售附屬公司之現金及現金等價物流入淨額	25,248

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. DISPOSAL OF SUBSIDIARIES – CONTINUED

(c) Gain on disposal of Top Vast Holdings Limited (“Top Vast Holdings”)

On 17 March 2015, the Company entered into an agreement with an independent third party (the “Purchaser”) pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire in aggregate 3,000 shares in the share capital of Top Vast Holdings (representing 100% of its entire then issued share capital) at a total consideration of RMB43,800,000. The principal asset of Top Vast Holdings is its 100% interest in Shasing Shapheng Dyeing Co. Ltd. As at the date of the announcement dated 17 March 2015, the Group provided corporate guarantees in favour of several banks in respect of the loans granted to Shasing Shapheng Dyeing Co., Ltd. up to an aggregate amount of RMB62,000,000. Upon the completion of the disposal of Top Vast Holding, the continuance of the corporate guarantee will constitute provision of financial assistance by the Group to third parties. Details of the disposal and provision of financial assistance are set out in the Company’s announcement dated 17 March 2015 and the Company’s circular dated 30 June 2015. Such disposal was completed on 31 July 2015. The assets and liabilities, which were classified as held for sale at 31 December 2014, disposed at disposal date are disclosed as below:

13. 出售附屬公司－續

(c) 出售拓浩集團有限公司(「拓浩」)之收益

於二零一五年三月十七日，本公司與一名獨立第三方(「買方」)訂立協議，據此，本公司有條件同意出售，而買方有條件同意收購拓浩股本中合共3,000股(佔其全部當時已發行股本之100%)，總代價為人民幣43,800,000元。拓浩之主要資產為其於福建協盛協豐印染實業有限公司之100%權益。於二零一五年三月十七日之公佈當日，本集團就福建協盛協豐印染實業有限公司獲授最高總額為人民幣62,000,000元之貸款向數間銀行提供公司擔保。於出售拓浩一事完成後，繼續提供公司擔保將構成本集團向第三方提供財務資助。出售事項及提供財務資助之詳情載於本公司發表日期為二零一五年三月十七日之公佈及本公司發表日期為二零一五年六月三十日之通函。該項出售已於二零一五年七月三十一日完成。於出售日期所出售之資產及負債(其於二零一四年十二月三十一日分類為持作出售)披露如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. DISPOSAL OF SUBSIDIARIES – CONTINUED

(c) Gain on disposal of Top Vast Holdings Limited (“Top Vast Holdings”) – continued

13. 出售附屬公司 – 續

(c) 出售拓浩集團有限公司 (「拓浩」) 之收益 – 續

		2015 二零一五年 RMB'000 人民幣千元
Net assets disposed of, which were classified as “assets/liabilities held for sale”	所出售之資產淨值(分類為「持作出售之資產/負債」):	
– Property, plant and equipment	– 物業、廠房及設備	37,330
– Prepaid land lease	– 預付土地租賃款項	8,568
– Inventories	– 存貨	137,531
– Trade and other receivables	– 貿易及其他應收賬款	34,240
– Pledged bank deposits	– 已抵押銀行存款	2,100
– Bank balances and cash	– 銀行結餘及現金	407
– Trade and other payables	– 貿易及其他應付賬款	(57,920)
– Taxation payable	– 應付稅項	(200)
– Short-term bank loans	– 短期銀行貸款	(96,000)
– Financial guarantee contracts	– 財務擔保合約	(10,350)
		55,706
Statutory surplus reserve fund	法定盈餘公積金	(69,105)
		(13,399)
Gain on disposal of subsidiaries	出售附屬公司之收益	57,199
Satisfied by:	支付方式:	
Cash	現金	43,800

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

有關出售附屬公司之現金及現金等價物流入淨額分析如下:

		2015 二零一五年 RMB'000 人民幣千元
Cash consideration	現金代價	43,800
Cash and bank balances disposed of	所出售之現金及銀行結餘	(407)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司之現金及現金等價物流入淨額	43,393

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS

Details of emoluments paid by the Group to the directors of the Company and chief executive officer are as follows:

14. 董事、行政總裁及僱員薪酬

本集團向本公司董事及行政總裁支付之酬金詳情如下：

	2016 二零一六年				2015 二零一五年			
	Fees	Salaries and other benefits	Retirement benefits contributions scheme	Total	Fees	Salaries and other benefits	Retirement benefits contributions scheme	Total
	袍金	薪金及其他福利	退休福利計劃供款	合計	袍金	薪金及其他福利	退休福利計劃供款	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事							
- Mr. Sze Siu Hung (Note (i))	-	-	-	-	-	374	11	385
- Mr. Sze Chin Pang (Note (ii))	-	-	-	-	-	373	11	384
- Mr. Sze Siu Bun	-	513	15	528	-	523	15	538
- Mr. Chan Chi Yuen (Note (iii))	-	-	-	-	-	627	12	639
- Mr. Chen Jiang (Note (iv))	-	90	3	93	-	343	11	354
- Mr. Liu Lihan (Note (v))	-	80	3	83	-	167	5	172
- Mr. Wan Hin Ho Tommy (Note (vi))	-	80	-	80	-	167	5	172
- Mr. Tang Hon Kwo	-	1,027	15	1,042	-	221	3	224
- Mr. Ip Ka Po (Note (vii))	-	856	16	872	-	182	3	185
- Mr. Ma Zhi (Note (viii))	-	758	13	771	-	-	-	-
- Mr. Lam Chi Keung (Note (ix))	1,055	260	10	1,325	-	-	-	-
Non-executive director	非執行董事							
- Mr. Li Wenfeng (Note (x))	1,055	287	10	1,352	-	-	-	-
Independent non-executive directors	獨立非執行董事							
- Professor Zeng Qingfu (Note (xi))	-	-	-	-	58	-	-	58
- Professor Zhao Bei (Note (xii))	-	-	-	-	59	-	-	59
- Mr. Lui Siu Keung (Note (xiii))	-	-	-	-	28	-	-	28
- Mr. Chan Chiu Hung Alex (Note (xiv))	-	-	-	-	69	-	-	69
- Ms. Tao Feng (Note (xv))	111	-	-	111	25	-	-	25
- Ms. Wong Chi Yan (Note (xvi))	8	-	-	8	25	-	-	25
- Ms. Han Xingxing	111	-	-	111	26	-	-	26
- Mr. Li Yu (Note (xvii))	-	-	-	-	-	-	-	-
- Mr. Cheung Ngai Lam (Note (xviii))	104	-	-	104	-	-	-	-
	2,444	3,951	85	6,480	290	2,977	76	3,343

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS – CONTINUED

Notes:

- (i) Mr. Sze Siu Hung resigned as an executive director and the chairman with effect from 9 October 2015;
- (ii) Mr. Sze Chin Pang resigned as an executive director with effect from 17 September 2015;
- (iii) Mr. Chan Chi Yuen resigned as an executive director with effect from 9 October 2015;
- (iv) Mr. Chen Jiang resigned as an executive director with effect from 3 March 2016;
- (v) Mr. Liu Lihan resigned as executive director with effect from 16 February 2016;
- (vi) Mr. Wan Hin Ho Tommy resigned as executive director with effect from 16 February 2016;
- (vii) Mr. Ip Ka Po, an executive director and chief executive officer of the Company. He was redesignated from the chief executive officer of the Company to chief executive officer of Eastern Culture International Limited, a wholly-owned subsidiary of the Company with effect from 20 May 2016. He resigned as an executive director with effect from 7 February 2017;
- (viii) Mr. Ma Zhi was appointed as an executive director with effect from 24 February 2016;
- (ix) Mr. Lam Chi Keung was appointed as executive director and chief executive officer with effect from 20 May 2016 and resigned as executive director and chief executive officer with effect from 9 March 2017;
- (x) Mr. Li Wenfeng was redesignated from co-chairman and an executive director to deputy chairman and a non-executive director with effect from 19 October 2016;

14. 董事、行政總裁及僱員薪酬 – 續

附註：

- (i) 施少雄先生自二零一五年十月九日起辭任執行董事及主席；
- (ii) 施展鵬先生自二零一五年九月十七日起辭任執行董事；
- (iii) 陳志遠先生自二零一五年十月九日起辭任執行董事；
- (iv) 陳江先生自二零一六年三月三日起辭任執行董事；
- (v) 劉立漢先生自二零一六年二月十六日起辭任執行董事；
- (vi) 尹衍河先生自二零一六年二月十六日起辭任執行董事；
- (vii) 葉家寶先生曾為本公司執行董事兼行政總裁。彼於二零一六年五月二十日由本公司行政總裁調任為本公司全資附屬公司豐藝國際文化投資有限公司之行政總裁。彼自二零一七年二月七日起辭任執行董事；
- (viii) 馬志先生自二零一六年二月二十四日起獲委任為執行董事；
- (ix) 林芝強先生於二零一六年五月二十日獲委任為執行董事兼行政總裁，並自二零一七年三月九日起辭任執行董事及行政總裁；
- (x) 李文峰先生自二零一六年十月十九日起由聯席主席兼執行董事調任為副主席兼非執行董事；

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS – CONTINUED

Notes: – continued

- (xi) Professor Zeng Qingfu resigned as an independent non-executive director with effect from 30 September 2015;
- (xii) Professor Zhao Bei resigned as independent non-executive director with effect from 6 October 2015;
- (xiii) Mr. Lui Siu Keung resigned as an independent non-executive director with effect from 10 March 2015;
- (xiv) Mr. Chan Chiu Hung Alex resigned as independent non-executive director with effect from 6 October 2015;
- (xv) Ms. Tao Feng resigned as an independent non-executive director, the chairman of the remuneration committee and a member of each of the audit committee, the nomination committee and remuneration committee with effect from 14 February 2017;
- (xvi) Ms. Wong Chi Yan resigned as an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee and the nomination committee with effect from 25 January 2016;
- (xvii) Mr. Li Yu was appointed as an independent non-executive director, the chairman of the remuneration committee and a member of each of the audit committee, the nomination committee and remuneration committee with effect from 14 February 2017;
- (xviii) Mr. Cheung Ngai Lam was appointed as an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee and the nomination committee with effect from 25 January 2016; and
- (xix) Salaries and other benefits paid to a director is generally an emolument paid or receivable in respect of that person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

14. 董事、行政總裁及僱員薪酬 – 續

附註：– 續

- (xi) 曾慶福教授自二零一五年九月三十日起辭任獨立非執行董事；
- (xii) 趙蓓教授自二零一五年十月六日起辭任獨立非執行董事；
- (xiii) 呂小強先生自二零一五年三月十日起辭任獨立非執行董事；
- (xiv) 陳釗洪先生自二零一五年十月六日起辭任獨立非執行董事；
- (xv) 陶峰女士自二零一七年二月十四日起辭任獨立非執行董事、薪酬委員會主席以及審核委員會、提名委員會及薪酬委員會各自之成員；
- (xvi) 黃志恩女士自二零一六年一月二十五日起辭任獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會成員；
- (xvii) 李玉先生自二零一七年二月十四日起獲委任為獨立非執行董事、薪酬委員會主席以及審核委員會、提名委員會及薪酬委員會各自之成員；
- (xviii) 張毅林先生自二零一六年一月二十五日起獲委任為獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會成員；及
- (xix) 支付予董事之薪金及其他福利一般為向有關董事就彼提供有關管理本公司或其附屬公司事務之其他服務而已付或應付之酬金。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND EMPLOYEES' EMOLUMENTS – CONTINUED

During the year, the five highest paid individuals are all directors of the Company (2015: four), details of whose emoluments are set out above. The emoluments of the remaining one highest paid employees for the year ended 31 December 2015 are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Employees	僱員		
– basic salaries and allowances	– 基本薪金及津貼	–	460
– retirement benefits scheme contributions	– 退休福利計劃供款	–	12
		–	472

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
HK\$nil to HK\$1,000,000	零港元至1,000,000港元	–	1

15. DIVIDENDS

No interim dividend was paid during the year (2015: Nil). The Board resolved not to declare the payment of any final dividend for the year (2015: Nil).

14. 董事、行政總裁及僱員薪酬 – 續

年內，五名最高薪人士均為本公司董事(二零一五年：四名)，彼等之酬金已載列於上文。於截至二零一五年十二月三十一日止年度之其餘一名最高薪僱員之薪酬如下：

15. 股息

年內並無派發中期股息(二零一五年：無)。董事會議決於本年度不宣派任何末期股息(二零一五年：無)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. TAXATION

The PRC Enterprise Income Tax is calculated at the rate of 25% prevailing in the PRC jurisdiction for the year ended 31 December 2016 (2015: 25%). No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's operations in Hong Kong has no assessable profits for both years.

Tax charge for the year is reconciled to profit/(loss) before taxation as follows:

16. 稅項

中國企業所得稅以截至二零一六年十二月三十一日止年度中國司法權區之當期稅率25%計算(二零一五年: 25%)。由於本集團之香港業務於兩個年度並無應課稅溢利, 故並無於財務報表就香港利得稅作出任何撥備。

本年度之稅項支出與除稅前溢利/(虧損)對賬如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit/(loss) before taxation	除稅前溢利/(虧損)	31,086	(5,008)
Tax at the applicable rate	按適用稅率計算之稅項	4,231	18
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	(15,375)	(22,199)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	6,899	5,587
Tax effect of deductible temporary differences not recognised	未確認可扣稅暫時差異之稅務影響	4,571	17,842
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	401	35
Others	其他	1,162	609
Income tax expense	所得稅開支	1,889	1,892

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. TAXATION – CONTINUED

At the end of the reporting period, the Group has deductible temporary differences of approximately RMB266,669,000 (2015: RMB306,859,000). No deferred tax asset has been recognised in relation to deductible temporary difference because it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to RMB130,553,000 (2015: RMB120,271,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

16. 稅項 – 續

於報告期間結束時，本集團有可扣減暫時差異約人民幣266,669,000元(二零一五年：人民幣306,859,000元)。由於不大可能有應課稅溢利可動用與可扣減暫時差異抵銷，因此並無就可扣減暫時差異確認遞延稅項資產。

根據中國企業所得稅法，由二零零八年一月一日起，就中國附屬公司所賺取溢利宣派的股息須繳交預扣稅。財務報表內未有就中國附屬公司保留溢利的暫時差額人民幣130,553,000元(二零一五年：人民幣120,271,000元)作出遞延稅項撥備，原因為本集團可控制該等暫時差額的撥回時間，以及該等暫時差額在可見的將來不大可能撥回。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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. EARNINGS/(LOSS) PER SHARE

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

17. 每股盈利／(虧損)

本公司擁有人應佔每股基本及攤薄盈利／(虧損)乃根據以下數據計算：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Earnings/(loss) attributable to the owners of the Company	本公司擁有人應佔盈利／(虧損)		
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share	用於計算每股基本及攤薄盈利／(虧損)之盈利／(虧損)	29,197	(6,900)
		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	用於計算每股基本及攤薄盈利／(虧損)之普通股加權平均數	3,072,721	1,832,056

There are no dilutive effects on the conversion of convertible bonds (2015: share option) as they are anti-dilutive.

由於具有反攤薄性，故於轉換可換股債券(二零一五年：購股權)時並無攤薄效應。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Leasehold land and buildings 租賃 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃改良 RMB'000 人民幣千元	Furniture, fixtures and equipments 傢私、裝置 及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本						
At 1 January 2015	於二零一五年一月一日	134,477	-	3,528	2,340	203,947	344,292
Currency realignment	幣值調整	-	-	57	84	-	141
Additions	添置	-	-	138	107	1,234	1,479
At 31 December 2015	於二零一五年十二月三十一日	134,477	-	3,723	2,531	205,181	345,912
Currency realignment	幣值調整	-	53	20	244	-	317
Additions	添置	-	1,150	492	2,936	562	5,140
Disposals	出售	-	-	-	(134)	(17,740)	(17,874)
Disposal of subsidiaries (note 13)	出售附屬公司(附註13)	(9,247)	-	-	-	-	(9,247)
At 31 December 2016	於二零一六年十二月三十一日	125,230	1,203	4,235	5,577	188,003	324,248
DEPRECIATION AND IMPAIRMENT	折舊及減值						
At 1 January 2015	於二零一五年一月一日	106,552	-	2,842	2,263	176,703	288,360
Currency realignment	幣值調整	-	-	56	84	-	140
Provided for the year	年度撥備	1,255	-	22	54	5,176	6,507
Impairment losses recognised in profit or loss	於損益賬確認之減值虧損	-	-	-	-	4,900	4,900
Reversal of impairment losses	撥回減值虧損	(247)	-	-	-	(12,853)	(13,100)
At 31 December 2015	於二零一五年十二月三十一日	107,560	-	2,920	2,401	173,926	286,807
Currency realignment	幣值調整	-	15	76	126	-	217
Provided for the year	年度撥備	1,154	328	107	416	7,571	9,576
Eliminated on disposals	出售時對銷	-	-	-	(121)	(15,906)	(16,027)
Disposal of subsidiaries (note 13)	出售附屬公司(附註13)	(2,253)	-	-	-	-	(2,253)
Impairment losses recognised in profit or loss	於損益賬確認之減值虧損	-	-	-	-	3,776	3,776
Reversal of impairment losses	撥回減值虧損	(4,379)	-	-	-	(3,168)	(7,547)
At 31 December 2016	於二零一六年十二月三十一日	102,082	343	3,103	2,822	166,199	274,549
CARRYING VALUES	賬面值						
At 31 December 2016	於二零一六年十二月三十一日	23,148	860	1,132	2,755	21,804	49,699
At 31 December 2015	於二零一五年十二月三十一日	26,917	-	803	130	31,255	59,105

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

18. PROPERTY, PLANT AND EQUIPMENT – CONTINUED

The carrying value of the Group's properties which are situated on land under medium-term leases is analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Leasehold land and buildings in Hong Kong	香港之租賃土地及樓宇	–	7,065
Leasehold buildings in the PRC	中國之租賃樓宇	23,148	19,852
		23,148	26,917

As at 31 December 2016, the Group has pledged certain of its leasehold land and buildings with an aggregate carrying value of RMB23,148,000 (2015: RMB26,917,000) to certain banks to secure the credit facilities granted to the Group (note 31).

The Group's motor vehicles held under finance leases were secured with a net carrying amount of approximately RMB2,679,000 (2015: Nil).

18. 物業、廠房及設備－續

位於中期租賃土地之本集團物業之賬面值分析如下：

於二零一六年十二月三十一日，本集團已將總賬面值人民幣23,148,000元（二零一五年：人民幣26,917,000元）之若干租賃土地及樓宇抵押予若干銀行，以作為本集團獲授信貸備用額之抵押（附註31）。

本集團根據融資租賃持有之汽車已作抵押，其賬面淨值約為人民幣2,679,000元（二零一五年：無）。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

19. PREPAID LEASE PAYMENTS

19. 預付租賃款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CARRYING VALUE	賬面值		
At 1 January	於一月一日	440	454
Charged to profit or loss for the year	於本年度之損益賬扣除	(14)	(14)
At 31 December	於十二月三十一日	426	440
Analysed as:	分析如下：		
Non-current assets	非流動資產	412	426
Current assets	流動資產	14	14
At 31 December	於十二月三十一日	426	440

The amount represents the prepayment of rentals for land use rights situated in the PRC for a period of 50 years.

The Group has pledged its land use rights with an aggregate carrying value of RMB426,000 (2015: RMB440,000) to certain banks for credit facilities granted to the Group (note 31).

該金額乃指位於中國為期50年之土地使用權之預付租賃款項。

本集團已將總賬面值人民幣426,000元(二零一五年：人民幣440,000元)之土地使用權抵押予若干銀行，以作為本集團獲授信貸備用額之抵押(附註31)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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. GOODWILL

20. 商譽

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	-	-
Arising on acquisition of subsidiaries	收購附屬公司所產生	-	1,576
Reclassified as held for sale (note 27)	重新分類為持作出售 (附註27)	-	(1,576)
At 31 December	於十二月三十一日	-	-

21. NON-CURRENT DEPOSITS

21. 非流動按金

(a) Deposits for other investments

(a) 其他投資之按金

- (i) As at 31 December 2016, balance represents deposit of HK\$500,000,000 (equivalent to approximately RMB447,615,000) paid or payable by the Group for the Acquisition of ATV including the Sale Shares and Major Debts. Details of this deposit as stated in note 12.

- (i) 於二零一六年十二月三十一日，有關結餘代表本集團就收購事項（包括銷售股份及主要債務）而已付或應付之按金500,000,000港元（相等於約人民幣447,615,000元）。有關此按金之詳情載於附註12。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

21. NON-CURRENT DEPOSITS – CONTINUED

(a) Deposits for other investments – continued

- (ii) On 4 November 2016, the Group had entered into a sale and purchase agreement (the “Agreement”) with Star Raise Holdings Limited (“Star Raise”) and a guarantor, pursuant to which Star Raise has conditionally agreed to sell and transfer and the Group agreed to acquire and accept, 10% of the issued share capital of Star Gaze Entertainment Group Limited (“Star Gaze”) at the consideration of HK\$30,000,000, which will be satisfied by cash, together with a call option granted by Star Raise to acquire additional 20% of the issued share capital of Star Gaze at the Group’s discretion. On the same date, the deposit in the amount of HK\$10,000,000 (equivalent to approximately RMB8,952,000) was paid to Star Raise upon the execution of and in accordance with the terms of the Agreement, which shall be entirely refundable to the Group upon written request to Star Raise prior to the completion. The acquisition was not yet completed as at the date of this report. Details of the transaction were set out in the Company’s announcement dated 7 November 2016.

21. 非流動按金－續

(a) 其他投資之按金－續

- (ii) 於二零一六年十一月四日，本集團與 Star Raise Holdings Limited (「Star Raise」) 及一名擔保人訂立買賣協議(「該協議」)，據此，Star Raise 有條件同意出售及轉讓，而本集團同意收購及接納星淘娛樂集團有限公司(「星淘」)之10%已發行股本，代價為30,000,000港元，將以現金支付，另連同 Star Raise 授出之認購期權，本集團可酌情決定收購星淘額外20%之已發行股本。同日，本集團於簽立該協議時，按照其條款向 Star Raise 支付10,000,000港元(相等於約人民幣8,952,000元)之按金，有關按金可於完成前由本集團向 Star Raise 提出書面要求下全數退回予本集團。於本報告日期，有關收購尚未完成。有關交易之詳情載於本公司發表日期為二零一六年十一月七日之公佈。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

21. NON-CURRENT DEPOSITS – CONTINUED

(b) Deposit for investments in subsidiaries

On 23 May 2016, the Group had entered into a sale and purchase agreement with Sincere Finance Holding Limited (“Sincere Finance”), pursuant to which the Group has conditionally agreed to acquire and Sincere Finance has conditionally agreed to sell the sale shares, representing 60% of the entire issued share capital of Million Federal International Limited (“Million Federal”), at the consideration of HK\$90,000,000 subjected to the terms and conditions of the sale and purchase agreement, in which HK\$8,000,000 of which shall be satisfied by cash and HK\$82,000,000 of which shall be satisfied by the issue of promissory note. As at 31 December 2016, HK\$8,000,000 (equivalent to RMB7,162,000) were paid as deposit for the above acquisition.

Subsequent to the year end, on 15 March 2017, the above acquisition has been completed. Million Federal becomes a subsidiary of the Company (note 40(b)).

Details of the transaction were set out in the Company’s announcements dated 23 May 2016 and 15 March 2017.

21. 非流動按金－續

(b) 投資於附屬公司之按金

於二零一六年五月二十三日，本集團與訊匯金融集團有限公司(「訊匯金融」)訂立買賣協議，據此，在買賣協議之條款及條件之規限下，本集團有條件同意收購而訊匯金融有條件同意出售銷售股份(即萬方國際有限公司(「萬方」)全部已發行股本之60%)，代價為90,000,000港元，當中之8,000,000港元須以現金支付及82,000,000港元須透過發行承付票據而支付。於二零一六年十二月三十一日，就上述收購已支付8,000,000港元(相等於約人民幣7,162,000元)作為按金。

於年結後，上述收購已於二零一七年三月十五日完成。萬方成為本公司之附屬公司(附註40(b))。

有關交易之詳情載於本公司發表日期為二零一六年五月二十三日及二零一七年三月十五日之公佈。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

22. INVENTORIES

22. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	71,747	46,300
Finished goods	製成品	34,977	39,227
		106,724	85,527

At 31 December 2016, certain inventories with original cost amounting to RMB178,859,000 (2015: RMB114,324,000) were stated at net realisable value of RMB101,085,000 (2015: RMB38,162,000).

於二零一六年十二月三十一日，原始成本為人民幣178,859,000元(二零一五年：人民幣114,324,000元)之若干存貨按可變現淨值人民幣101,085,000元(二零一五年：人民幣38,162,000元)列賬。

Movement in the allowances for inventories

存貨撥備變動

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	76,162	8,845
Write-down during the year	年內存貨撥備	18,018	67,317
Reversal of write-down during the year	年內撥回存貨撥備	(16,406)	—
At 31 December	於十二月三十一日	77,774	76,162

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

23. 貿易及其他應收賬款、按金 及預付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收賬款	20,844	25,359
Less: Allowances for bad and doubtful debts	減：呆壞賬撥備	(2,546)	(2,397)
		18,298	22,962
Deposits paid to suppliers	已付供應商之按金	53,219	69,476
Less: Allowances for bad and doubtful debts	減：呆壞賬撥備	(16,541)	(6,050)
		36,678	63,426
Refundable deposits paid for acquisitions (note i)	就收購事項已付之可退還按金(附註i)	3,581	–
Deposit paid (note ii)	已付按金(附註ii)	–	25,131
Prepayment for acquisition of financial assets at fair value through profit or loss (note iii)	收購按公平值計入損益賬之財務資產之預付款項(附註iii)	40,688	–
Other receivables due from ATV (note iv)	應收亞視之其他賬款(附註iv)	61,037	–
Other receivables and prepayments	其他應收賬款及預付款項	10,034	387
Other deposits	其他按金	1,962	503
Value-added tax recoverable	可收回之增值稅	3	3
Amount due from a director (note v)	應收董事款項(附註v)	45	–
		172,326	112,412

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – CONTINUED

Notes:

- i. On 12 April 2016, the Group entered into a non-legally binding memorandum of understanding (the “MOU”) in relation to the acquisition of 20% shareholding of Big Noble Limited. Pursuant to the MOU, a refundable deposit of HK\$5,000,000 shall be paid by the Group after the signing of the MOU. The MOU was terminated during the year and the refundable deposit will be fully refunded by instalments. Details of the transaction were set out in the Company’s announcement dated 12 April 2016.
- ii. On 18 September 2015, the Company entered into a memorandum (the “Memorandum”) with CCMI to set out the framework for negotiation on cooperation (the “Cooperation”) in certain projects in relation to the remaking of several television dramas titles, as well as to film or develop movies, comics and mobile games relating thereto. On 21 September 2015, an advance of HK\$30 million (equivalent to approximately RMB25,131,000) was paid to CCMI pursuant to the Memorandum. On 23 October 2015, the Company entered into the Programme Cooperation Agreement with CCMI setting out detailed terms of the Cooperation. On 13 December 2015, the Company entered into a supplemental agreement with CCMI in which the Company selected 1,010.75 hours television drama programmes (the “Target Programmes”). The agreed consideration of the royalty fee of becoming the global authorised agent of the Target Programmes (the “Royalty Fee”) was HK\$30 million as at 13 December 2015. Accordingly, the advance of HK\$30 million paid by the Company to CCMI on 21 September 2015 was used to settle the Royalty Fee in respect of the Target Programmes. Details of the transaction were set out in the Company’s announcement dated 18 September 2015 and the circular dated 22 February 2016.

23. 貿易及其他應收賬款、按金 及預付款項 – 續

附註：

- i. 於二零一六年四月十二日，本公司就收購Big Noble Limited之20%股權訂立無法律約束力之諒解備忘錄（「該諒解備忘錄」）。根據該諒解備忘錄，本集團於簽訂該諒解備忘錄後須支付5,000,000港元之可退還按金。該諒解備忘錄已於年內終止，而全數可退還按金將予分期退還。有關交易之詳情載於本公司發表日期為二零一六年四月十二日之公佈。
- ii. 於二零一五年九月十八日，本公司與中國文化傳媒國際訂立一份備忘錄（「該備忘錄」），以制訂就重新製作數齣電視劇集以及拍攝或開發相關電影、漫畫及手遊的若干項目之合作（「合作」）而進行磋商的框架。於二零一五年九月二十一日，已根據該備忘錄向中國文化傳媒國際支付30,000,000港元（相等於約人民幣25,131,000元）之墊款。於二零一五年十月二十三日，本公司與中國文化傳媒國際訂立節目合作協議，制訂合作之詳盡條款。於二零一五年十二月十三日，本公司與中國文化傳媒國際訂立補充協議，據此，本公司已選出1,010.75個小時之電視劇集節目（「目標節目」）。成為目標節目之全球獲授權代理之專營權費（「專營權費」）於二零一五年十二月十三日之協定代價為30,000,000港元。因此，本公司於二零一五年九月二十一日向中國文化傳媒國際支付之30,000,000港元墊款已用以結清目標節目之相關專營權費。有關交易之詳情載於本公司發表日期為二零一五年九月十八日之公佈及發表日期為二零一六年二月二十二日之通函。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – CONTINUED

Notes: – continued

ii. – continued

On 30 April 2016, Star Platinum, thereafter become a wholly-owned subsidiary of the Group in July 2016, entered into a deed of assignment (the “Deed”) with CCMI which CCMI agrees to assign or procure the assignment to Star Platinum and Star Platinum agrees to accept, by way of assignment, CCMI’s rights under the Programme Cooperation Agreement upon the terms and conditions set out in the Deed. CCMI, as the legal and beneficial owner, irrevocably and unconditionally assigns to Star Platinum all its rights, titles, benefits and interests under the Programme Cooperation Agreement free and clear from all liens, claims, securities, charges, encumbrances or third-party rights of whatsoever nature and to hold the same unto Star Platinum absolutely. As a result, the deposit has been transferred to the “Deposit for other investment”.

iii. On 29 December 2016, the Group had prepaid HK\$45,450,000 (equivalent to RMB40,688,000) in relation to the acquisition of financial assets at fair value through profit or loss. The transaction was completed on 3 January 2017.

iv. Other receivables due from ATV represented (i) debts previously owed to the ex-employees and ex-independent contractors of ATV in the aggregate amount of approximately HK\$34,934,000 (equivalent to approximately RMB31,274,000) (including mandatory provident fund contributions and surcharge for ex-employees of ATV in Hong Kong and social security insurance contributions and surcharge for ex-employees of ATV in PRC) which have been assigned to Star Platinum during the year; and (ii) amounts advanced to ATV for maintaining its operation of approximately HK\$33,246,000 (equivalent to approximately RMB29,763,000).

v. The amount due from a director is unsecured, interest-free and repayable on demand.

23. 貿易及其他應收賬款、按金 及預付款項 – 續

附註：– 續

ii. – 續

於二零一六年四月三十日，星鉑企業（其後於二零一六年七月成為本集團之全資附屬公司）與中國文化傳媒國際訂立轉讓契據（「該契據」），據此，根據該契據之條款及條件，中國文化傳媒國際同意轉讓或促使星鉑企業承讓，而星鉑企業同意以承讓方式接納中國文化傳媒國際於節目合作協議項下之權利。作為法定及實益擁有人，中國文化傳媒國際不可撤回地及無條件地向星鉑企業轉讓及為星鉑企業全權持有其於節目合作協議項下之一切權利、產權、利益及權益，而不附帶任何留置權、申索、擔保、押記、產權負擔或任何性質之第三方權利。因此，有關按金已轉移至「其他投資之按金」。

iii. 於二零一六年十二月二十九日，本集團就收購按公平值計入損益賬之財務資產預付45,450,000港元（相等於人民幣40,688,000元）。該項交易已於二零一七年一月三日完成。

iv. 應收亞視之其他賬款代表(i) 先前拖欠亞視前員工及前獨立承辦商之債務合共約34,934,000港元（相等於約人民幣31,274,000元）（包括為亞視之香港前員工作出之強制性公積金供款及附加費及為亞視之中國前員工作出之社會保險基金供款及附加費），有關款項已於年內轉讓至星鉑企業；及(ii) 為維持亞視營運而墊付予亞視之款項約33,246,000港元（相等於約人民幣29,763,000元）。

v. 應收董事款項為無抵押、免息及須應要求償還。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – CONTINUED

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

23. 貿易及其他應收賬款、按金及預付款項 – 續

於報告期間結束時，貿易應收賬款根據發票日期呈列之賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 to 90 days	0至90日	7,294	15,043
91 to 180 days	91至180日	4,507	6,700
181 to 270 days	181至270日	5,023	47
271 to 365 days	271至365日	156	41
Over 365 days	超過365日	1,318	1,131
		11,004	7,919
		18,298	22,962



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – CONTINUED

Management closely monitors the credit quality of trade and other receivables and considers trade and other receivables that are neither past due nor impaired to be of a good credit quality.

Included in the Group's trade receivable balances were debtors with aggregate carrying amount of approximately RMB11,004,000 (2015: RMB7,919,000) which were past due at the reporting date for which the Group has not provided allowance because those debtors have good credit records. The Group does not hold any collateral over these balances.

The Company generally allows a credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables which are past due but not impaired:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 to 90 days	0至90日	4,507	6,700
91 to 180 days	91至180日	5,023	47
181 to 270 days	181至270日	156	41
Over 270 days	超過270日	1,318	1,131
		11,004	7,919

The Group has provided allowances for certain trade and other receivables, as the directors of the Company consider the recoverability of these debts are low based on historical experience.

23. 貿易及其他應收賬款、按金 及預付款項－續

管理層緊密監察貿易及其他應收賬款之信貸質素，並認為並未逾期或減值之貿易及其他應收賬款均屬信貸質素良好。

本集團之貿易應收賬款結餘中，包括於報告日期已逾期而總賬面值約為人民幣11,004,000元（二零一五年：人民幣7,919,000元）之應收賬，由於該等應收賬之債務人具備良好信貸記錄，因此本集團並無為此計提撥備。本集團並無為該等結餘持有任何抵押品。

本公司一般給予其貿易客戶之信貸期為30日。下列為已逾期但未減值之貿易應收賬款之賬齡分析：

本集團已就某些貿易及其他應收賬款作出撥備，原因為本公司董事根據以往經驗認為收回此等債務之機會偏低。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS – CONTINUED

Movement in the allowances for bad and doubtful debts

		Trade receivables 貿易應收賬款		Deposits paid to suppliers 已付供應商之按金	
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	2,397	2,305	6,050	2,000
Allowances made during the year	年內撥備	–	92	10,941	4,050
Reversals of allowances during the year	年內撥回撥備	–	–	(450)	–
Exchange realignment	匯兌調整	149	–	–	–
At 31 December	於十二月三十一日	2,546	2,397	16,541	6,050

At each reporting date, the management reviews trade and other receivables for evidence of impairment on an individual and collective basis. As at 31 December 2016, due to the significant financial difficulties of several counterparties, the Group determined deposits paid to suppliers of approximately RMB10,941,000 as individually impaired (2015: approximately RMB4,050,000). During the year ended 31 December 2016, the allowances amounted to RMB450,000 (2015: Nil) were reversed because the related debts were settled during the year.

The Group does not hold any collateral over these balances.

23. 貿易及其他應收賬款、按金及預付款項 – 續

呆壞賬撥備變動

於各報告日期，管理層按個別及集體基準檢討貿易及其他應收賬款之減值跡象。於二零一六年十二月三十一日，由於數名貿易對手面對重大財政困難，故本集團釐定已付供應商之按金約人民幣10,941,000元為個別減值(二零一五年：約人民幣4,050,000元)。於截至二零一六年十二月三十一日止年度，人民幣450,000元(二零一五年：人民幣零元)之撥備已經撥回，因為相關債務已於年內結清。

本集團並無就此等結餘持有任何抵押品。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

24. LOAN RECEIVABLES

The credit quality analysis of the loans receivable is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired:	並未逾期或減值－		
Unsecured loans	無抵押貸款		
– principal	－本金	129,515	144,168
– interest	－利息	9,302	5,703
		138,817	149,871

The Group's loan receivables, which arise from the money lending business in Hong Kong, were denominated in Hong Kong dollars. The carrying value of the loan principal and interest receivables in original currency as at 31 December 2016 amounted to approximately HK\$144,672,000 (2015: HK\$172,100,000) and approximately HK\$10,390,000 (2015: HK\$6,808,000), respectively.

As at 31 December 2016, loan receivables were neither impaired nor overdue. The maximum exposure to credit risk at each reporting dates is the carrying value of the loan receivables.

All the loans receivable are entered with contractual maturity within 3 months to 1 year (2015: 1 year). The Group seeks to maintain tight control over its loan receivables in order to minimise credit risk by reviewing the borrowers' or guarantors' financial positions.

Loan receivables at 31 December 2016 are unsecured and interest-bearing at rates ranging from 8.0% to 24.0% (2015: 19.5% to 22.0%) per annum.

24. 應收貸款

應收貸款的信貨質素分析如下：

本集團之應收貸款(因於香港的放貸業務而產生)乃以港元計值。於二零一六年十二月三十一日之應收貸款本金及利息(按原來之貨幣)之賬面值分別約為144,672,000港元(二零一五年：172,100,000港元)及約為10,390,000港元(二零一五年：6,808,000港元)。

於二零一六年十二月三十一日，應收貸款並未減值或逾期。於各報告日期最大的信貸風險程度為應收貸款之賬面值。

所有應收貸款之合約到期日為三個月至一年內(二零一五年：一年內)。本集團致力透過審閱借款人的財務狀況，維持對應收貸款的嚴格控制，務求將信貸風險減至最低。

於二零一六年十二月三十一日，應收貸款為無抵押及以年利率8.0厘至24.0厘(二零一五年：19.5厘至22.0厘)計息。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

25. 按公平值計入損益賬之財務資產

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Equity securities listed in Hong Kong, at fair value	香港上市股本證券 (按公平值計)	114,789	—
Unlisted investment fund, at fair value	非上市投資基金 (按公平值計)	86,633	—
		201,422	—

The balance represents Hong Kong listed equity investments of approximately HK\$128,223,000 (equivalent to approximately RMB114,789,000) and investment in an unlisted investment fund of approximately HK\$96,771,000 (equivalent to approximately RMB86,633,000), the fair value of the unlisted investment fund is determined from broker's quotes, which reflect the Group's share of fair value of the net asset value of the fund with segregated portfolio solely consists of Hong Kong listed equity investments.

The above equity investments as at 31 December 2016 were classified as held for trading.

As at 31 December 2016, the Group has pledged certain of its financial assets at fair value through profit or loss with an aggregate carrying value of RMB1,317,000 (2015: Nil) to other financial institution to secure the credit facilities granted to the Group (note 31).

有關結餘代表香港上市股本投資約128,223,000港元(相等於約人民幣114,789,000元)及於非上市投資基金之投資約96,771,000港元(相等於約人民幣86,633,000元)，非上市投資基金之公平值是基於證券商報價而釐定，並反映本集團於僅由香港上市股本投資組成之獨立投資組合之基金中應佔之資產淨值公平值。

於二零一六年十二月三十一日，上述股本投資被分類為持作出售之資產。

於二零一六年十二月三十一日，本集團已將總賬面值人民幣1,317,000元(二零一五年：無)之若干按公平值計入損益賬之財務資產抵押予其他金融機構，以作為本集團獲授信貸備用額之抵押(附註31)。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

26. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Bank balances carry interest at market rates ranging from 0.0% to 0.35% (2015: 0.0% to 0.3%) per annum.

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group and carry fixed interest rate ranged from 1.5% to 2.1% (2015: 0.5% to 3.5%) per annum. Pledged bank deposits of RMB38,420,000 (2015: RMB40,420,000) will be released upon the settlement of relevant bank borrowings (note 31).

27. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

On 16 December 2015, the Group entered into an agreement with the Purchaser of Shifen pursuant to which the Group has conditionally agreed to sell, and the Purchaser of Shifen has conditionally agreed to acquire the entire issued share capital of Shifen Group and Sales Loan, on the completion date of disposal at an aggregate consideration of HK\$2,100,000.

The completion of such disposal took place on 15 January 2016, the relevant assets, i.e. Goodwill of RMB1,576,000 (note 20) at 31 December 2015, was classified as assets held for sale and liabilities associated with assets classified as held for sale respectively in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations".

26. 已抵押銀行存款以及銀行結餘及現金

銀行結餘按市場年息率0.0%至0.35% (二零一五年: 0.0%至0.3%)計息。

已抵押銀行存款代表向銀行抵押之存款，以作為本集團獲授銀行信貸之抵押品，其按固定年息率1.5%至2.1% (二零一五年: 0.5%至3.5%)計息。人民幣38,420,000元 (二零一五年: 人民幣40,420,000元)之已抵押銀行存款將於相關銀行借貸結清後獲解除 (附註31)。

27. 分類為持作出售之資產以及與分類為持作出售之資產有關之負債

於二零一五年十二月十六日，本集團與世芬之買方訂立協議，據此，本集團有條件同意出售而世芬之買方有條件同意收購世芬集團之全部已發行股本及銷售貸款，總代價為2,100,000港元。

該項出售已於二零一六年一月十五日完成，而於二零一五年十二月三十一日之相關資產 (即商譽人民幣1,576,000元 (附註20)) 已根據香港財務報告準則第5號「分類為持作出售之非流動資產及已終止業務」而分別分類為持作出售之資產以及與分類為持作出售之資產有關之負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. TRADE AND OTHER PAYABLES

28. 貿易及其他應付賬款

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付賬款	24,916	28,940
Customers' deposits	客戶之按金	27,238	20,588
Other payables and accruals (note i)	其他應付賬款及應計費用 (附註i)	213,424	7,630
Amount due to a director (note ii)	應付董事款項(附註ii)	1,265	—
		266,843	57,158

Notes:

- Included in other payables, there was an amount of HK\$220,000,000 (equivalent to RMB196,951,000) representing the outstanding Consideration payable for the Acquisition. Details of the Acquisition, please refer to note 12.
- The amount due to a director is unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

附註：

- 於其他應付賬款中，有一筆220,000,000港元(相等於約人民幣196,951,000元)之賬款為就收購事項應付之未償還代價。有關收購事項之詳情，請參閱附註12。
- 應付董事款項為無抵押、免息及須應要求償還。

於報告期間結束時，貿易應付賬款根據發票日期呈列之賬齡分析如下：

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 to 90 days	0至90日	7,864	14,824
91 to 180 days	91至180日	4,953	5,260
181 to 270 days	181至270日	3,162	4,329
271 to 365 days	271至365日	5,455	1,584
Over 365 days	超過365日	3,482	2,943
		24,916	28,940

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. BOND PAYABLES

On 15 October 2015, the Company (assignor) as issuer and the assignee as subscriber entered into a subscription agreement in respect of the subscription of the one-year 15% (2015: 15%) coupon secured bond to be issued by the Company in the principal amount of HK\$70,000,000 which would be secured by the share charge to be executed by Widerlink Group Limited (a wholly-owned subsidiary of the Company) (the "Chargor") in favour of the assignee over the entire issued share capital of a wholly-owned subsidiary of the Group.

A supplementary subscription agreement was signed on 14 October 2016, the maturity date was extended to 14 October 2017 and the interest rate was adjusted from 15% to 8% per annum for the period from 15 October 2015 to 14 October 2017.

29. 應付債券

於二零一五年十月十五日，本公司(轉讓人)作為發行人與受讓人(作為認購人)訂立認購協議，內容有關認購將由本公司發行本金額70,000,000港元票息率15%(二零一五年：15%)之一年期有抵押債券，而有抵押債券將以本公司之全資附屬公司Widerlink Group Limited(押記人)以本集團一間全資附屬公司全部已發行股本為受讓人簽立之股份押記作抵押。

一份於二零一六年十月十四日簽署之補充認購協議將到期日延長至二零一七年十月十四日，並將二零一五年十月十五日至二零一七年十月十四日期間之年利率由15厘調整至8厘。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. OBLIGATION UNDER FINANCE LEASES

The Group leases certain of its motor vehicles under finance leases.

30. 融資租賃承擔

本集團根據融資租賃租用其若干汽車。

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款之現值	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amounts payable:	應付款項：				
Within one year	一年內	715	—	658	—
In the second to fifth years, inclusive	第二年至第五年 (包括首尾 兩年)	1,684	—	1,623	—
Total minimum finance lease payments	最低租賃付款總額	2,399	—	2,281	—
Future finance charges	未來融資費用	(118)	—		
Total net finance lease payables	應付融資租賃款項 淨額總數	2,281	—		
Portion classified as current liabilities	分類為流動負債	(658)	—		
Non-current portion	非流動部分	1,623	—		

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

31. SHORT-TERM BANK LOANS/SHORT-TERM LOANS FROM OTHER FINANCIAL INSTITUTION

31. 短期銀行貸款／來自其他金融機構之短期貸款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term bank loans	短期銀行貸款		
– secured	– 有抵押	119,340	105,300
– unsecured	– 無抵押	–	18,000
		119,340	123,300
Short-term loans from other financial institution	來自其他金融機構之短期貸款		
– secured	– 有抵押	26,647	–
– unsecured	– 無抵押	–	2,000
		145,987	125,300

The Group's short-term bank loans are denominated in RMB (2015: RMB) while the short-term loans from other financial institution are denominated in HK\$ (2015: RMB).

The short-term loans are secured by certain property, plant and equipment, prepaid lease payments, financial assets at fair value through profit or loss and pledged bank deposits with carrying values of RMB23,148,000 (2015: RMB26,917,000), RMB426,000 (2015: RMB440,000), RMB1,317,000 (2015: Nil) and RMB38,420,000 (2015: RMB40,420,000) respectively at 31 December 2016.

The short-term loans are fixed-rate loans which carry interest at the range of 5.44% to 8.00% per annum. As at 31 December 2015, short-term loans of RMB120,300,000 were fixed-rate loans which carry interest at the range of 5.78% to 10.50% per annum and short-term loan of RMB5,000,000 was interest-bearing at loan prime rate offered by the National Interbank Funding Center of China Foreign Exchange Trade System plus 0.2675% per annum. The short-term loans are all last year with variable rate per note 6(b) repayable within one year.

本集團短期貸款以人民幣(二零一五年：人民幣)列值，來自其他金融機構之短期貸款則以港元(二零一五年：人民幣)列值。

短期貸款是以於二零一六年十二月三十一日賬面值分別為人民幣23,148,000元(二零一五年：人民幣26,917,000元)、人民幣426,000元(二零一五年：人民幣440,000元)、人民幣1,317,000元(二零一五年：無)及人民幣38,420,000元(二零一五年：人民幣40,420,000元)之物業、廠房及設備、預付租賃款項、按公平值計入損益賬之財務資產及已抵押銀行存款作抵押。

短期貸款為定息貸款，按年息率介乎5.44%至8.00%計息。於二零一五年十二月三十一日，有人民幣120,300,000元之短期貸款為定息貸款及按年息率介乎5.78%至10.50%計息，另有人民幣5,000,000元之短期貸款按中國外匯交易中心暨全國銀行間同業拆借中心所提供之貸款基礎利率另加0.2675%計息。根據附註6(b)，所有短期貸款均於上年度產生、按淨動利率計息及須於一年內償還。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

31. SHORT-TERM BANK LOANS/SHORT-TERM LOANS FROM OTHER FINANCIAL INSTITUTION – CONTINUED

At the end of the reporting period, certain of the short-term loans are guaranteed by certain related parties and the maximum amount guaranteed is set out below:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term bank loans	短期銀行貸款		
Joint guarantee (note i)	共同擔保(附註i)	22,500	30,000
Joint guarantee (note ii)	共同擔保(附註ii)	45,000	45,000
		67,500	75,000
Short-term loans from other financial institution	來自其他金融機構之短期貸款		
Joint guarantee (note iii)	共同擔保(附註iii)	–	35,000
		67,500	110,000

Notes:

- i. The credit facility was jointly guaranteed by Mr. Cai Chaodun, Mr. Qiu Fengshou and Mr. Fu Jianhua. Mr. Fu Jianhua is the deputy general manager of the Group.
- ii. The credit facility was jointly guaranteed by Mr. Cai Chaodun and his wife, Ms. Wang Yuee.
- iii. The credit facility was jointly guaranteed by Mr. Cai Chaodun and Mr. Qiu Fengshou.

31. 短期銀行貸款／來自其他金融機構之短期貸款－續

於報告期間結束時，若干短期貸款由若干有關連人士提供擔保，而獲擔保之最高金額載列如下：

附註：

- i. 有關信貸融資由蔡朝敦先生、邱豐收先生及傅建華先生共同擔保。傅建華先生為本集團之副總經理。
- ii. 有關信貸融資由蔡朝敦先生及其妻子Wang Yuee女士共同擔保。
- iii. 有關信貸融資由蔡朝敦先生及邱豐收先生共同擔保。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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. FINANCIAL GUARANTEE CONTRACTS

As at 31 December 2013, the Group provided corporate guarantees to a bank in respect of short-term bank borrowings granted to Shasing-Shapheng (Quanzhou) Textile Industrial Co., Ltd. ("Shasing-Shapheng Quanzhou") amounting to RMB150,000,000 out of the total outstanding amount of RMB200,000,000. Pursuant to the corporate guarantee agreements, the Group has provided the guarantee amounting to extent of RMB150,000,000. The relevant financial guarantee contracts were initially measured at their fair values as at 31 December 2013 by an independent valuer, American Appraisal China Limited using present values techniques amounted to RMB46,965,000 which has been accounted for as financial liability in accordance with Hong Kong Accounting Standard 39 "Financial instruments: recognition and measurement" after taking into consideration of the original corporate guarantee agreements being expired effectively on 2 January 2014 and were subsequently renewed on 2 January 2014 with maturity on 1 January 2017. In addition, a counter-indemnity in favour of the Group is executed by the buyer of Shasing-Shapheng Quanzhou (the "Buyer") on the same day, pursuant to which the Buyer undertakes to indemnify the Group's liabilities arising from the above loan facilities.

Financial guarantee contracts are subsequently measured in accordance with the accounting policies set out in note 3. Accordingly, in respect of the financial guarantee contracts, an amortisation of RMB8,349,000 was credited to the profit or loss for the year (2015: RMB12,611,000).

During the year, the Group granted several corporate guarantees to a bank in respect of certain credit facilities granted to Shasing-Shapheng Quanzhou (note 38). The fair value of the financial guarantee issued at initial recognition was immaterial.

32. 財務擔保合約

於二零一三年十二月三十一日，本集團就協盛協豐(泉州)紡織實業有限公司(「協盛協豐(泉州)」)獲授短期銀行借貸之未償還總額人民幣200,000,000元中的人民幣150,000,000元向一間銀行提供公司擔保。根據公司擔保協議，本集團已提供人民幣150,000,000元之擔保。相關財務擔保合約初步按經由獨立估值師美國評值有限公司以現值技術法評定於二零一三年十二月三十一日之公平值人民幣46,965,000元計量，當中已考慮原公司擔保協議實際上於二零一四年一月二日屆滿及其後於二零一四年一月二日重續(到期日為二零一七年一月一日)，有關財務擔保合約已根據香港會計準則第39號「財務工具：確認及計量」入賬為財務負債。此外，協盛協豐(泉州)之買方(「該買方」)已於同日為本集團簽立背對背形式的彌償保證，據此，該買方承諾就上述貸款融資所產生之負債為本集團提供彌償保證。

財務擔保合約其後根據附註3所載之會計政策計量。因此，就財務擔保合約而言，人民幣8,349,000元之攤銷已計入本年度之損益賬(二零一五年：人民幣12,611,000元)。

年內，本集團就協盛協豐(泉州)獲授之若干信貸融資向銀行提供數項公司擔保(附註38)。已發行之財務擔保於初始確認時之公平值屬微不足道。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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. CONVERTIBLE BONDS

On 23 October 2015, the Company entered into a conditional placing agreement (“CB Placing”) (as supplemented by the supplemental CB Placing agreements dated 13 December 2015 and the second supplemental CB placing agreement dated 1 February 2016) (collectively, the “CB Placing Agreements”) with China Everbright Securities (“China Everbright”) in relation to the placing of the bonds in accordance with the terms of the CB Placing Agreements (the “Placing Bond”). On 15 April 2016, the Placing Bond with an aggregate principal amount of HK\$120,450,000 (equivalent to RMB100,611,000) had been successfully placed by China Everbright to not less than six CB investors. Details of the Placing Bond were set out in the Company’s announcements dated 14 December 2015, 1 February 2016, 8 April 2016 and 15 April 2016 and the circular dated 22 February 2016.

The convertible bonds mature in three years from the date of issue at 8% interest of its principal amount, unless previously converted or purchased. Neither the Company nor the bondholder may demand early redemption of the convertible bond in any event.

The conversion option of the convertible bonds is accounted for as equity instrument and is determined after deducting the fair value of the liability component from the total fair value amount of the convertible bonds at the date of issuance. The residual amount represents the value of the conversion option, which is credited directly to equity as convertible bond equity reserve of the Group. The valuation of the fair value of the liability component at the date of issuance was carried out by an external independent valuer, Hong Kong Appraisal Advisory Limited, by using discounted cash flow method. The effective interest rate of the liability component on initial recognition and the subsequent measure of effective interest expense on convertible bonds is calculated at 9.78%.

33. 可換股債券

於二零一五年十月二十三日，本公司與中國光大證券(香港)有限公司(「中國光大證券」)訂立有條件配售協議(經日期為二零一五年十二月十三日之補充可換股債券配售協議及日期為二零一六年二月一日之第二份補充可換股債券配售協議所補充)(統稱為「該等可換股債券配售協議」)，內容有關根據該等可換股債券配售協議配售債券(「配售債券」)。於二零一六年四月十五日，中國光大證券已成功向不少於六名可換股債券投資者配售本金總額為120,450,000港元(相等於人民幣100,611,000元)之配售債券。配售債券之詳情載於本公司發表日期為二零一五年十二月十四日、二零一六年二月一日、二零一六年四月八日及二零一六年四月十五日之公佈及發表日期為二零一六年二月二十二日之通函。

除非獲提前轉換或購買，可換股債券於發行日期起計三年到期並按其本金額以8%計息。本公司及債券持有人於任何情況下均不可要求提前贖回可換股債券。

於發行日期，可換股債券之換股選擇權乃入賬列作股本工具，於可換股債券公平值總額中扣除負債部分之公平值後予以釐定。有關餘額為換股選擇權之價值，其直接於權益入賬為本集團之可換股債券權益儲備。負債部分於發行日期之公平值由外部獨立估值師香港評值顧問有限公司以折現現金流量法進行估值。負債部分於初始確認時以及用以計算後續計量可換股債券實際利息開支之實際利率為9.78%。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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. CONVERTIBLE BONDS – CONTINUED

During the year, an aggregate principal amount of HK\$89,650,000 (equivalent to approximately RMB72,504,000) of the convertible bonds was converted into 407,500,000 ordinary shares at the conversion price of HK\$0.22 per conversion share.

The convertible bonds are bifurcated into a liability component and an equity component for accounting purpose. The following tables summarise the movements in the liability and equity components of the Company's convertible bonds during the year:

33. 可換股債券－續

年內，本金總額為89,650,000港元（相等於約人民幣72,504,000元）之可換股債券已按換股價每股換股股份0.22港元轉換為407,500,000股普通股。

就會計目的而言，可換股債券均分為負債部分及權益部分。下表概述本年度內本公司可換股債券之負債及權益部分之變動：

		2016 二零一六年 RMB'000 人民幣千元
Liability component	負債部分	
At the date of issue	於發行日期	96,033
Effective interest expense	實際利息開支	2,752
Interest payable	應付利息	(2,461)
Conversion during the year	於本年度轉換	(72,504)
Currency realignment	貨幣調整	2,769
At the end of the year	於年結日	26,589
Equity component	權益部分	
At the date of issue	於發行日期	4,578
Conversion during the year	於本年度轉換	(3,407)
At the end of the year	於年結日	1,171

The liability component of the convertible bonds is classified as a non-current liability on the amortised cost basis until extinguished on conversion or redemption.

可換股債券之負債部分按攤銷成本基準分類為非流動負債，直至於轉換或贖回時註銷為止。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

34. SHARE CAPITAL

34. 股本

		Authorised 法定 Number of shares 股份數目 '000 千股	Amount 款額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each At 1 January 2015 and 31 December 2015	每股面值0.10港元之普通股 於二零一五年一月一日及 二零一五年十二月三十一日	7,000,000	700,000
Increase in authorised share capital (note i)	增加法定股本 (附註i)	13,000,000	1,300,000
At 31 December 2016	於二零一六年十二月三十一日	20,000,000	2,000,000

		Issued and fully paid 已發行及繳足		
		Number of shares 股份數目 '000 千股	Amount 款額 RMB'000 人民幣千元	Amount 款額 HK\$'000 千港元
Shares in the consolidated statement of financial position	於綜合財務狀況表所示			
At 1 January 2015	於二零一五年一月一日	1,678,200	157,233	167,820
Exercise of share options (note ii)	行使認股權證 (附註ii)	19,000	1,502	1,900
Placement of new shares (note iii)	配售新股份 (附註iii)	338,840	27,494	33,884
At 31 December 2015	於二零一五年十二月 三十一日	2,036,040	186,229	203,604
Placement of new shares (note iv)	配售新股份 (附註iv)	600,000	50,076	60,000
Subscription of new shares (note v)	認購新股份 (附註v)	300,000	25,038	30,000
Conversion of convertible bonds (note vi)	轉換可換股債券 (附註vi)	407,500	34,461	40,750
Placement of new shares (note vii)	配售新股份 (附註vii)	642,380	55,804	64,238
At 31 December 2016	於二零一六年 十二月三十一日	3,985,920	351,608	398,592

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

34. SHARE CAPITAL – CONTINUED

Notes:

- i. On 9 March 2016, an ordinary resolution was passed at an extraordinary general meeting by which the authorised number of ordinary share of the Company was increased from 7 billion to 20 billion by the creation of additional 13 billion ordinary shares of HK\$0.1 each.
- ii. For the year ended 31 December 2015, 19,000,000 share options were exercised at the exercise price of HK\$0.227. These shares ranked pari passu with other shares in issue in all aspect.
- iii. On 13 July 2015, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent agreed to place 338,840,000 new shares under general mandate at the price of HK\$0.45 per placing share (the “2015 Placing Price”). On 31 July 2015, a total of 338,840,000 new shares were successfully placed at the 2015 Placing Price. Accordingly, 338,840,000 shares of HK\$0.1 each were issued at a premium of HK\$0.35 each. The premium on issue of shares of approximately HK\$114,632,000 net of transaction cost of approximately HK\$3,962,000, was credited to the share premium account. These shares rank pari passu in all respects with the existing shares.
- iv. On 23 October 2015, the Company entered into a share placing agreement (as subsequently supplemented by the Supplemental Share Placing Agreement dated 13 December 2015 and the Second Supplemental Share Placing Agreement dated 1 February 2016) (collectively, the “Share Placing Agreements”) with Haitong International Securities Company Limited (“Haitong Securities”). Pursuant to the Share Placing Agreements, Haitong Securities conditionally agreed to place, on a best effort basis, up to an aggregate of 600,000,000 new ordinary shares of the Company to not less than six placees at a price of not less than HK\$0.20 per placing share. On 1 April 2016, the Share Placing has been successfully placed at HK\$0.20 per placing share.

34. 股本—續

附註：

- i. 於二零一六年三月九日，本公司於股東特別大會上通過一項普通決議案，以透過增設13,000,000,000股每股面值0.1港元之普通股而將本公司法定普通股數目由7,000,000,000股增加至20,000,000,000股。
- ii. 於截至二零一五年十二月三十一日止年度，19,000,000份購股權已按0.227港元之行使價行使。此等股份在各方面與其他已發行股份享有同等地位。
- iii. 於二零一五年七月十三日，本公司與一名配售代理訂立配售協議，據此，配售代理同意按每股配售股份0.45港元之價格（「二零一五年配售價」）根據一般授權配售338,840,000股新股份。於二零一五年七月三十一日，合共338,840,000股新股份已按二零一五年配售價成功配售。因此，338,840,000股每股面值0.1港元之股份已按每股0.35港元之溢價發行。發行股份之溢價約114,632,000港元已在扣除交易成本約3,962,000港元後計入股份溢價賬。此等股份在各方面與現有股份享有同等地位。
- iv. 於二零一五年十月二十三日，本公司與海通國際證券有限公司（「海通證券」）訂立股份配售協議（其後經日期為二零一五年十二月十三日之補充股份配售協議及日期為二零一六年二月一日之第二份補充股份配售協議所補充）（統稱「該等股份配售協議」）。根據該等股份配售協議，海通證券有條件同意按盡力基準向不少於六名承配人配售最多合共600,000,000股本公司新普通股，配售價為不低於每股配售股份0.20港元。於二零一六年四月一日，股份配售事項已成功按每股配售股份0.20港元配售。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

34. SHARE CAPITAL – CONTINUED

Notes: – continued

- v. On 23 October 2015, the Company entered into a share subscription agreement (as subsequently supplemented by the Supplemental Share Subscription Agreement and the Second Supplemental Share Subscription Agreement) (collectively the “Share Subscription Agreements”) with Honghu Capital Co. Limited (“Honghu Capital”). Pursuant to the Share Subscription Agreements, the Company conditionally agreed to allot and issue and Honghu Capital conditionally agreed to subscribe for 300,000,000 subscription shares (the “Share Subscription”) at the subscription price of HK\$0.20 per share.
- vi. During the year, an aggregate principal amount of HK\$89,650,000 of convertible bonds (note 33) was converted at the conversion price of HK\$0.22. These shares ranked pari passu with other shares in issue in all aspect.
- vii. On 28 September 2016, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent agreed to place 642,380,000 new shares under general mandate at the price of HK\$0.22 per placing share (the “2016 Placing Price”). On 20 October 2016, a total of 642,380,000 new shares were successfully placed at the 2016 Placing Price. Accordingly, 642,380,000 shares of HK\$0.1 each were issued at a premium of HK\$0.12 each. The premium on issue of shares of approximately HK\$73,553,000 net of transaction cost of approximately HK\$3,533,000 was credited to the share premium account. These shares rank pari passu in all respects with the existing shares.

34. 股本－續

附註：－續

- v. 於二零一五年十月二十三日，本公司與鴻鵠資本有限公司（「鴻鵠資本」）訂立股份認購協議（其後經補充股份認購協議及第二份補充股份認購協議所補充）（統稱為「該等股份認購協議」）。根據該等股份認購協議，本公司有條件同意配發及發行而鴻鵠資本亦有條件同意認購300,000,000股認購股份（「股份認購事項」），認購價為每股股份0.20港元。
- vi. 年內，本金總額為89,650,000港元之可換股債券（附註33）已按0.22港元之換股價轉換。此等股份在各方面與其他已發行股份享有同等地位。
- vii. 於二零一六年九月二十八日，本公司與一名配售代理訂立配售協議，據此，配售代理同意按每股配售股份0.22港元之價格（「二零一六年配售價」）根據一般授權配售642,380,000股新股份。於二零一六年十月二十日，合共642,380,000股新股份已按二零一六年配售價成功配售。因此，642,380,000股每股面值0.1港元之股份已按每股0.12港元之溢價發行。發行股份所得溢價約73,553,000港元已在扣除交易成本約3,533,000港元後計入股份溢價賬。此等股份在各方面與現有股份享有同等地位。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

35. SHARE-BASED PAYMENT TRANSACTIONS

A share option scheme was adopted on 15 March 2006 (the "Share Option Scheme") and will remain in force for 10 years from that date. The purpose of the Share Option Scheme is to enable the Company to grant options to the directors of the Company, eligible employees and other outside third parties under the Share Option Scheme, in the sole discretion of the directors of the Company, who have contributed or will contribute to the growth and development of the Group.

Upon approval by shareholders by ordinary resolution at the extraordinary general meeting (the "EGM") on 23 February 2010, the total number of shares in respect of which options may be granted under the Share Option Scheme was refreshed and increased to 106,150,000 shares which were equivalent to 10% of the shares of the Company in issue as at the date of the EGM.

The total number of shares issued and to be issued upon exercise of options granted and to be granted to each grantee under the Share Option Scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time.

35. 以股份為基礎之付款交易

本公司於二零零六年三月十五日採納一項購股權計劃(「購股權計劃」)，購股權計劃之有效期為採納日期起計十年。購股權計劃旨在讓本公司在本公司董事全權酌情下向對本集團增長及發展曾經作出或將會作出貢獻之本公司董事、合資格僱員及其他外界第三方授出購股權。

經股東於二零一零年二月二十三日舉行之股東特別大會(「股東特別大會」)上通過普通決議案批准後，根據購股權計劃可授出之購股權所涉及之股份總數已予更新及增至106,150,000股股份，即相等於本公司於股東特別大會當日之已發行股份10%。

於任何12個月期間，每名承授人因行使根據購股權計劃已授予或將授予之購股權而發行及將予發行之股份總數，不可超逾本公司不時已發行股本之1%。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

35. SHARE-BASED PAYMENT TRANSACTIONS – CONTINUED

There is no general requirement that an option must be held for any minimum period before it can be exercised but the directors of the Company is empowered to impose its discretion any such minimum period at the time of grant of any particular option. The period during which the options may be exercised will be notified by the Directors to each grantee upon grant of each option, provided that it shall commence on a date not earlier than the date of the grant of an option and not be more than ten years from the date of grant of the option. An offer of grant of an option must be accepted within 21 days after the date of grant. The amount payable on acceptance of the grant is HK\$1, which must be received by the Company within 21 days from the date of grant or within such other period of time as may be determined by the board of directors pursuant to the Listing Rules.

The subscription price for the shares under the Share Option Scheme shall be a price determined by the Directors at its absolute discretion and shall not be less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares.

The Share Option Scheme expired on 14 March 2016.

35. 以股份為基礎之付款交易 – 續

購股權計劃並無對行使購股權前須持有購股權之最短時間作出一般規定，惟本公司董事有權於授出任何特定購股權時訂出承授人持有購股權之最短時間。董事將於每次授出購股權時向每位承授人知會購股權之行使期，惟購股權行使期不得早於購股權授出日期，及不得遲於購股權授出日期起計十年。承授人須於授出日期後之二十一天內決定是否接納授予購股權之建議。承授人於接納獲授之購股權時須支付1港元，有關款項必須由本公司於授出日期起計二十一天內或董事會根據上市規則不時釐定之其他期間內收到。

根據購股權計劃，股份認購價由董事全權決定，有關價格不得低於下列各項之最高者：(i)股份於授出日期在聯交所每日報價表所報之收市價；(ii)股份於緊接授出日期前五個營業日在聯交所每日報價表所報之收市價平均值；或(iii)股份之面值。

購股權計劃已於二零一六年三月十四日屆滿。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

35. SHARE-BASED PAYMENT TRANSACTIONS – CONTINUED

On 15 June 2016, the Company adopted a new share option scheme (the “New Share Option Scheme”) to replace the share option scheme previously adopted on 15 March 2006 to enable the Company to provide the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

Upon approval by shareholders by ordinary resolution at the annual general meeting (the “AGM”) on 15 June 2016, the total number of shares in respect of which options may be granted under the New Share Option Scheme will be 293,604,000 shares which were equivalent to 10% of the shares of the Company in issue as at the date of the AGM.

The total number of shares issued and to be issued upon exercise of options granted and to be granted to each grantee under the New Share Option Scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time unless (i) a circular is despatched to the shareholders; (ii) the shareholders approve the grant of the options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant grantee and its associates abstain from voting on such resolution.

35. 以股份為基礎之付款交易 – 續

於二零一六年六月十五日，本公司採納一項新購股權計劃（「新購股權計劃」），以取代於二零零六年三月十五日採納之購股權計劃，讓本公司向該等為本公司利益行事之人士提供獲取本公司股本權益之機會，從而將彼等之利益與本集團利益掛鈎，激勵彼等更好地為本集團利益作出貢獻。

經股東於二零一六年六月十五日舉行之股東週年大會（「股東週年大會」）上通過普通決議案批准後，根據新購股權計劃可授出之購股權所涉及之股份總數將為293,604,000股股份，即相等於本公司於股東週年大會當日之已發行股份10%。

於任何12個月期間，每名承授人因行使根據新購股權計劃已授予或將授予之購股權而發行及將予發行之股份總數，不可超逾本公司不時已發行股本之1%，除非(i)已向股東寄發通函；(ii)股東批准授出超過本段所述1%上限之購股權；及(iii)相關承授人及其聯繫人士放棄就有關決議案投票。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

35. SHARE-BASED PAYMENT TRANSACTIONS – CONTINUED

An option may be exercised at any time during the period to be determined and identified by the Directors to each grantee at the time of making an offer for the grant of an option, but in any event no later than ten years from the date of grant but subject to the early termination of the New Share Option Scheme. An offer of grant of an option must be accepted within 21 days after the date of grant. The amount payable on acceptance of the grant is HK\$1, which must be received by the Company within 21 days from the date of grant or within such other period of time as may be determined by the Directors pursuant to the Listing Rules.

The subscription price for the shares under the Share Option Scheme shall be a price determined by the Directors at its absolute discretion and shall not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares.

No share options were granted under the New Share Option Scheme during the year ended 31 December 2016.

35. 以股份為基礎之付款交易 – 續

購股權可於董事向每名承授人提呈授出購股權時所釐定及確定之期間內隨時行使，惟無論如何不得遲於授出日期起計十年，並取決於新購股權計劃有否提早終止。承授人須於授出日期後之二十一天內決定是否接納授予購股權之建議。承授人於接納獲授之購股權時須支付1港元，有關款項必須由本公司於授出日期起計二十一天內或董事根據上市規則不時釐定之其他期間內收到。

根據購股權計劃，股份認購價由董事全權決定，有關價格不得低於下列各項之最高者：(i)股份於授出日期在聯交所每日報價表所報之收市價；(ii)股份於緊接授出日期前五個營業日在聯交所每日報價表所報之收市價平均值；或(iii)股份之面值。

於截至二零一六年十二月三十一日止年度，並無根據新購股權計劃授出購股權。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. OPERATING LEASE COMMITMENTS

At 31 December 2016 and 2015, the Group had total future minimum lease payment under non-cancellable operating leases falling due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Operating lease commitments	經營租賃承擔		
Within one year	一年內	5,987	1,173
In the second to fifth years, inclusive	第二至第五年內 (包括首尾兩年)	4,049	2,151
		10,036	3,324

The Group's operating leases are for terms from 1 to 3 years.

本集團之營運租賃為期一至三年。

37. RELATED PARTY TRANSACTIONS

The related party transactions and balances for the year are set out in notes 23, 28 and 31.

The details of remuneration of key management personnel represent emoluments of the directors of the Company and executive officer of the Company are set out in note 14.

37. 有關連人士交易

年內之有關連人士交易及結餘載於附註23、28及31。

管理要員之薪酬(即本公司董事及本公司行政總裁之酬金)詳情載於附註14。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

38. CONTINGENT LIABILITIES

At 31 December 2016, the Group had provided corporate guarantees to a bank in respect of certain credit facilities granted to Shasing-Shapheng Quanzhou. As at the reporting date, the aggregate amount withdrawn by Shasing-Shapheng Quanzhou was RMB55,000,000. The total amounts to be guaranteed by the Group shall not exceed RMB80,000,000. The effective period of the guarantee shall be from 31 August 2016 to 30 August 2021. No provision for the Group's obligation under the guarantee contract has been made as the directors of the Company considered the possibility that Shasing-Shapheng Quanzhou will not meet their obligations to the bank is remote, and it is not probable that a claim will be made against the Group under the guarantee contract.

38. 或然負債

於二零一六年十二月三十一日，本集團已就協盛協豐(泉州)獲授之若干信貸融資向一間銀行提供數項公司擔保。於報告日期，協盛協豐(泉州)已提取金額合共人民幣55,000,000元。本集團擔保總額不得超過人民幣80,000,000元。擔保之有效期將為二零一六年八月三十一日至二零二一年八月三十日。本集團並無就擔保合約下之承擔作出撥備，原因是本公司董事認為協盛協豐(泉州)未能履行其責任之可能性甚微，且本集團根據擔保合約被申索之可能性不大。



Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

39. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are wholly-owned by the Company, at the end of the reporting period are as follows:

39. 主要附屬公司

本公司於報告期間結束時之主要附屬公司(皆由本公司全資擁有)之詳情如下:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/operations 註冊成立/成立/營運地點	Particulars of issued and fully paid up share/ registered capital 已發行及繳足股本/ 註冊資本之詳情 2016 二零一六年	Percentage of ownership interest/ voting power/ profit share 擁有權益/投票權/ 溢利分享之百分比		Principal activity 主要業務
			Direct 直接	Indirect 間接	
Co-Prosperity (Hong Kong) Limited 協盛協豐(香港)有限公司	Hong Kong 香港	2 ordinary shares - HK\$2 2股普通股 - 2港元	-	100% (2015: 100%) 100%	Trading of fabrics 買賣布料
協豐(福建)印染有限公司	PRC For a term of 50 years commencing 26 May 1999 as a WFOE	Registered capital - US\$10,000,000	-	100% (2015: 100%)	Processing, printing and sales of finished fabrics
(Xiefeng (Fujian) Printing & Dyeing Co., Ltd.)	中國 一九九九年五月二十六日起 為期50年, 作為外商獨資企業	註冊資本 - 10,000,000美元	-	100% (二零一五年: 100%)	成品布料加工、 印花及銷售
協盛(石獅市)染織實業有限公司	PRC For a term of 50 years commencing 16 September 1993 as a WFOE	Registered capital - US\$5,000,000	-	100% (2015: 100%)	Processing, printing and sales of finished fabrics
(Xuesheng (Shishi) Printing & Knitting Industry Co., Ltd.)	中國 一九九三年九月十六日起 為期50年, 作為外商獨資企業	註冊資本 - 5,000,000美元	-	100% (二零一五年: 100%)	成品布料加工、 印花及銷售
新協豐(福建)印染實業有限公司	PRC For a term of 30 years commencing 24 May 2006 as a WFOE	Registered capital - HK\$30,000,000	-	100% (2015: 100%)	Processing, printing and sales of finished fabrics
(Xiefeng (Fujian) Printing & Dyeing Industrial Co., Ltd.)	中國 二零零六年五月二十四日起 為期30年, 作為外商獨資企業	註冊資本 - 30,000,000港元	-	100% (二零一五年: 100%)	成品布料加工、印花及銷售

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

39. PRINCIPAL SUBSIDIARIES – CONTINUED

39. 主要附屬公司 – 續

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/operations 註冊成立/成立/營運地點	Particulars of issued and fully paid up share/ registered capital 已發行及繳足股本/ 註冊資本之詳情 2016 二零一六年	Percentage of ownership interest/ voting power/ profit share 擁有權益/投票權/ 溢利分享之百分比		Principal activity 主要業務
			Direct 直接	Indirect 間接	
新協盛(石獅市)染織實業有限公司	PRC For a term of 30 years commencing 15 December 2006 as a WFOE	Registered capital – HK\$25,000,000	–	100% (2015: 100%)	Processing, printing and sales of finished Fabrics
(Xuesheng (Shishi) Printing & Knitting Industrial Co., Ltd.)	中國 二零零六年十二月十五日起為期30年， 作為外商獨資企業	註冊資本 – 25,000,000港元	–	100% (二零一五年： 100%)	成品布料加工、印花及銷售
Rende Finance Limited 仁德財務有限公司	Hong Kong 香港	10,000 ordinary shares – HK\$10,000 10,000股普通股 – 10,000港元	–	100% (2015: 100%) 100% (二零一五年： 100%)	Money lending 放債
Co-Prosperity Investment (International) Limited 協盛協豐投資(國際)有限公司	British Virgin Islands (“BVI”) 英屬處女群島(「英屬處女群島」)	1 ordinary share – US\$1 1股普通股–1美元	–	100% (2015: 100%) 100% (二零一五年： 100%)	Securities investment 證券投資
Eastern Culture Communication Consultant Limited (Note a) 豐藝傳訊顧問有限公司(附註a)	Hong Kong 香港	1 ordinary share – HK\$1 1股普通股–1港元	–	100% (2015: N/A) 100% (二零一五年： 不適用)	Entertainment and media services 娛樂及媒體服務
Star Platinum Enterprises Limited (Note b) 星鉞企業有限公司(附註b)	BVI 英屬處女群島	100 ordinary shares – US\$100 100股普通股 – 100美元	–	100% (2015: N/A) 100% (二零一五年： 不適用)	Entertainment and media services 娛樂及媒體服務
Co-Prosperity Management Limited 協盛協豐管理有限公司	Hong Kong 香港	1 ordinary share – HK\$1 1股普通股–1港元	–	100% (2015: 100%) 100% (二零一五年： 100%)	Provision of management services 提供管理服務

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

39. PRINCIPAL SUBSIDIARIES – CONTINUED

39. 主要附屬公司 – 續

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/operations 註冊成立/成立/營運地點	Particulars of issued and fully paid up share/ registered capital 已發行及繳足股本/ 註冊資本之詳情 2016 二零一六年	Percentage of ownership interest/ voting power/ profit share 擁有權益/投票權/ 溢利分享之百分比		Principal activity 主要業務
			Direct 直接	Indirect 間接	
Asia Television New Media Group Limited (Note c) 亞洲電視新媒體集團有限公司 (附註c)	Hong Kong 香港	100,000 ordinary shares - HK\$100,000 100,000股普通股 - 100,000港元	-	100% (2015: N/A) 100% (二零一五年: 不適用)	Investment holding 投資控股
Eastern Culture International Limited 豐藝國際文化投資有限公司	Hong Kong 香港	1 ordinary share - HK\$1 1股普通股-1港元	-	100% (2015: 100%) 100% (二零一五年: 100%)	Investment holding 投資控股
Full Winning Development Limited 豐捷發展有限公司	BVI 英屬處女群島	1 ordinary share - US\$1 1股普通股-1美元	100% (2015: 100%) 100% (二零一五年: 100%)	-	Investment holding 投資控股

Notes:

附註:

- (a) The subsidiary was incorporated in Hong Kong on 13 June 2016. (a) 該附屬公司於二零一六年六月十三日於香港註冊成立。
- (b) The subsidiary was incorporated in the BVI on 30 March 2016. (b) 該附屬公司於二零一六年三月三十日於英屬處女群島註冊成立。
- (c) The subsidiary was incorporated in Hong Kong on 8 November 2016. (c) 該附屬公司於二零一六年十一月八日於香港註冊成立。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

39. PRINCIPAL SUBSIDIARIES – CONTINUED

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

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

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

40. EVENTS AFTER THE REPORTING PERIOD

a) Placing of new shares under general mandate (“Share Placing”)

On 16 February 2017, the Company entered into a share placing agreement (the “Share Placing Agreement”) with Kingston Securities Limited (“Kingston Securities”). Pursuant to the Share Placing Agreement, Kingston Securities has conditionally agreed to place, on a best effort basis, up to an aggregate of 797,184,000 new ordinary shares of the Company to not less than six placees at a price of not less than HK\$0.20 per placing share.

On 9 March 2017, 797,184,000 new ordinary shares were placed at HK\$0.2 per placing share to not less than six placees who are independent third parties. The net proceeds from the Share Placing were approximately HK\$155.22 million.

39. 主要附屬公司 – 續

上表列出董事認為對本集團業績或資產有主要影響之本公司附屬公司。本公司董事認為，列出其他附屬公司之詳情將導致篇幅過於冗長。

附屬公司於年結或年內任何時間並無任何未償還債務證券。

應收／(應付)附屬公司款項為無抵押、免息及須應要求償還。

40. 報告期後事項

a) 根據一般授權配售新股份 (「股份配售事項」)

於二零一七年二月十六日，本公司與金利豐證券有限公司(「金利豐證券」)訂立股份配售協議(「股份配售協議」)。根據股份配售協議，金利豐證券已有條件同意按盡力基準向不少於六名承配人配售最多合共797,184,000股本公司新普通股，配售價為不低於每股配售股份0.20港元。

於二零一七年三月九日，797,184,000股新普通股按每股配售股份0.20港元之價格配售予不少於六名獨立第三方承配人。股份配售事項之所得款項淨額約為155,220,000港元。

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

40. EVENTS AFTER THE REPORTING PERIOD – CONTINUED

b) Completion on acquisition of Million Federal

On 23 May 2016, the Group, through a wholly-owned subsidiary, had entered into a conditional sale and purchase agreement to acquire 60% of the entire issued share capital of Million Federal from a vendor, who is an independent third party to the Group at a total consideration of HK\$90 million, of which HK\$8 million will be settled by cash and HK\$82 million will be settled by the issue of promissory note.

The acquisition has been completed on 15 March 2017.

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

40. 報告期後事項 – 續

b) 完成收購萬方

於二零一六年五月二十三日，本集團透過其全資附屬公司訂立有條件買賣協議，以從一名賣方（為獨立於本集團之第三方）收購萬方全部已發行股本之60%，總代價為90,000,000港元，當中之8,000,000港元將以現金支付及82,000,000港元將透過發行承付票據而支付。

該項收購已於二零一七年三月十五日完成。

41. 比較數字

若干比較數字已予重新分類，以符合本年度之呈列方式。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 42. 本公司之財務狀況表

			2016	2015
			二零一六年	二零一五年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		980	–
Interests in subsidiaries	於附屬公司之權益	39	200,674	200,674
			201,654	200,674
Current assets	流動資產			
Other receivables	其他應收賬款		2,090	25,828
Amounts due from subsidiaries	應收附屬公司款項	39	786,648	433,864
Amount due from a director	應收董事款項	23	45	–
Bank balances	銀行結餘		16,471	12,387
			805,254	472,079
Current liabilities	流動負債			
Other payables and accruals	其他應付賬款及 應計費用		5,438	2,688
Amounts due to subsidiaries	應付附屬公司款項	39	573	–
Bond payables	應付債券	29	63,710	60,471
			69,721	63,159
Net current assets	流動資產淨值		735,533	408,920

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – CONTINUED 42. 本公司之財務狀況表 – 續

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註		
Total assets less current liabilities	總資產減流動負債		937,187	609,594
Non-current liability	非流動負債			
Convertible bonds	可換股債券	33	26,589	–
Net assets	資產淨值		910,598	609,594
Capital and reserves	資本及儲備			
Share capital	股本	34	351,608	186,229
Reserves	儲備		558,990	423,365
Total equity	總權益		910,598	609,594

The financial statements of the Company were approved and authorised for issue by the board of directors on 29 March 2017 and are signed on its behalf by:

本公司財務報表已於二零一七年三月二十九日獲董事會批准通過並由以下人士代表簽署：

Tang Hon Kwo
鄧漢戈
Chairman
主席

Ma Zhi
馬志
Executive Director
執行董事

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – CONTINUED

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set as below:

42. 本公司之財務狀況表 – 續

本公司個別權益部分於年初至年結期間之變動詳情載列如下：

		Share premium	Special reserve	Convertible bond equity reserve	Translation reserve	Accumulated losses	Total
		股份溢價	特別儲備	可換股債券權益儲備	匯兌儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	346,423	146,472	-	-	(172,192)	320,703
Profit for the year	本年度溢利	-	-	-	-	11,752	11,752
Issue of shares upon exercise of share options	因購股權獲行使而發行股份	3,410	-	-	-	-	3,410
Placement of new shares	配售新股份	96,227	-	-	-	-	96,227
Transaction costs for issue of shares	發行股份之交易成本	(3,131)	-	-	-	-	(3,131)
Transactions with owners	與擁有人之交易	96,506	-	-	-	-	96,506
At 31 December 2015	於二零一五年十二月三十一日	442,929	146,472	-	-	(160,440)	428,961
Loss for the year	本年度虧損	-	-	-	-	(95,176)	(95,176)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	-	-	-
- Exchange differences arising on translation	- 換算產生之匯兌差額	-	-	-	43,575	-	43,575

Notes to the Consolidated Financial Statements (Continued) 綜合財務報表附註(續)

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

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – CONTINUED 42. 本公司之財務狀況表 – 續

		Share premium	Special reserve	Convertible bond equity reserve	Translation reserve	Accumulated losses	Total
		股份溢價	特別儲備	可換股債券權益儲備	匯兌儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total comprehensive income for the year	本年度全面收益總額	-	-	-	43,575	(95,176)	(51,601)
Issue of shares under share placing	根據股份配售發行股份	117,040	-	-	-	-	117,040
Transaction costs attributable to issue of placing shares	發行配售股份之交易成本	(3,069)	-	-	-	-	(3,069)
Issue of shares under share subscription	根據股份認購發行股份	25,038	-	-	-	-	25,038
Issue of convertible bonds	發行可換股債券	-	-	4,578	-	-	4,578
Issue of shares upon conversion of convertible bonds	因轉換可換股債券而發行股份	41,450	-	(3,407)	-	-	38,043
Transactions with owners	與擁有人之交易	180,459	-	1,171	-	-	181,630
At 31 December 2016	於二零一六年十二月三十一日	623,388	146,472	1,171	43,575	(255,616)	558,990

Financial Summary

財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元

RESULTS	業績					
Turnover	營業額	515,786	515,090	345,762	273,301	203,331
(Loss)/profit before taxation	除稅前(虧損)/溢利	(66,825)	(161,728)	23,256	(5,008)	31,086
Taxation	稅項	(2,529)	(2,895)	(2,494)	(1,892)	(1,889)
(Loss)/profit for the year	本年度(虧損)/溢利	(69,354)	(164,623)	20,762	(6,900)	29,197

		As at 31 December 於十二月三十一日				
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元

ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	1,008,801	550,521	560,461	525,547	1,199,383
Total liabilities	負債總值	(732,833)	(439,707)	(343,055)	(255,567)	(509,687)
Net assets	資產淨值	275,968	110,814	217,406	269,980	689,696



