



同佳國際健康產業集團有限公司

Common Splendor International Health Industry Group Limited

ANNUAL REPORT

2016年報

股份代號 Stock Code: 286

專注生命健康

Focus On Life And Health

致力於生命健康解決方案的產業化發展

CONTENTS

目錄

CORPORATE INFORMATION	公司資料	2
CHAIRMAN'S STATEMENT	主席報告	4
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論與分析	13
DIRECTORS' REPORT	董事會報告	19
PROFILES OF DIRECTORS AND SENIOR MANAGEMENT	董事及高級管理層簡介	35
CORPORATE GOVERNANCE REPORT	企業管治報告	42
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	環境、社會及管治報告	66
INDEPENDENT AUDITORS' REPORT	獨立核數師報告	72
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	綜合損益及其他全面收益表	81
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況報表	83
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動表	85
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量表	87
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	綜合財務報表附註	89
FIVE-YEAR FINANCIAL SUMMARY	五年財務概要	235

* Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

* 倘中英文版本出現歧義，概以英文版本為準。

CORPORATE INFORMATION 公司資料

DIRECTORS

Executive Directors

Cheung Wai Kuen (*Chairman*)
Cheng Hau Yan (*Deputy Chairman*)
Ye Jiong Xian (*Chief Executive Officer*)

Non-executive Directors

Lin Jiang
Bai Yinghai (Appointed on 19 December 2016)

Independent Non-executive Directors

Mai Yang Guang
Yau Chi Ming
Lam Chi Wing

AUDIT COMMITTEE

Yau Chi Ming (*Chairman*)
Mai Yang Guang
Lam Chi Wing

NOMINATION COMMITTEE

Mai Yang Guang (*Chairman*)
Yau Chi Ming
Lam Chi Wing

REMUNERATION COMMITTEE

Mai Yang Guang (*Chairman*)
Yau Chi Ming
Lam Chi Wing

COMPANY SECRETARY

Lam King Ho

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark, 11 Pedder Street
Central, Hong Kong

LEGAL ADVISOR

Allen & Overy

董事

執行董事

張偉權 (*主席*)
鄭孝仁 (*副主席*)
葉炯賢 (*行政總裁*)

非執行董事

林 江
白英海 (於二零一六年十二月十九日獲委任)

獨立非執行董事

麥楊光
丘志明
林至穎

審核委員會

丘志明 (*主席*)
麥楊光
林至穎

提名委員會

麥楊光 (*主席*)
丘志明
林至穎

薪酬委員會

麥楊光 (*主席*)
丘志明
林至穎

公司秘書

林景濠

核數師

國衛會計師事務所有限公司
香港執業會計師
香港中環
畢打街11號
置地廣場告羅士打大廈31樓

法律顧問

安理國際律師事務所

CORPORATE INFORMATION 公司資料

PRINCIPAL BANKERS

Chong Hing Bank Limited

PLACE OF INCORPORATION

Bermuda

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

Room 2709-10, 27th Floor, North Tower
Concordia Plaza, 1 Science Museum Road
Tsim Sha Tsui, Kowloon, Hong Kong

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre 1
83 Queen's Road East
Hong Kong

WEBSITE

www.cs-ih.com

STOCK CODE

286

BOARD LOT

2,000 shares

INVESTOR RELATIONS

For enquiries relating to investor relations, please contact:
Tel: (852) 2620 6623
Fax: (852) 2620 6679
E-mail: ir@cs-ih.com

主要往來銀行

創興銀行有限公司

註冊成立地點

百慕達

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要辦事處

香港九龍尖沙咀
科學館道1號康宏廣場
北座27樓2709-10室

主要過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

網址

www.cs-ih.com

股份代號

286

買賣單位

2,000股

投資者關係

有關投資者關係之查詢，請聯絡：
電話：(852) 2620 6623
傳真：(852) 2620 6679
電郵：ir@cs-ih.com

CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders,

I am pleased to present the results of Common Splendor International Health Industry Group Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016 (the "Year") to the shareholders of the Company (the "Shareholders").

PROSPECTS

The Group is committed to building itself into an international leading healthcare conglomerate. It will focus on life healthcare and industrialization development in respect of human health solutions. By employing the development strategy of "global integration, global layout", the Group will continue to draw in top talent and technology, deploy services, products and various resources, and through acquisition and reorganization, in order to achieve rapid expansion in the life healthcare industry.

At present

The Group places "Life Anti-aging" and "Health Preservation Base" as its core businesses to provide medical anti-aging and one-stop health preservation services to high-end population. These two businesses have both achieved favourable growth and are undergoing a gradual global development plan. As long as China continues its economic growth, the wealthy population will continue to expand and their spending power will be strengthened. In addition to the basic clinical services, demand for better healthcare services is ever increasing. The Group has a good position in this arena and will gradually expand its businesses.

The board of directors of the Company (the "Board") continues their optimistic outlook of the healthcare industry and will adjust the Group's development strategy according to the industry changes. In the future, the Group's strategy is to optimise its main business, to further develop its essential core businesses, and to hold the largest possible percentage of equity interests in its core businesses. Non-core businesses and non-strategic investments will be adjusted based on the principle of profit maximisation which includes possible disposals or holding under investment funds of the Group.

尊敬的股東，

本人欣然呈報同佳國際健康產業集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度（「本年度」）之業績予本公司股東（「股東」）。

展望

本集團以打造國際一流的健康產業經營機構為目標，專注生命健康，致力於人類健康解決方案的產業化發展，以「全球整合，佈局全球」為發展戰略，不斷集合頂尖人才、技術、服務、產品及各項資源，及通過收購重組，快速建立生命健康核心業務。

目前

集團以「生命抗衰老」及「養生基地」為主要核心業務發展，為高端人群提供醫學抗衰老及一站式養生服務，此兩項業務，目前均取得良好發展，逐步全球連鎖發展計劃。中國經濟不斷發展，富裕階層不斷擴大，消費能力越來越強，除基礎的臨床醫療服務外，更高層次的健康服務需求也越來越大，本集團目前在此領域已取得良好的發展，將逐步擴大業務。

本公司董事會（「董事會」）繼續看好健康產業未來的發展，也適時根據行業的變化調整集團的發展策略，集團未來整體戰略會逐步優化集團的主業，發展關鍵的核心業務，而核心業務將盡可能大的持股比例控股持有，非核心業務及產業布局的投資，將會以收益最大化為原則適時調整，包括出售或通過發行投資基金方式持有。

CHAIRMAN'S STATEMENT 主席報告

APPRECIATION

I would like to take this opportunity to express my gratitude to the Shareholders for their continued support, and the directors of the Company (the "Directors") and those who have worked for the Group for their valuable contributions.

On behalf of the Board

Common Splendor International Health Industry Group Limited

Cheung Wai Kuen

Chairman

Hong Kong, 31 March 2017

致謝

本人謹此對股東之鼎力支持，以及本公司董事（「董事」）及竭誠為集團付出寶貴貢獻之人士致以衷心感謝。

承董事會命

同佳國際健康產業集團有限公司

主席

張偉權

香港，二零一七年三月三十一日

核心業務

專注生命健康

瑞昂
生命

生命抗衰老服務

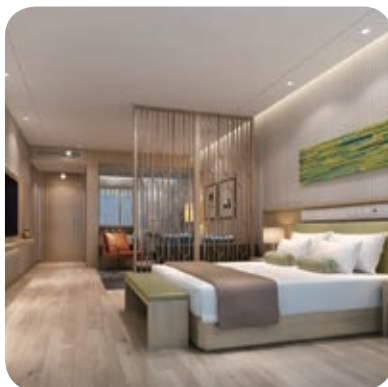
養生
基地

一站式養生服務

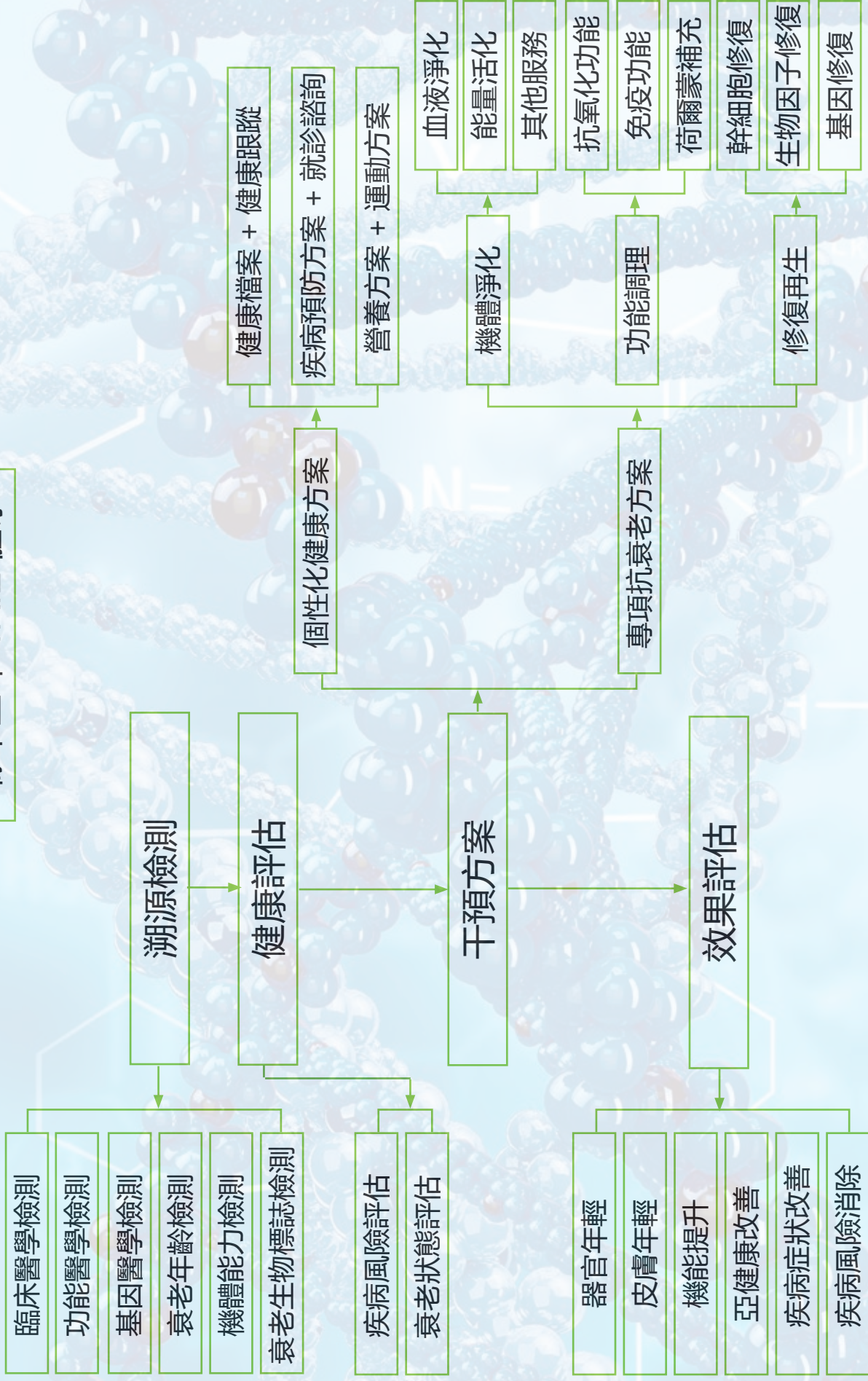
瑞昂國際生命抗衰老中心（廣州）



瑞昂國際生命抗衰老中心（深圳）



瑞昂生命 TAIE 體系



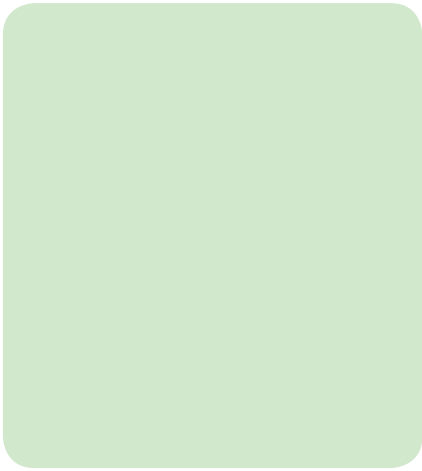
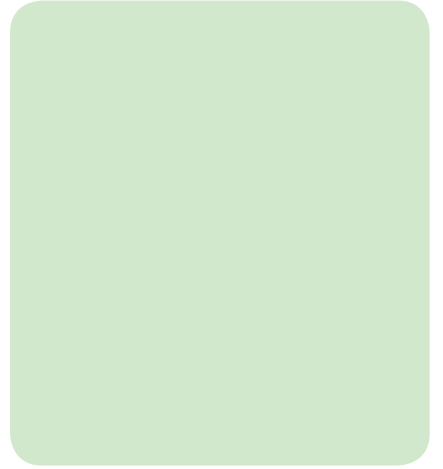
(以上是業務示意圖，正逐步開展中)

BFR “三位一體” 抗衰老

清除代謝毒物、致癌物、自由基及過剩的血脂、膽固醇、尿酸等致病及致衰老的有害物質，潔淨細胞生存環境。



羅浮山養生基地



一站式養生服務

健康睡眠養生

睡眠監測

評估診斷

干預治療

睡眠養生

中醫養生

中醫診療

推拿按摩

針灸理療

特色養生

儒家養生

道家養生

佛家養生

太極養生

瑜伽養生

美容 SPA

耳道足療

食療養生

藥膳食療

功能食品

保健品

健康食品

文化養生

琴棋書畫

儒文化

道文化

禪文化

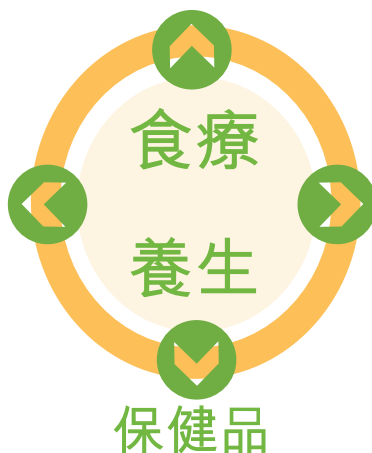
茶文化

(以上是業務示意圖，正逐步開展中)



藥膳食療

功能食品



健康食品

保健品

睡眠養生



健康睡眠養生

睡眠監測

干預治療

評估診斷

中醫診療

中醫養生

推拿按摩

針灸理療



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

RESULTS FOR THE YEAR

Revenue of the Group for the Year amounted to HK\$554,962,000 (2015: HK\$530,290,000), which represented a year on year increase of HK\$24,672,000 or 4.7%. The increase was mainly attributable to the net effect of (i) increase in sales revenue of the Natural Health Food from HK\$137,116,000 in 2015 to HK\$213,772,000 in 2016; (ii) increase in loan interest income from HK\$13,819,000 in 2015 to HK\$18,862,000 in 2016; (iii) decrease in revenue of the Life Clubs from HK\$69,890,000 in 2015 to HK\$50,873,000 in 2016 and (iv) decrease in sales revenue of medical chemical materials from HK\$276,467,000 in 2015 to HK\$234,035,000 in 2016.

Gross profit of the Group amounted to HK\$67,147,000 (2015: HK\$67,746,000), a decrease of HK\$599,000 or 0.9% compared to previous year. Gross profit margin also remained relatively stable at 12.1% (2015: 12.8%). The effect of the increase in high margin loan interest income was partially set off by the decrease in revenue of the Life Clubs which also had a high margin.

Net after-tax profit for the Year increased by HK\$5,055,000 or 12.0% from HK\$42,106,000 in 2015 to HK\$47,161,000 in 2016. The increase came mainly from the gain on disposal of 14.26% equity interest in an associate Shenzhen Aidigong Maternity Health Management Co., Ltd (formerly known as Shenzhen Aidigong Modern Maternity Health Management Co., Ltd) ("Aidigong") which amounted to approximately HK\$28,999,000 and gain on disposal of subsidiaries of HK\$2,320,000, less increase in administrative expenses of HK\$8,786,000, increase in selling and distribution expenses of HK\$3,883,000, increase in finance cost of HK\$9,630,000 and increase in share-based payment expenses of HK\$3,836,000.

Profit attributable to the owners of the Company for the Year was approximately HK\$42,096,000 (2015: HK\$34,009,000), which represented an increase of HK\$8,087,000 or 23.8% compared to previous year. This resulted in the increase in basic and diluted earnings per share attributable to the owners of the Company of HK1.62 cents and HK1.62 cents respectively (2015: HK1.36 cents and HK1.36 cents respectively).

本年度業績

本年度本集團之收入為554,962,000港元(二零一五年: 530,290,000港元), 較去年按年上升24,672,000港元或4.7%。本年度之收益上升主要由於以下的淨影響: (i)天然健康食品業務由二零一五年的137,116,000港元上升至二零一六年的213,772,000港元; (ii)貸款利息收入由二零一五年的13,819,000港元上升至二零一六年的18,862,000港元; (iii)生命會所的收入由二零一五年的69,890,000港元下降至二零一六年的50,873,000港元; 及(iv)醫療化學材料的銷售收入由二零一五年的276,467,000港元下降至二零一六年的234,035,000港元。

本集團毛利為67,147,000港元(二零一五年: 67,746,000港元), 較去年下降599,000港元或0.9%。毛利也相對地保持穩定在12.1%(二零一五年: 12.8%), 高毛利的貸款利息收入增加被同樣是高毛利的生命會所收入下降部分抵消了。

本年內, 本集團的淨除稅後利潤增加5,055,000港元或12.0%, 由二零一五年的42,106,000港元上升至二零一六年的47,161,000港元。本集團的淨利潤上升主要來自出售聯營公司深圳愛帝宮母嬰健康管理股份有限公司(前稱深圳愛帝宮現代母嬰健康管理有限公司)(「愛帝宮」)合共14.26%股權的收益, 合共約為28,999,000港元及出售附屬公司收益2,320,000港元, 減去行政費用增加8,786,000港元, 銷售及分銷費用增加3,883,000港元, 財務成本增加9,630,000港元及股份支付費用增加3,836,000港元。

本年內, 本公司擁有人所得的利潤約為42,096,000港元(二零一五年: 34,009,000港元), 較去年上升8,087,000港元或23.8%。本年度之每股基本及攤薄盈利分別為1.62港仙及1.62港仙(二零一五年: 分別為1.36港仙及1.36港仙。)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

During the Year, the Group was principally engaged in the business of healthcare industry which included life anti-aging, health preservation base, management of healthcare investments, investment in healthcare industry, trading of natural health food and investment and finance activities.

Health Industry

Realyoung Life Anti-aging (formerly Health Management Centre)

During the Year, former Health Management Centre has been rebranded as “Realyoung Life” which focuses on life anti-aging business and provides “Body Purification, Functions Modulation, Repair and Reborn” trilogy medical anti-aging services to the high-end population. The performance of the Anti-aging Centre in Guangzhou International Biological Island remained strong. The second Life Anti-aging Centre situated in Qiaocheng East Road, Nanshan District, Shenzhen has begun operations and started generating income. The third Life Anti-aging Centre situated in Luofu Mountain, Guangdong is expected to commence business in the first half of 2017. This business is growing steadily and is moving into a global chain development plan. This is a major income source and a core composition of the Group’s business.

Health Preservation Base

During the Year, the Group has acquired a parcel of land with land development right in Luofu Mountain for the construction of a Health Preservation Base with a planned total construction area of 1,200 mu. The project is under progress and the Health Preservation Base is expected to start generating income in 2017. The Health Preservation Base is targeted at the high-end population. It will provide integrated health preservation services such as Chinese medical health preservation, sleeping health preservation, and diet health preservation. Relevant health preservation properties will be available for lease or for sale. This project will become a major income source of the Group. The Group will gradually begin the global chain development of the health preservation base according to the progress of the operations.

業務回顧

本年內，本集團主要從事的業務活動包括生命抗衰老、養生基地、醫療投資管理、健康產業投資、天然健康食品業務，以及投資及融資業務。

健康產業

瑞昂生命抗衰老 (原健康管理中心)

本年內，原健康管理業務重新打造新品牌「瑞昂生命」，專注生命抗衰老業務，為高端人群提供「機體淨化、功能調理、修復再生」三位一體的醫學抗衰老業務。廣州國際生物島的生命抗衰老中心的業績保持強勁，第二間生命抗衰老中心位於深圳南山區僑城東路，已開始營業及取得營業收入，第三生命抗衰老中心位於廣東羅浮山，預計上半年開業，此項業務正穩健發展，逐步啟動全球連鎖發展計劃，是本集團的一個重要利潤來源，也是屬於本集團產業的核心組成。

養生基地

本年內，本集團已收購羅浮山一批土地並擁有土地發展權，會興建養生基地，總規劃1200畝，項目正在進行中，預計養生基地將於2017年取得銷售收入。養生基地主要是面向高端人群，提供綜合養生服務，包括：中醫養生、睡眠養生、食療養生等各式特色養生服務，並以出租或出售的方式提供相關的養生物業。此項目，未來將會是集團的一個重要的利潤來源，集團將根據運營情況，逐步啟動養生基地的全球連鎖發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (continued)

Health Industry (continued)

Management of Healthcare Investments

As at 31 December 2016, the Group had three major associate groups, namely Allad Ophthalmology Group, JP Partners Medical Group and Fengshuo Bio Medical Tech Group. During the Year, the Group continued to provide management services to the associate groups such as advice on branding, assistance in obtaining new finance, and assistance in cross-border business expansion. Allad Ophthalmology Group mainly comprises two ophthalmology hospitals in Zhongshan and Zhanjiang. JP Partners Medical Group mainly comprises six private medical centres in Hong Kong.

Investment in Healthcare Industry

The Group sets its base on the healthcare industry and adjusts for its composition of businesses from time to time in order to develop its core businesses. The Group would also divest certain investments to take profit and to enhance the Group's income. The Group has identified two major investment projects. One is Shenzhen Aidigong that mainly provides postpartum services. During the Year, a partial equity interest of Aidigong was disposed of with a gain of HK\$28,999,000. The other investment project is Fengshuo Bio Medical Tech which is principally engaged in the research of dioscorea composita root extract technology's commercial applications and production. This project has commenced production and has recorded operating revenue and income.

Natural Health Food Business

During the Year, revenue from the Natural Health Food Business amounted to approximately HK\$213,772,000 (2015: HK\$137,116,000), which represented an increase of HK\$76,656,000 or 55.9% compared to previous year. The increase was mainly due to the increase in bulk cooking oil sales from approximately RMB81 million (equivalent to approximately HK\$100 million) in 2015 to approximately RMB180 million (equivalent to approximately HK\$201 million) in 2016 and a decrease in bulk grain sales from approximately RMB31 million (equivalent to approximately HK\$38 million) in 2015 to approximately RMB4 million (equivalent to approximately HK\$5 million) in 2016. Despite that the market remained competitive in recent years, consumers are more conscious on selecting reputable brands of cooking oils after the oil incident of a Taiwan major cooking oil producer selling recycled cooking oil in September 2014. The increase in sales shows that quality products with a price premium have been recognised by the mass market.

業務回顧 (續)

健康產業 (續)

醫療投資管理業務

於二零一六年十二月三十一日，本集團有三個主要聯營集團，即奧理德視光集團、莊柏醫療集團及豐碩生物醫藥科技集團。本年內，本集團繼續為相關集團提供管理服務，包括品牌建議，協助取得新融資及協助跨境業務擴展。奧理德視光集團主要由中山及湛江兩家眼科醫院組成。莊柏醫療集團在香港設有六間私營醫療中心。

健康產業投資

本集團立足健康產業發展，對產業鏈適時進行布局，以促進集團核心業務發展，也會在合適的時候退出相關布局以獲取收益，增加集團盈利。本集團投資布局了兩個主要項目，一是深圳愛帝宮，主要是提供孕婦產後月子服務，於本年內出售其部分愛帝宮之股權，賺得28,999,000港元；二是豐碩生物醫藥科技，主要從事關於菊葉薯蕷複合提取技術的商業應用和生產研究，項目已投產，並錄得營業收入及利潤。

天然健康食品業務

本年內，天然健康食品業務所產生之收入約為213,772,000港元（二零一五年：137,116,000港元），較去年上升76,656,000港元或55.9%。收入增長主要是由於大宗食用油銷售量從二零一五年約為人民幣8,100萬元（相等於約1億港元）上升至二零一六年約為人民幣1億8,000萬元（相等於約2億100萬港元），以及大宗糧食產品銷售量由二零一五年約為人民幣3,100萬元（相等於約3,800萬港元）下降至二零一六年約為人民幣400萬元（相等於約500萬港元）。儘管近年市場競爭仍然劇烈，自從二零一四年九月一間台灣主要的食用油生產商在銷售回收食用油發生事故後，消費者在食用油的選擇上會傾向信譽良好的品牌。銷售額的增加顯示高價優質產品已經得到大眾市場的認可。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (continued)

Investment and Finance

During the Year, the Company accrued interest income of HK\$13,260,000 (2015: HK\$7,141,000) from the loan to Champion Dynasty Limited (“Champion Dynasty”). As at 31 December 2016, the loans outstanding from third-party borrowers to a wholly owned subsidiary of the Company which was in the business of money lending was HK\$58,200,000 (2015: HK\$74,200,000). Interest income generated from the money lender subsidiary for the Year amounted to HK\$5,602,000 (2015: HK\$6,678,000).

During the Year, revenue from Investment and Finance business amounted to approximately HK\$18,862,000 (2015: HK\$13,819,000), which represented an increase of HK\$5,043,000 or 36.5% compared to previous year. Investment and Finance segment profit increased from HK\$9,121,000 in 2015 to HK\$12,532,000 in 2016, which was mainly due to the increase in amount of interest received during the Year. Revenue and segment results of the Investment and Finance business contributed approximately 3.4% and 17.7% to the Groups' total revenue and total segment results respectively.

FINANCIAL HIGHLIGHTS

Net assets value

As at 31 December 2016, total net assets of the Group amounted to approximately HK\$667,550,000 (2015: HK\$546,355,000), an increase of HK\$121,195,000 or 22.2% compared to previous year. The increase was mainly due to (i) profit for the year of HK\$47,161,000; less (ii) exchange differences on translating foreign operations arising during the year of HK\$40,374,000; plus (iii) increase in net assets arising from acquisition of subsidiaries of HK\$110,432,000.

As at 31 December 2016, net assets value per issued ordinary shares of the Company was HK\$0.26 (2015: HK\$0.21).

Equity

The number of issued ordinary shares of the Company as at 31 December 2016 was 2,596,255,008 (2015: 2,596,255,008).

業務回顧 (續)

投資及融資

本年內，本公司從Champion Dynasty Limited (「Champion Dynasty」) 循環貸款入帳之利息收入總數約為13,260,000港元(二零一五年：7,141,000港元)。於二零一六年十二月三十一日，由第三方借款人向本公司一家全資附屬公司未償還貸款為58,200,000港元(二零一五年：74,200,000港元)。本年內，來自放債人業務之利息收入為5,602,000港元(二零一五年：6,678,000港元)。

本年內，投資及融資的利潤約為18,862,000港元(二零一五年：13,819,000港元)，較去年上升5,043,000港元或36.5%。投資及融資分部的利潤由二零一五年9,121,000港元增加至二零一六年12,532,000港元，主要歸因於本年度借貸金額及貸款利息上升。投資及融資的收入及分部業績分別佔本集團的總收入及分部業績總和約3.4%及17.7%。

財務摘要

資產淨值

於二零一六年十二月三十一日，本集團資產淨值約為667,550,000港元(二零一五年：546,355,000港元)，較去年增加121,195,000或22.2%。該增加主要歸因於(i)本公司擁有人應佔年度溢利47,161,000港元；減(ii)換算海外業務之匯兌差額40,374,000港元；加(iii)收購附屬公司而產生的淨資產增加110,432,000港元。

於二零一六年十二月三十一日，本公司每股普通股股份的資產淨值為0.26港元(二零一五年：0.21港元)。

股本

於二零一六年十二月三十一日之已發行本公司的普通股數目為2,596,255,008股(二零一五年：2,596,255,008股)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL HIGHLIGHTS (continued)

Liquidity and financial resources

As at 31 December 2016, the Group had issued in aggregate principal amount of HK\$17 million unsecured convertible notes, US\$10 million (equivalent to approximately HK\$77.5 million) secured convertible notes, HK\$74.6 million unsecured bonds, HK\$100 million secured guaranteed notes and HK\$12.3 million loan from associates, to provide general working capital to the Group and the development of the Group's healthcare business.

Save for disclosed above, the Group did not have any borrowing as at 31 December 2016 and 2015. Please refer to Notes 33 and 35 of the Group's consolidated financial statements in this report for information of convertible notes and guaranteed notes and bond payable relating to the Group.

The Group continued to maintain a sound capital and cash position. Bank and cash balances as at 31 December 2016 amounted to approximately HK\$109,721,000 (2015: HK\$29,404,000). The majority of the Group's income for the Year was denominated in Hong Kong Dollars and Renminbi. Please refer to Note 6 of the Group's consolidated financial statements in this report for the Group's gearing ratio for the Year.

Pledge of assets

As at 31 December 2016, the entire issued share capital of a wholly owned subsidiary of the Company, Common Splendor Hong Kong Investment Fund Management Limited ("CSHK Investment Fund Management"), was charged to Great Wall Pan Asia International Investment Co., Limited as a security for convertible notes issued by the Company in the principal amount of US\$10 million (equivalent to approximately HK\$77.5 million). As at 31 December 2016, total assets of CSHK Investment Fund Management and its subsidiaries amounted to approximately HK\$625 million.

As at 31 December 2016, the entire issued capital of two wholly owned subsidiaries of the Company, namely Harvest Luck Investment Limited ("Harvest Luck") and Great King Limited ("Great King") were charged to Wan Tai Investments Limited, an indirect wholly owned company of CCB International (Holdings) Limited, as a security for guaranteed notes issued by the Company in the principal amount of HK\$100 million. As at 31 December 2016, total assets of Harvest Luck, Great King and their subsidiaries amounted to approximately HK\$408 million.

Save for disclosed above, no other assets were pledged by the Group as at 31 December 2016 and 2015.

財務摘要 (續)

流動資金及財務資源

於二零一六年十二月三十一日，本集團累計已發行合共面值1,700萬港元無抵押可換股票據，1,000萬美元（相等於約7,750萬港元）有抵押可換股票據，7,460萬港元無抵押債券，1億港元有抵押的擔保票據及1,230萬港元聯營公司借款，以作本集團一般營運資金及健康產業的發展。

除上文所披露者外，於二零一六年及二零一五年十二月三十一日，本集團並無任何借款。請參照本報告內本集團綜合財務報表附註33及35有關本集團可換股票據及擔保票據及應付債券的資料。

本集團繼續維持充裕資本及現金狀況。於二零一六年十二月三十一日之銀行及現金結餘約為109,721,000港元（二零一五年：29,404,000港元）。本集團本年度之收入主要以港元及人民幣計算。請參照本報告內本集團綜合財務報表附註6有關本集團本年度的資本負債率。

資產抵押

於二零一六年十二月三十一日，本公司全資附屬公司同佳香港投資基金管理有限公司（「同佳香港投資基金管理」）之全部已發行股本已押記給長城環亞國際投資有限公司作為本公司發行本金額1,000萬美元（相等於約7,750萬港元）可換股票據的抵押物。於二零一六年十二月三十一日，同佳香港投資基金管理及其附屬公司之總資產約為6億2,500萬港元。

於二零一六年十二月三十一日，本公司兩間全資附屬公司吉盛投資有限公司（「吉盛」）及東帝有限公司（「東帝」）之全部已發行股本已押記給建銀國際（控股）有限公司的全資間接擁有的公司萬鈦投資有限公司，作為本公司發行的本金額為1億港元擔保票據的抵押物。於二零一六年十二月三十一日，吉盛、東帝及其附屬公司之資產總值約為4億800萬港元。

除上文所披露者外，本集團於二零一六年及二零一五年十二月三十一日並無其他資產抵押。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL HIGHLIGHTS (continued)

Remuneration policies and share option scheme

As at 31 December 2016, the Group had 343 employees excluding Directors (2015: 279). Total staff cost excluding Directors' emoluments was approximately HK\$12,736,000 (2015: HK\$10,302,000) during the Year.

There was no outstanding share options granted under the share options scheme of 11 October 2012 at the beginning of the Year. On 5 January 2016, an aggregate of 35,800,000 share options were granted to Directors and eligible persons of the Company. During the Year, none of these share options were exercised or lapsed. As at 31 December 2016, 35,800,000 share options were outstanding (2015: Nil).

Capital commitment

As at 31 December 2016, the Group did not have any material capital commitment (2015: Nil).

Contingent liabilities

As at 31 December 2016, the Group did not have any material contingent liabilities (2015: Nil).

Major acquisition

During the Year, the Group acquired 51% of the equity interest in 同佳中量. The transaction is aimed at developing a "Health Preservation Base" to provide one-stop services such as medical anti-ageing, suboptimal health interference and healthy sleeping centre, and the project is situated at core scenic area of Luofu Mountain. The Board believes the establishment of an easily accessible scenery "Health Preservation Base" can fulfil the needs of various healthcare and nursing services of the elites. The Board considers that establishing the "Health Preservation Base" is in accordance with the market demand, and the Group's market position as "Focus on Life and Health". Details of the transaction were disclosed on the Company's announcement dated 2 June 2016.

財務摘要 (續)

酬金政策及購股權計劃

於二零一六年十二月三十一日，本集團共僱用343名員工（不包括董事在內）（二零一五年：279名）。本年度僱員成本總額（不包括董事酬金）約為12,736,000港元（二零一五年：10,302,000港元）。

本年度初，本公司根據二零一二年十月十一日採納的購股權計劃，未行使的購股權數目為零。於二零一六年一月五日，本公司向董事及合資格人士授出合共35,800,000份購股權。本年內，沒有任何已行使或失效的購股權。於二零一六年十二月三十一日，本公司尚有35,800,000份未行使的購股權（二零一五年：無）。

資本承擔

於二零一六年十二月三十一日，本集團沒有任何重大資本承擔（二零一五年：無）。

或然負債

於二零一六年十二月三十一日，本集團沒有任何重大或然負債（二零一五年：無）。

重大收購

本年內，本集團收購同佳中量51%權益。該交易旨在打造服務精英健康的「養生基地」，將在「養生基地」提供醫學抗衰老、亞健康干預、健康睡眠中心等一站式養生服務。本項目位於廣東羅浮山核心景區旁。董事會相信在交通便利的景區建立「養生基地」可滿足周邊聚集的社會精英對健康及養生的需求。董事會認為建設「養生基地」符合市場需求，符合集團「專注生命健康」的整體定位。交易詳情已於本公司二零一六年六月二日的公告上披露。

DIRECTORS' REPORT 董事會報告

The Board is pleased to present to the Shareholders their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 45 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the Year with analysis using financial key performance indicators, which forms part of this directors' report, is set out in the Management Discussion and Analysis on page 13 of this report.

REVENUE AND OPERATING SEGMENTS INFORMATION

The Group's revenue and contribution to profit for the Year from operations analysed by principal activities are set out in notes 7 and 8 to the consolidated financial statements.

SUBSIDIARIES AND JOINT VENTURES

Particulars of the Company's principal subsidiaries, associates and joint ventures as at 31 December 2016 are set out in notes 45, 19 and 20 to the consolidated financial statements respectively.

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 81 of this report.

The Board does not recommend any payments of final dividend for the Year (2015: Nil).

董事會欣然向股東提呈董事會報告連同本集團本年度之經審核綜合財務報表。

主要業務

本公司為投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註45。

業務回顧

本集團本年度的業務回顧及利用主要財務表現指標進行的分析（為董事會報告的構成部份）載於本報告第13頁的管理層討論與分析。

收入及營運分部資料

本集團以主要業務劃分之收入及本年度經營溢利分析載於綜合財務報表附註7及8。

附屬公司及合營企業

本公司於二零一六年十二月三十一日之主要附屬公司、聯營公司及合營企業之詳情分別載於綜合財務報表附註45、19及20。

業績及分配

本集團本年度之業績載於本報告第81頁之綜合損益及其他全面收益報表。

董事會不建議派付本年度末期股息（二零一五年：無）。

DIRECTORS' REPORT

董事會報告

RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including business risks, operational risks, manpower and retention risks and financial risks. The Group's key risk exposures are summarised as follows:

Business risks Performance of the Group's core business will be affected by various factors, including but not limited to economic conditions, performance of the healthcare market, performance of our investments held. The Group proactively monitors industry trends, technology innovations and responsive to changes in consumer behaviour.

Operational risks Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Manpower and retention risks The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The Group will provide attractive remuneration package to suitable candidates and personnel.

Compliance risks The risk of loss resulting from breach of or non-compliance with applicable laws and regulations. The Group engages a legal advisory firm to provide relevant legal advice and compliance reviews on the Group's documentations and publications.

Financial risks

- (i) foreign currency risk
- (ii) interest rate risk
- (iii) credit risk

Details of the financial risk management are set out in note 5(b) to the consolidated financial statements.

有關本集團業務的風險及不確定因素

本集團的財務狀況、經營業績、業務及前景將受到多項風險及不確定因素的影響，包括業務風險、經營風險、人力及挽留風險以及財務風險。本集團面對的主要風險概述如下：

業務風險 本集團核心業務之表現將受到多項因素的影響，包括但不限於經濟狀況、健康市場表現、所持投資表現。本集團保持積極監察行業趨勢、技術創新及積極對應消費者行為變化。

經營風險 經營風險是因內部程序、人員及系統不足或失效或外界事件導致虧損的風險。管理經營風險的責任基本上在於各部門的各職能。本集團的關鍵職能由彼等的標準經營程序、權力限制及匯報框架引導。我們的管理層將定期鑒別及評估主要經營風險以採取適當風險回應。

人力及挽留風險 本集團可能面對無法吸引及挽留具備符合本集團業務目標的適當及必要技能、經驗及資歷的主要人員及人才的風險。本集團將向合適候選人及人員提供具吸引力的薪酬待遇。

合規風險 指違反或不遵守適用法例及規例的風險。本集團委任常務法律顧問以提供相關法律意見及在本集團的文件及發佈內容上作合規審閱。

財務風險

- (i) 外幣風險
- (ii) 利率風險
- (iii) 信貸風險

財務風險管理詳情載於綜合財務報表附註5(b)。

DIRECTORS' REPORT

董事會報告

RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS *(continued)*

There may be other risks and uncertainties in addition to those mentioned above which are not known to the Group or which may not be material now but could turn out to be material in the future.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability. Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. The Group encourages environmental protection and promotes awareness towards environmental protection to the employees. The Group adheres to the principle of recycling and reducing. It implements green office practices such as double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance.

The Group endeavours to comply with the relevant laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, waste reduction and energy saving. The Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses to move towards adhering the 3Rs – Reduce, Recycle and Reuse and enhance environmental sustainability.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. During the Year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

有關本集團業務的風險及不確定因素 (續)

除上述者外，可能有本集團目前未知或現時未必重大但日後可能轉變為重大的其他風險及不確定因素。

環境政策及表現

本集團致力於實現環境可持續性。我們保護環境的承諾充分體現於我們在日常業務營運中持續推行環保措施及意識。本集團鼓勵環保並向僱員宣傳環保意識。本集團遵守循環利用的原則。其實行環保辦公慣例，例如雙面打印及複印、設立回收桶、促進使用再生紙及關掉閒置照明與電器減低能耗。

本集團致力於遵守環保相關法律及法規並採納有效措施實現資源的有效利用、減少廢物及節能。本集團將不時檢討其環保慣例並將考慮在本集團業務營運中實行進一步環保措施及慣例，以踐行增產節約、舊物利用與廢物再生(3R)原則並提高環境可持續性。

法律及法規合規

本公司設有合規程序以確保遵守適用法律、法規及規章，尤其是對本集團有重大影響者。本年內，就本公司所知，本集團並無重大違反適用法律及法規的或發生相關違規事件而對本集團業務及經營有重大影響。

DIRECTORS' REPORT

董事會報告

COMPLIANCE WITH LAWS AND REGULATIONS

(continued)

As a listed company in Hong Kong, the shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company continuously complies with the requirements under the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules") including the disclosure requirements, corporate governance provisions and Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") therein. Under the Securities and Futures Ordinance (Cap.571) (the "SFO"), the Company is required to maintain a register of interests in shares and short positions and a register of directors' and chief executives' interests and short positions and is obliged to the disclosure requirement of inside information. The Board will monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 235 of this report.

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in note 32 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group during the Year are set out on page 85 of this report.

As at 31 December 2016, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), was HK\$104,985,000 (2015: HK\$64,920,000).

法律及法規合規 (續)

作為香港上市公司，本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市，本公司持續遵守聯交所證券上市規則（「上市規則」）的規定，包括披露規定、企業管治條文及上市發行人董事進行證券交易的標準守則（「標準守則」）。根據證券及期貨條例（第571章）（「證券及期貨條例」），本公司須維持股份權益及淡倉登記冊以及董事及最高行政人員權益及淡倉登記冊，並須遵守內幕消息披露規定。董事會將監察本集團有關遵守法律及法規規定的政策及慣例，並會定期檢討該等政策。適用法律、法規及規章的任何變動會不時提請相關僱員及相關經營單位注意。

財務概要

本集團過往五年之業績、資產及負債概要載於本報告第235頁。

股本

本公司股本本年內之變動情況載於綜合財務報表附註32。

儲備

本集團儲備本年內之變動情況載於本報告第85頁。

於二零一六年十二月三十一日，根據百慕達一九八一年公司法（經修訂）之規定所計算，本公司可供分派儲備為104,985,000港元（二零一五年：64,920,000港元）。

DIRECTORS' REPORT

董事會報告

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders of the Company by reason of their holding of Company's shares.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the Bye-laws of the Company (the "Bye-laws") and the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors

Mr. Cheung Wai Kuen ("Mr. Cheung") (*Chairman*)
Mr. Cheng Hau Yan ("Mr. Cheng") (*Deputy Chairman*)
Mr. Ye Jiong Xian ("Mr. Ye") (*Chief Executive Officer*)

Non-executive Directors

Mr. Lin Jiang
Mr. Bai Yinghai ("Mr. Bai")
(Appointed on 19 December 2016)

Independent Non-executive Directors

Mr. Mai Yang Guang ("Mr. Mai")
Mr. Yau Chi Ming ("Mr. Yau")
Mr. Lam Chi Wing

Pursuant to Bye-law 87 of the Bye-laws, Mr. Lin Jiang, Mr. Mai and Mr. Lam Chi Wing will retire from office by rotation at the forthcoming annual general meeting of the Company and being eligible, offer themselves for re-election as Directors.

Pursuant to Bye-law 86(2) of the Bye-laws, Mr. Bai will retire from office at the forthcoming annual general meeting of the Company and being eligible, offer themselves for election as a non-executive Director.

稅務優惠

本公司沒有意識到本公司股東因持有本公司股票而享有的任何稅務優惠。

優先購買權

根據本公司公司細則(「公司細則」)及百慕達法律並無優先購買權存在，這將使本公司按比例向現有股東提呈發售新股份。

購回、出售或贖回上市證券

本年內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

董事

本年內及直至本報告日期止，董事為：

執行董事

張偉權先生(張先生)(*主席*)
鄭孝仁先生(鄭先生)(*副主席*)
葉炯賢先生(葉先生)(*行政總裁*)

非執行董事

林江先生
白英海先生(白先生)
(於二零一六年十二月十九日獲委任)

獨立非執行董事

麥揚光先生(麥先生)
丘志明先生(丘先生)
林至穎先生

根據公司細則第87條，林江先生、麥先生及林至穎先生將於本公司即將舉行股東周年大會上輪席卸任，並符合資格及願意膺選連任為董事。

根據公司細則第86(2)條，白先生將於本公司即將舉行股東周年大會上卸任，並符合資格及願意膺選為非執行董事。

DIRECTORS' REPORT

董事會報告

SERVICE CONTRACTS OF DIRECTORS

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事之服務合約

擬於即將舉行股東周年大會上膺選連任之董事概無與本集團訂立不可於一年內終止之服務合約兼毋須支付賠償（法定賠償除外）。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares of the Company, underlying shares of the Company and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or otherwise required to notify the Stock Exchange pursuant to the Model Code are as follows:

董事及最高行政人員於本公司及相聯法團之證券權益

於二零一六年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團（按證券及期貨條例第XV部所界定者）之本公司股份、本公司相關股份及本公司債權證中，擁有根據證券及期貨條例第352條須予備存的登記冊所記錄，或根據標準守則須知會香港聯交所的權益及淡倉如下：

Name of Directors 董事名稱	Number of shares 股份數目		Total 總數	Capacity 身份	Notes 備註	Percentage of issued share capital 已發行股本 百分比
	Ordinary shares of the Company 本公司 普通股	Underlying shares of the Company 本公司 相關股份				
Mr. Cheung 張先生	930,379,671	–	930,379,671(L)	Interest of controlled corporation 受控制公司之權益	1	35.84%
Mr. Cheng 鄭先生	8,300,000	–	4,000,000(L)	Beneficial owner 實益擁有人	2	0.15%
			4,300,000(L)	Interest of spouse 配偶之權益	3	0.17%
Mr. Ye 葉先生	–	10,000,000	10,000,000(L)	Beneficial owner 實益擁有人	4	0.39%
Mr. Lin Jiang 林江先生	–	1,000,000	1,000,000(L)	Beneficial owner 實益擁有人	4	0.04%
Mr. Mai 麥先生	–	1,000,000	1,000,000(L)	Beneficial owner 實益擁有人	4	0.04%
Mr. Yau 丘先生	–	1,000,000	1,000,000(L)	Beneficial owner 實益擁有人	4	0.04%

DIRECTORS' REPORT 董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

Remark:

The letter "L" denotes the long position in shares of the Company.

Notes:

- (1) Mr. Cheung through his controlled corporation, Champion Dynasty, is deemed to be interested in 930,379,671 shares of the Company held by Champion Dynasty.
- (2) Mr. Cheng is interested in 4,000,000 shares of the Company.
- (3) Such 4,300,000 shares of the Company are held by Ms. Ma Oi Lai Cherry, the spouse of Mr. Cheng. Accordingly, Mr. Cheng is deemed to be interested in such 4,300,000 shares of the Company.
- (4) Underlying shares of the Company are share options of the Company held by the Directors respectively.

Save for disclosed above, as at 31 December 2016, none of the Directors, chief executives of the Company, nor their associates, had or was deemed to have any interest or short position in the shares of the Company, underlying shares of the Company or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), that was required to be recorded in the register maintained by the Company under section 352 of the SFO, or otherwise notified the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員於本公司及相聯法團之 證券權益 (續)

註：

「L」字眼等於本公司股份中的好倉

備註：

- (1) 張先生透過他持有的控制公司·Champion Dynasty而被視為擁有Champion Dynasty持有的930,379,671股本公司股份之權益。
- (2) 鄭先生擁有4,000,000份本公司股份。
- (3) 該4,300,000股本公司股份為鄭先生的配偶·馬愛麗女士持有。鄭先生被視為擁有其4,300,000股本公司股份之權益。
- (4) 本公司相關股份為董事分別持有本公司的認股權。

除以上披露外，於二零一六年十二月三十一日，概無本公司董事、最高行政人員或彼等之聯繫人持有本公司或其相聯法團之本公司股份的權益或淡倉、本公司相關股份或債券（根據證券及期貨條例第十五部分的定義）須按證券及期貨條例第352條而存置之本公司之登記冊，或根據標準守則而須通知本公司及聯交所。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDER'S INTEREST IN THE SECURITIES OF THE COMPANY

As at 31 December 2016, so far as are known to any Director or chief executive of the Company, the following party (other than Directors or chief executive of the Company) was recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

主要股東於本公司之證券權益

據董事及本公司最高行政人員所知悉，於二零一六年十二月三十一日，本公司根據證券及期貨條例第336條須備存之登記冊所載錄或另行知會本公司，直接或間接擁有或被視為擁有本公司已發行股本5%或以上之權益之人士（董事或本公司最高行政人員除外）如下：

Name of substantial Shareholder	Number of ordinary shares of the Company 本公司普通股 股份數目	Capacity 身份	Notes 備註	Percentage of issued share capital 已發行股本百分比
Champion Dynasty	930,379,671(L)	Beneficial owner 實益擁有人	1	35.84%
國泰君安證券QDIIZH2015-002 資產管理計劃	337,428,000(L)	Investment manager 投資經理		13.00%

Remark:

註：

The letter "L" denotes the long position in shares of the Company.

「L」字眼等於本公司股份中的長好倉

Note:

附註：

(1) Mr. Cheung was the sole director of Champion Dynasty and owned its entire issued capital.

(1) 張先生為Champion Dynasty之唯一董事兼擁有其全部已發行股本之權益。

All the interests stated above represent long position which included interests in shares of the Company and underlying shares of the Company. Save for disclosed above, as at 31 December 2016, the Directors were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the shares of the Company or underlying shares of the Company of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

上述所有權益均為好倉（包括本公司股份及本公司相關股份之權益）。除以上披露外，於二零一六年十二月三十一日，董事並沒留意有任何人士（並不是本公司的董事或最高行政人員）持有本公司或其相聯法團之本公司股份的權益或淡倉、本公司相關股份或債券，需於證券及期貨條例第十五部分的二及三組別披露或須記錄於本公司按證券及期貨條例第336條而存置之登記冊內之任何權益或淡倉。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year, none of the Directors was interested in any business which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no arrangements to which the Company, its subsidiaries, its holding company or its holding company's subsidiaries was a party to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate during the Year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save for disclosed in the "Continuing Connected Transactions" below, no Director nor any entity connected with a Director is or was materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group or to which the Company or any of its subsidiaries, its parent company and the subsidiaries of its parent company was a party during or at the end of the Year.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for disclosed in the "Continuing Connected Transactions" below, no controlling Shareholder or its subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the Group, to which the Company or any of its subsidiaries was a party during the Year.

董事於競爭性業務之權益

本年度，董事概無於與本集團業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

購買股份或債券之安排

本公司、其附屬公司、其控股公司或其控股公司之附屬公司概無本年內作出安排，以使董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

董事的利益交易，安排或合約的意義

除以下「持續關連交易」所述外，於今年或今年年度沒有任何董事或有關董事的任何實體直接或間接地在任意的交易、安排或合約的意義上有物質上有利益。

控權股東於合約之利益

除以下「持續關連交易」所述外，本年內本公司或其任何附屬公司亦概無與控權股東或其任何附屬公司訂立與本集團業務有關之重大合約有直接或間接擁有重大利益。

DIRECTORS' REPORT

董事會報告

CONTINUING CONNECTED TRANSACTIONS

On 27 September 2012, the Company, as lender, entered into a loan agreement with Champion Dynasty, a substantial shareholder of the Company, as borrower, and Mr. Cheung, as an individual guarantor, and Guangdong Allad Commercial Development Company Limited* (廣東奧理德商業發展有限公司)(formerly known as Guangdong Allad Yiliao Touzi Company Limited* (廣東奧理德醫療投資有限公司)), as a corporate guarantor, to grant a three-year revolving loan facility of up to HK\$220,000,000 to Champion Dynasty at an interest rate of HIBOR plus 2.5% per annum (the "Loan Agreement"). The loan facility was approved by the independent Shareholders at the special general meeting held on 20 November 2012. The loan was repayable on demand.

On 2 October 2015, the Company, as lender, entered into a new facility agreement and agreed to renew the Loan Agreement with Champion Dynasty, as borrower, and Mr. Cheung, as individual guarantor, for a period of three years from 20 November 2015 to 19 November 2018 in relation to a three-year revolving loan facility of up to HK\$200,000,000 to Champion Dynasty at an interest rate of 10% per annum (the "Renewed Shareholder Loan Transaction"). The Renewed Shareholder Loan Transaction was approved by the independent Shareholders at the special general meeting held on 19 November 2015. The loan is repayable on demand.

Having reviewed the Renewed Shareholder Loan Transaction, the independent non-executive directors ("INED"), pursuant to Rule 14A.55 of the Listing Rules on the requirement to carry out annual review on all continuing connected transactions, other than fully exempt continuing connected transactions under the Listing Rules (if any), confirmed that the Renewed Shareholder Loan Transaction was made in the ordinary and usual course of business of the Group, was made on normal commercial terms and in accordance with the relevant agreement governing on terms that was fair and reasonable and in the interests of the Shareholders as a whole.

* For identification purpose only

持續關連交易

於二零一二年九月二十七日，本公司（作為貸方）與本公司之重大股東Champion Dynasty（作為借方）及張先生（作為個人擔保人）及廣東奧理德商業發展有限公司（前稱為廣東奧理德醫療投資有限公司）（作為公司擔保人）訂立一份貸款協議，向Champion Dynasty提供一筆最多220,000,000港元之三年期循環貸款融資，此貸款之年利率為香港銀行同業拆息加2.5厘（「貸款協議」）。該貸款融資已於二零一二年十一月二十日舉行之股東特別大會取得獨立股東批准。該貸款須於要求時償還。

於二零一五年十月二日，本公司（作為貸方）與Champion Dynasty（作為借方）及張先生（作為個人擔保人）就向Champion Dynasty提供一筆最多200,000,000港元之三年期、年利率10厘的循環貸款融資訂立一份新的融資協議及同意重續貸款協議，期限為由二零一五年十一月二十日至二零一八年十一月十九日（「重續股東貸款交易」）。重續股東貸款交易已於二零一五年十一月十九日舉行之股東特別大會取得獨立股東批准。該貸款須於要求時償還。

在審閱重續股東貸款交易後，獨立非執行董事（「獨立非執行董事」），根據上市規則第14A.55條就所有持續關連交易進行周年審閱之規定（除按上市規則完全豁免之持續關連交易者外（如有）），確認重續股東貸款交易是本集團之日常及一般業務，按照一般商業條款，並根據該交易之相關協議條款進行，而交易條款屬公平及合理，且符合股東之整體利益。

* 僅供識別

DIRECTORS' REPORT

董事會報告

CONTINUING CONNECTED TRANSACTIONS (continued)

The Company's auditors (the "Independent Auditors") were engaged to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Independent Auditors had issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the Independent Auditors' letter has been provided by the Company to the Stock Exchange.

Pursuant to Rule 14A.56 of the Listing Rules, the Independent Auditors confirmed that the Renewed Shareholder Loan Transaction:

- (i) had received the approvals of the Board;
- (ii) had been entered into in accordance with the relevant agreements governing the Renewed Shareholder Loan Transaction; and
- (iii) had not exceeded the caps disclosed in the previous circular of the Company dated 2 November 2015.

Save for mentioned above, there were no other discloseable non-exempted connected transactions or non-exempted continuing connected transactions under the Listing Rules during the Year.

Material related party transactions, including the said continuing connected transaction, entered into by the Group for the Year are disclosed in note 42 to the consolidated financial statements. Saved for disclosed above, none of such transactions constituted a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules as and where applicable and relevant during the Year.

持續關連交易 (續)

本公司之核數師(「獨立核數師」)受委聘就本集團之持續關連交易，按照香港會計師公會(「香港會計師公會」)所頒佈的香港核證工作準則3000「歷史財務信息審計或審閱以外的核證業務」，以及參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」進行報告。獨立核數師已按上市規則第14A.56條發出其無保留信函，包含其對有關持續關連交易作出之調查及結論。本公司已向聯交所呈交上述之獨立核數師信函副本。

獨立核數師已根據上市規則第14A.56條確認重續股東貸款交易：

- (i) 已經由董事會批准；
- (ii) 乃根據重續股東貸款交易之有關協議條款進行；及
- (iii) 並無超逾先前二零一五年十一月二日之通告所披露之上限。

除上文所述外，本年內並無其他根據上市規則須作出披露之不獲豁免關連交易或不獲豁免持續關連交易。

本年度，由本集團進行之關連人士交易，包括上述持續關連交易，已於綜合財務報表附註42披露。除上述披露外，根據上市規則第14A章，沒有任何交易構成本公司的關連交易。本公司本年內已遵守上市規則第14A章的披露規定。

DIRECTORS' REPORT

董事會報告

CONTINUING CONNECTED TRANSACTIONS (continued)

To the extent of the related party transactions as disclosed in note 42 to the consolidated financial statements which constituted continuing connected transactions, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 31 December 2016, the Group had 343 employees excluding Directors (2015: 279). The total staff cost excluding Directors' emoluments was approximately HK\$12,736,000 (2015: HK\$10,320,000) during the Year. The Remuneration Committee was set up for reviewing the Group's overall emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

Remuneration package comprised salaries and year ended bonuses based on individual merits. The Company adopted a share option scheme on 11 October 2012 (the "2012 Scheme"). There was no outstanding share options granted under the 2012 Scheme at the beginning of the Year. During the Year, 35,800,000 share options were granted, none of these share options were exercised or lapsed. As at 31 December 2016, 35,800,000 share options were outstanding. Details of the 2012 Scheme are set out in note 36 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEMES

The Group operates the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme") for the Year. The MPF Scheme is defined contribution scheme and the assets of the scheme are managed by its trustee.

持續關連交易 (續)

就綜合財務報表附註42所披露之關連人士交易，倘構成根據上市規則所界定之持續關連交易，本公司本年內已遵守上市規則第14A章的有關規定。

酬金政策及購股權計劃

於二零一六年十二月三十一日，本集團共僱用343名員工（不包括董事在內）（二零一五年：279名）。本年度僱員成本總額（不包括董事酬金）約為12,736,000港元（二零一五年：10,320,000港元）。成立薪酬委員會是檢討本集團的董事及高級管理層總體酬金薪酬政策及架構，考慮本集團營運業績，董事及高級管理層的個人表現及比較市場情況。

酬金待遇包括薪金及按個別表現釐定之年終花紅。本公司於二零一二年十月十一日採納了一項購股權計劃（「二零一二年計劃」）。本年度初，本公司根據二零一二年計劃並無購股權尚未行使。本年內授出35,800,000購股權，沒有購股權被行使或失效。於二零一六年十二月三十一日，尚有35,800,000購股權未被行使。二零一二年計劃之詳情載於綜合財務報表附註36。

退休福利計劃

本集團本年度推行香港法例第485章《強制性公積金計劃條例》所界定之公積金計劃（「強積金計劃」）。強積金計劃為界定供款計劃，該計劃之資產由其受託人管理。

DIRECTORS' REPORT

董事會報告

RETIREMENT BENEFIT SCHEMES (continued)

The MPF Scheme is available to all employees aged 18 to below 65 and with at least 60 days of continuous service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% based on the staff's relevant income. The statutory maximum level of relevant income for contribution purpose is HK\$30,000 per month. Staff members are entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefit is required by law to be preserved until the retirement age of 65.

Particulars of contribution to the MPF Scheme for the Year are set out in note 38 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

According to the Bye-laws, among others, the Directors, acting in relation to any of the affairs of the Company shall be entitled to indemnified and secured harmless out of assets and profits of the Company from and against all, among others, actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain. The Company has taken out and maintained directors' and officers' liability insurance throughout the Year, which provides appropriate cover the certain legal actions brought against the Directors and officers.

EQUITY-LINKED AGREEMENTS

On 24 December 2015, convertible notes in the aggregate principal amount of HK\$1,000,000 ("HKD Convertible Notes") were issued by the Company. Upon exercise in full of the subscription rights attaching to the HKD Convertible Notes at the conversion price of HK\$0.858 (subject to adjustment), a maximum of 1,165,501 ordinary shares of the Company will be issued, which no shares of the Company has been issued as at the date of this report under the HKD Convertible Notes. The conversion rights under the HKD Convertible Notes shall be exercisable during the conversion period commencing on the date falling on the 1st anniversary of the date of issue of the HKD Convertible Notes and ending on the date falling on the second anniversary of the date of issue of the Convertible Notes. The net proceeds from the issue of the HKD Convertible Notes amounts to HK\$1,000,000. Details of which have been disclosed in the Company's announcements dated 24 December 2016 and 11 January 2017.

退休福利計劃 (續)

強積金計劃可供所有18至65歲以下連續受僱於香港最少60日之本集團僱員參加。本集團根據員工之有關入息作出5%之供款。就供款而言，有關法定入息水平上限為每月30,000港元。不論其於本集團之服務年期，員工均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。

本年度強積金計劃供款之詳情載於綜合財務報表附註38。

獲准彌償條文

根據公司細則，就本公司任何事務行事的董事等可從本公司的資產及利潤就該等人士或其中任何人士可能招致或蒙受的所有（其中包括）訴訟、費用、收費、損失、損害及開支獲得彌償並免就此受任何損害。本公司已於本年度全年取得及維持董事及高級職員的責任保險，這為針對董事及高級職員提起的若干法律訴訟提供了適當保障。

股票掛鈎協議

於二零一五年十二月二十四日，本公司發行本金總額1,000,000港元的可換股票據（「港元可換股票據」）。按換股價0.858港元（或會調整）悉數行使港元可換股票據所附認購權後，將發行本公司最多1,165,501股普通股，於本報告日期並無根據可換股票據發行任何本公司股份。港元可換股票據下的換股權可於自港元可換股票據發行日期滿一周年當日起至港元可換股票據發行日期滿兩周年當日止的換股期內行使。發行港元可換股票據所得款項淨額為1,000,000港元。詳情已於本公司日期為二零一六年十二月二十四日及二零一七年一月十一日的公告中披露。

DIRECTORS' REPORT

董事會報告

EQUITY-LINKED AGREEMENTS (continued)

On 5 August 2016, convertible notes of US\$10,000,000 ("USD Convertible Notes") were issued by the Company. Upon exercise in full of the subscription rights attaching to the USD Convertible Notes at the conversion price of HK\$0.70 (subject to adjustment), a maximum of 110,714,285 ordinary shares of the Company will be issued, which no shares of the Company had been issued as at the date of this report under the USD Convertible Notes. The conversion rights under the USD Convertible Notes shall be exercisable during the conversion period commencing on the issue date of the USD Convertible Notes and ending on 180 days prior to the maturity date of the USD Convertible Notes. The net proceeds from the issue of the USD Convertible Notes amounts to HK\$77,000,000. Details of which have been disclosed in the Company's announcements dated 5 August 2016 and 16 August 2016.

The Group came across and negotiated investment opportunities related to the healthcare industry with potential mergers and acquisitions, while proactively raising fund necessary for the negotiation and identification of new investment opportunities, such proceeds may be applied to potential new investment opportunities and general working capital of the Group and for the development of existing healthcare business of the Group.

Save for disclosed above and the 35,800,000 share options granted by the Company during the Year, the Company has not entered into any equity-linked agreement during the Year.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's largest customer and five largest customers amounted for approximately 17% and 42% respectively, of the Group's total turnover for the Year.

The aggregate costs of sales attributable to the Group's largest supplier and five largest suppliers accounted for approximately 36% and 68% respectively, of the Group's total costs of sales for the Year.

股票掛鈎協議 (續)

於二零一六年八月五日，本公司發行10,000,000美元的可換股票據（「美元可換股票據」）。按換股價0.70港元（或會調整）悉數行使美元可換股票據所附認購權後，將發行本公司最多110,714,285股普通股，於本報告日期並無根據發行任何本公司股份。美元可換股票據下的換股權可於自美元可換股票據發行日期當日起至美元可換股票據的到期日前180日內行使。發行美元可換股票據所得款項淨額為77,000,000港元。詳情已於本公司日期為二零一六年八月五日及二零一六年八月十六日的公告中披露。

本集團遇到並協商有關健康產業的投資機會，有可能進行併購，同時積極籌集必要資金以協商及物色新投資機會，有關所得款項可能用於潛在新投資機會及本集團一般營運資金以及用於發展本集團現有健康業務。

除上文所披露者及本公司本年內授出35,800,000份購股權外，本公司於本年度內並無訂立任何股票掛鈎協議。

管理合同

本年度無訂立或存在有關本公司整體或部份業務上的管理及行政合同。

主要客戶及供應商

本集團最大客戶及五大客戶之營業總額分別約佔本集團本年度營業總額之17%及42%。

本集團最大供應商及五大供應商之銷售成本總額分別約佔本集團本年度銷售成本總額之36%及68%。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS (continued)

None of the Directors, their close associates, or any Shareholders (which to the knowledge of the Directors owned more than 5% of the Company's issued shares) had beneficial interests in any of the Group's five largest customers and five largest suppliers during the Year.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprise employees, customers, suppliers, regulators and Shareholders. Employees are regarded as the most important and valuable assets of the Group. The Group maintains a good relationship with its employees and did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labour dispute during the Year. The Group also understands the importance of maintaining a good relationship with its suppliers and customers to meet its short-term and long-term goals. It enjoys good relationships with suppliers and customers and strives to take an active part in the communities where they operate.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, the Company had maintained the prescribed amount of public float during the Year and up to the latest practicable date prior to the issue of this report as required under the Listing Rules.

主要客戶及供應商 (續)

董事、彼等之緊密聯繫人或任何股東（據董事所知擁有本公司已發行股份逾5%者）概無本年內擁有本集團任何五大客戶及五大供應商之權益。

與主要利益相關者的關係

本集團的成功是有賴主要利益相關者的支持，包括員工、顧客、供應商、執法者及股東。員工被視為本集團最重要及有價值的資產。本年度本集團與其員工保持良好的關係及並無於招聘遇到任何重要困難，或於人力遇到財產損失或有任何員工紛爭。本集團明白要達致短期及長期目標，與供應商及顧客保持良好關係的重要性。本集團享受與供應商和客戶的良好關係，並致力於積極參與他們運作的社區。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，於印發本年報前的最後可行日期，本公司本年內及截至印發本報告前的最後可行日期已按上市規則規定維持指定數額之公眾持股量。

DIRECTORS' REPORT

董事會報告

AUDITORS

The consolidated financial statements for the Year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the Independent Auditors for the subsequent year will be proposed at the forthcoming annual general meeting. Therefore, the consolidated financial statements for the year ended 31 December 2014 to 31 December 2016 were audited by HLB Hodgson Impey Cheng Limited. There has been no other change in the Independent Auditors in any of the preceding three years.

On behalf of the Board

Common Splendor International Health Industry Group Limited
Cheung Wai Kuen
Chairman

Hong Kong, 31 March 2017

核數師

本年度之綜合財務報表已經由國衛會計師事務所有限公司審核，其任期於即將舉行之股東周年大會上屆滿。本公司於即將舉行之股東周年大會上提呈續聘國衛會計師事務所有限公司為獨立核數師之決議案。因此，自截至二零一四年十二月三十一日止年度至截至二零一六年十二月三十一日止年度之綜合財務報表已經由國衛會計師事務所有限公司審核。過去三年任何一年，獨立核數師概無其他變動。

承董事會命

同佳國際健康產業集團有限公司
主席
張偉權

香港，二零一七年三月三十一日

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

EXECUTIVE DIRECTORS

Mr. Cheung Wai Kuen, aged 43, joined the Company as executive Director in August 2012 and has been appointed as the chairman of the Board (the “Chairman”) in September 2012. He has established a number of enterprises in various industries in the People’s Republic of China (the “PRC”) since 1997, including property investment, hospital and trading business. Mr. Cheung has over 10 years of experience in capital management and corporate management. He was appointed as an executive director of L’sea Resources International Holdings Limited (Stock Code: 195) on 4 December 2009. Mr. Cheung is a director of Champion Dynasty, a substantial shareholder of the Company.

Mr. Cheng Hau Yan, aged 70, joined the Company as executive Director in August 2012 and has been appointed as the deputy chairman of the Board (the “Deputy Chairman”) since September 2012. He was the deputy division chief of the Finance and Planning Division of Yunnan Provincial Geology and Mining Bureau from October 1984 to March 1986, and deputy director of the Economic Commission of Kunming for the period from April 1986 to April 1988. From May 1988 to 1996, he was the president of the Yunnan Branch of Bank of Communications. Mr. Cheng was an executive director of Yunnan Enterprises Holdings Limited (Stock Code: 455) from April 1998 to March 2006, and west China regional director of the Chinese Estates Holdings Limited (Stock Code: 127) from 2006 to 2010. He was appointed as an independent non-executive director of L’sea Resources International Holdings Limited (Stock Code: 195) on 23 December 2009 and re-designated as executive director from December 2010 to September 2012. Mr. Cheng obtained a master of Business Administration degree from the Shanghai Jiao Tong University in 1983.

執行董事

張偉權先生，現年43歲，於二零一二年八月加入本公司，任職執行董事，並自二零一二年九月起為董事會主席（「主席」）。彼自一九九七年起在中華人民共和國（「中國」）不同行業成立多間企業，從事業務包括物業投資、醫院及貿易。張先生在資本管理及企業管理方面具有逾十年經驗。彼自二零零九年十二月四日起為利海資源國際控股有限公司（股份代號：195）執行董事。張先生是Champion Dynasty（即本公司的一名主要股東）之董事。

鄭孝仁先生，現年70歲，於二零一二年八月加入本公司，任職執行董事，並自二零一二年九月起為董事會副主席（「副主席」）。彼於一九八四年十月至一九八六年三月期間出任雲南地質礦業局計劃財務處之副處長，並於一九八六年四月至一九八八年四月期間出任昆明市經濟委員會副主任。於一九八八年五月至一九九六年，彼為交通銀行雲南分行行長。於一九九八年四月至二零零六年三月，鄭先生亦曾擔任雲南實業控股有限公司（股份代號：455）之執行董事，並於二零零六年至二零一零年出任華人置業集團（股份代號：127）之華西地區主管。彼於二零零九年十二月二十三日獲委任為利海資源國際控股有限公司（股份代號：195）獨立非執行董事，並從二零一零年十二月至二零一二年九月出任執行董事。鄭先生於一九八三年在上海交通大學取得工商管理碩士學位。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

EXECUTIVE DIRECTORS (continued)

Mr. Ye Jiong Xian, aged 52, joined the Company as executive Director in December 2015 and has been appointed as the chief executive officer of the Company (the “CEO”) since December 2015. Mr. Ye is a chief surgeon, professor, doctor in management studies and doctoral advisor. He has nearly 30 years of experience in the fields of clinical medicine, teaching, scientific research and management. He once served as senior executives in a number of top class Grade A hospitals. Mr. Ye also held administrative positions with health care authorities for a number of years where he led the preparation work for setting up large general hospitals and won great awards in China. He was once sent to international universities such as the Harvard University to study where he accumulated rich experience in health care management. Mr. Ye is currently the executive member of Logistics Management Special Committee under the Chinese Hospital Association* (中國醫院協會醫院後勤管理專業委員會常務委員), the executive director of the Hospital Architecture System Research Branch under the Chinese Hospital Association* (中國醫院協會醫院建築系統研究分會常務理事), the editorial board member of the book titled Architecture and Equipment of Chinese Hospitals* (《中國醫院建築與裝備》) and the chief editor of the books titled Practices in Setting up Hospitals* (《醫院籌建務實》) and Norms for Etiquette of Medical Workers* (《醫務人員禮儀規範》).

執行董事 (續)

葉炯賢先生，現年52歲，於二零一五年十二月加入本公司，任職執行董事，並自二零一五年十二月獲委任為本公司行政總裁（「行政總裁」）。葉先生為外科主任醫師，教授，管理學博士，博士生導師。從事臨床醫學，教學和科研及管理工作近三十年，在多所三級甲等醫院擔任高級管理工作。彼在衛生管理部門也承擔行政管理工作多年，主持籌建大型綜合性醫院並獲國內大獎，曾獲派到哈佛大學等國際高等學府學習，積累了豐富的醫療衛生管理經驗，現任中國醫院協會醫院後勤管理專業委員會常務委員，中國醫院協會醫院建築系統研究分會常務理事，《中國醫院建築與裝備》編委《醫院籌建務實》及《醫務人員禮儀規範》著作主編。

* For identification purpose only

* 僅供識別

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

NON-EXECUTIVE DIRECTORS

Mr. Lin Jiang, aged 52, joined the Company as non-executive Director of the Company in February 2013. Mr. Lin has over 20 years of experience in economic and financial areas. He obtained a Bachelor's degree and a Master's degree of Economics from Sun Yat-sen University, a Doctor's degree of Economics from Jinan University, and finished his postdoctoral research on Applied Economics in Zhongnan University of Economics and Law. Mr. Lin is an associate dean of institute of Free Trade Zone Research, Sun Yat-sen University and he is also a professor of Economics in Lingnan College of Sun Yat-sen University. Moreover, he is a member of the Ministry of National Education Steering Committee for Financial Class of High Education* (國家教育部高等學校財政類教學指導委員會), a researcher of Cross-Strait Research Center* (海峽兩岸研究中心兼職研究員), a member of Guangzhou Municipal Financial Expert Advisory Committee* (廣州市財政專家諮詢委員會), a guest researcher of the Taiwan Affairs Offices of the People's Government of Guangdong Province and Taiwan Research Centre of Guangdong* (廣東省人民政府台灣事務辦公室和廣東台灣研究中心) and a member of expert group for the financial budgetary monitoring and advising of Financial and Economic Committee of the 14th Guangzhou City People's Congress. In addition, Mr. Lin is a consultant of a wholly-owned subsidiary of the Company. He served as deputy general manager in Financial Division of China Merchant Group Limited.

Mr. Bai Yinghai, aged 43, joined the Company as non-executive Director in December 2016. Mr. Bai obtained a Bachelor's degree in Finance from the University of International Business and Economics in 1996. Subsequently, Mr. Bai obtained a Master of Business Administration degree from the School of Economics & Management of the Tsinghua University in 2002. Mr. Bai further obtained a Master degree in Finance from London Business School in 2009. Mr. Bai was admitted as a chartered financial analyst of the Institute of Chartered Financial Analysts in October 2005.

* For identification purpose only

非執行董事

林江先生，現年52歲，於二零一三年二月加入本公司，任職本公司非執行董事。林先生於經濟金融領域累積超過二十多年經驗。彼持有中山大學經濟學學士學位及碩士學位、暨南大學經濟學博士學位及完成中南財經政法大學應用經濟學博士後研究工作。林先生現任中山大學自貿區綜合研究院副院長及彼也是中山大學嶺南學院經濟學教授。此外，彼現時為國家教育部高等學校財政類教學指導委員會委員、海峽兩岸研究中心兼職研究員、廣州市財政專家諮詢委員會委員、廣東省人民政府台灣事務辦公室和廣東台灣研究中心特邀研究員及廣州市財政經濟委員會廣州市第十四屆人民代表大會預算委員會專家庫成員。再者，林先生是本公司一間全資附屬公司之顧問。彼曾在招商局集團有限公司擔任金融事業部副總經理。

白英海先生，現年43歲，於二零一六年十二月加入本公司，任職非執行董事。白先生於一九九六年取得對外經濟貿易大學經濟學學士學位。之後，白先生於二零零二年取得清華大學經濟管理學院工商管理碩士學位。於二零零九年，白先生更進一步地於倫敦商學院取得金融碩士學位。於二零零五年十月，白先生獲准成為特許金融分析師協會之特許金融分析師。

* 僅供識別

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

NON-EXECUTIVE DIRECTORS (continued)

Mr. Bai has over 10 years of experience in fund management and during 2002 to 2012, he served at various fund houses in Hong Kong and the People's Republic of China. Mr. Bai was a representative of Prudence Investment Management (Hong Kong) Limited for its then asset management regulated activities during May 2011 to January 2012. Mr. Bai subsequently joined China Resources Group in 2012, and since then he held certain managerial positions at subsidiaries of the group where he was mainly responsible for mergers and acquisitions and capital market related matters. Prior to Mr. Bai's departure, he served as senior director at the financial department of China Resources Healthcare Group. In May 2016, Mr. Bai joined Great Wall Pan Asia International Asset Management Limited as managing director, and since then he was involved in investments in healthcare related businesses.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Mai Yang Guang, aged 52, joined the Company as INED in February 2013. He is also the chairman of the nomination committee (the "Nomination Committee") of the Company, the chairman of the remuneration committee (the "Remuneration Committee") of the Company and a member of the audit committee (the "Audit Committee") of the Company. Mr. Mai has over 20 years of experience in enterprise management in the PRC. He graduated from Thermal Engineering Department of Northeastern University in the PRC. Mr. Mai is the executive director and general manager of Shenzhen Xinyinji Enterprise Development Limited* (深圳市新銀基實業發展有限公司) and the chairman of board of directors and general manager of Shenzhen Haojiahua Investment Limited* (深圳市好嘉華投資有限公司).

* For identification purpose only

非執行董事 (續)

白先生於基金管理方面擁有超過十年之豐富資歷，彼於二零零二年至二零一二年間服務於多間香港及中華人民共和國之基金公司。於二零一一年五月至二零一二年一月期間，白先生於方圓投資管理(香港)有限公司擔任該公司當時資產管理受規管活動之代表。其後，白先生於二零一二年加入華潤集團，並自當時起擔任該集團附屬公司之若干管理階層職位，主要負責合併與收購及資本市場相關業務。於離開該集團前，白先生擔任華潤醫療集團財務部之高級主管職位。於二零一六年五月，白先生加入長城環亞國際資產管理有限公司，擔任管理主管，並自當時起參與多項醫療相關業務之投資。

獨立非執行董事

麥楊光先生，現年52歲，於二零一三年二月加入本公司，任職獨立非執行董事。彼亦為本公司之提名委員會(「提名委員會」)主席及本公司薪酬委員會(「薪酬委員會」)主席、本公司審核委員會(「審核委員會」)成員。麥先生於中國從事企業管理累積逾二十多年經驗。彼畢業於中國東北大學熱能工程系。麥先生現任深圳市新銀基實業發展有限公司之執行董事兼總經理及深圳市好嘉華投資有限公司董事長兼總經理。

* 僅供識別

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Yau Chi Ming, aged 49, joined the Company as INED in February 2013. He is also the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee. Mr. Yau has over 20 years of experience in auditing, accounting, corporate finance and corporate restructuring. He holds a bachelor degree in Social Sciences from The University of Hong Kong and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Yau is a Certified Public Accountant (Practising), an independent non-executive director of Chinese Energy Holdings Limited (Stock code: 8009) since August 2016 and an independent non-executive director of Cosmo Lady (China) Holdings Company Limited (Stock code: 2298) since June 2014 and company secretary of Consun Pharmaceutical Group Limited (Stock code: 1681) since March 2013. He was an independent non-executive director of CircuTech International Holdings Limited (formerly known as TeleEye Holdings Limited) (Stock code: 8051) from April 2015 to June 2016. He worked with KPMG from 1995 to 2012 and became a partner in 2007.

Mr. Lam Chi Wing, aged 37, joined the Company as INED in March 2016. He is also a member of the Remuneration Committee, the Nomination Committee and the Audit Committee. Mr. Lam obtained a Bachelor of Business Administration degree in Accounting & Finance at the University of Hong Kong in 2003. Subsequently, Mr Lam obtained a Master of Science degree in Knowledge Management at the Hong Kong Polytechnic University in 2006 and a Master of Business Administration degree at the Chinese University of Hong Kong in 2010. Mr Lam is currently a doctoral candidate in Global Creative Industries of the University of Hong Kong.

Mr Lam served at PricewaterhouseCoopers in 2003. Mr Lam subsequently joined Li & Fung Group, which he served as Group Chief Representative and General Manager, Southern China of Li & Fung Development (China) Limited prior to his departure. Mr Lam currently serves as director or consultant at a number of companies in Hong Kong and the PRC.

獨立非執行董事 (續)

丘志明先生，現年49歲，於二零一三年二月加入本公司，任職獨立非執行董事。彼亦為審核委員會主席、薪酬委員會及提名委員會成員。丘先生於審計、會計、企業融資及企業重組方面累積逾二十多年經驗。彼持有香港大學社會科學學院學士學位，並為香港會計師公會會員。丘先生現職執業會計師，自二零一六年八月起是華夏能源控股有限公司（股份代號：8009）獨立非執行董事及二零一四年六月起是都市麗人（中國）控股有限公司（股份代號：2298）獨立非執行董事及自二零一三年三月起是康臣藥業集團有限公司（股份代號：1681）公司秘書。彼於二零一五年四月至二零一六年六月期間為訊智海國際控股有限公司（前稱千里眼控股有限公司）（股份代號：8051）之獨立非執行董事。彼於一九九五年至二零一二年期間在畢馬威會計師事務所工作，並於二零零七年成為其合夥人。

林至穎先生，現年37歲，於二零一六年三月加入本公司，任職獨立非執行董事，彼亦為審核委員會、薪酬委員會及提名委員會成員。林先生於二零零三年取得香港大學工商管理（會計及金融）學士學位。之後，林先生於二零零六年取得香港理工大學理學（知識管理）碩士學位及於二零一零年取得香港中文大學工商管理碩士學位。林先生現為香港大學文化創意產業博士研究生。

林先生於二零零三年任職於羅兵咸永道會計師事務所，期後林先生加入香港馮氏（利豐）集團，離任前為利豐發展（中國）有限公司華南首席代表兼總經理。林先生現為香港及中國數家公司的董事或顧問。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

(continued)

Mr Lam is a member of the Eleventh & Twelfth Zhongshan Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十一屆中山市委員), a member of the Tenth Committee of the Guangdong Province Youth Federation* (廣東省青年聯合會第十屆委員), a member of the Eighth Committee of the Zhongshan Youth Federation* (中山市青年聯合會第八屆委員), a member of the Committee of the Chinese Association of Hong Kong & Macao Studies* (全國港澳研究會港區特邀代表), a member of the Expert Committee to the Second Ministry of Commerce Advisory Committee for Economic & Trade Policy* (第二屆國家商務部經貿政策諮詢委員會專家), a deputy committee of the Zhongshan Public Diplomacy Association* (中山市公共外交協會), a deputy director of the Hong Kong Guangdong Youth Association* (香港廣東青年總會), Vice Chairman of the Hong Kong Zhongshan Youth Association* (香港中山青年協會), a member of The Y. Elites Association Limited (香港菁英會成員) and a member of the Chinese Academy of Governance (HK) Industrial and Commercial Professionals Alumni Association Limited* (中國國家行政學院(香港)工商專業同學會成員). Mr Lam served as a part-time member of the Central Policy Unit of the Government of Hong Kong from 2011 to 2012, and is currently serving as an advisory committee of the Sustainable Agricultural Development Fund of the Government of Hong Kong, and a committee member of the Appeal Panel (Housing) of the Government of Hong Kong.

Mr Lam is currently the Vice Chairman of the Youth Division of China Commerce & Economy Society* (中國商業經濟學會), Vice Chairman of the Guangdong Society of Commercial Economy* (廣東省商業經濟學會), Deputy Dean of the Guangdong Asia Pacific E-Commerce Institute* (廣東亞太電子商務研究院), Deputy Secretary-General of the Society of Guangdong Logistics and Supply Chain* (廣東省物流與供應鏈學會), Honorary Chairman of the Hong Kong Cross-Border E-Commerce Association (香港跨境電子商務協會).

獨立非執行董事 (續)

林先生為中國人民政治協商會議第十一屆、第十二屆中山市委員、廣東省青年聯合會第十屆委員、中山市青年聯合會第八屆委員、全國港澳研究會港區特邀代表、第二屆國家商務部經貿政策諮詢委員會專家、中山市公共外交協會常務理事、香港廣東青年總會常務會董、香港中山青年協會副主席、香港菁英會成員、中國國家行政學院(香港)工商專業同學會成員。林先生於二零一一年至二零一二年期間為香港特別行政區政府中央政策組非全職顧問。現為香港特別行政區政府農業持續發展基金委員、香港特別行政區政府運輸及房屋局上訴委員會(房屋)委員。

林先生現任中國商業經濟學會委員兼青年分會副會長、廣東省商業經濟學會副會長、廣東亞太電子商務研究院副院長、廣東省物流與供應鏈學會副秘書長、香港跨境電子商務協會榮譽會長。

* For identification purpose only

* 僅供識別

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

(continued)

Mr Lam is currently an Adjunct Professor at the Renmin University of China School of Business (中國人民大學商學院), Jinan University School of Management (暨南大學管理學院) and Zhejiang University School of Management* (浙江大學管理學院), a research fellow at each of the China Business Model Research Centre of the China Financial Research Institute at Tsinghua University School of Economics & Management* (清華大學經管學院中國金融研究中心商業模式研究工作室), Sun Yat-sen University's Centre for Information Economy and Policy* (中山大學信息經濟與政策研究中心), Guangdong University of Finance and Economics' Commerce Research Institute of Circulation Economy* (廣東財經大學流通經濟研究所), Jinan University's Modern Distribution Research Centre* (暨南大學現代流通研究中心) and Shenzhen University's Center for Basic Laws of Hong Kong and Macau Special Administrative Regions* (深圳大學港澳基本法研究中心).

SENIOR MANAGEMENT

Various aspects of the business and operations of the Group are respectively under direct responsibilities of the executive Directors who are regarded as the senior management of the Group.

COMPANY SECRETARY

Mr. Lam King Ho, joined the Group in July 2015 and was appointed as the financial controller of the Group, the company secretary (the "Company Secretary") and the authorised representative of the Company in August 2015. Mr. Lam has over 20 years of experience in auditing, accounting and financial management. He holds a bachelor degree in accounting and finance, a bachelor and a master degree in law and a postgraduate diploma in business administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Prior to joining the Group, Mr. Lam worked as the chief financial officer and company secretary in listed companies in Hong Kong and as the chief financial officer in a publicly traded company in the United States.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules for the Year.

* For identification purpose only

獨立非執行董事 (續)

林先生現任中國人民大學商學院客座教授、浙江大學管理學院客座教授、暨南大學管理學院客座教授、清華大學經管學院中國金融研究中心商業模式研究工作室特聘高級研究員、中山大學資訊經濟與政策研究中心特聘研究員、廣東財經大學流通經濟研究所兼職研究員、暨南大學現代流通研究中心特約研究員、深圳大學港澳基本法研究中心特約研究員。

高級管理層

被視為本集團之高級管理層之執行董事分別直接負責本集團各方面之業務及營運。

公司秘書

林景濠先生，於二零一五年七月加入本集團，於二零一五年八月委任為本集團財務總監，本公司之公司秘書（「公司秘書」）及授權代表。林先生於審計、會計、財務管理方面累積逾二十多年經驗。彼持有會計及財務學士、法律學士及碩士及工商管理深造文憑。彼為香港會計師公會和特許公認會計師公會資深會員，及美國註冊會計師協會會員。於加入本集團前，林先生曾於香港上市公司任職財務總監及公司秘書及曾於美國公眾公司任職財務總監。

關於董事資料變更

除本年報所披露外，本年度根據上市規則第13.51(2)條(a)至(e)及(g)段披露的有關董事資料沒有變更。

* 僅供識別

CORPORATE GOVERNANCE REPORT 企業管治報告

OBJECTIVE

The Board together with the Group is committed to maintain high standards of corporate governance so as to ensure high transparency and protection of the Shareholders' interests in general. The Board endeavours to ensure effective self-regulatory practices, to maintain sound internal control system and to absorb high calibre members to the Board.

The purpose of this Corporate Governance Report is to present to the Shareholders how the Company has applied the principles in the Corporate Governance Code (the "CG Code") under Appendix 14 to the Listing Rules throughout the Year.

BOARD OF DIRECTORS

The Board is responsible for directing the Group, formulating overall strategy, monitoring operating and financial performance of the Group and overseeing the performance of the management of the Group (the "Management"). Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to the Company's affairs during the Year.

Structure

The Board currently comprises three executive Directors, two non-executive Directors and three INEDs. The INEDs represent more than one-third of the Board. The current members of the Board are as follows:

Executive Directors

Mr. Cheung Wai Kuen (*Chairman*)
Mr. Cheng Hau Yan (*Deputy Chairman*)
Mr. Ye Jiong Xian (*CEO*)

Non-executive Directors

Mr. Lin Jiang
Mr. Bai Yinghai

Independent Non-executive Directors

Mr. Mai Yang Guang
Mr. Yau Chi Ming
Mr. Lam Chi Wing

理念

董事會連同本集團銳意維持高水平企業管治，以確保運作更具透明度及全面保障股東利益。董事會致力確保制訂有效之自我監管常規，以維持良好之內部監控制度及吸納卓越之成員加入董事會。

本企業管治報告之目的是向股東呈示本公司本年度如何應用上市規則附錄十四《企業管治守則》（「企管守則」）之原則。

董事會

董事會負責領導本集團、制訂整體策略、監察本集團之營運及財務表現，以及監督本集團之管理層（「管理層」）之表現。每名董事均以本公司之最佳利益為前題，以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上，共同及個別向本公司負責。本年內，彼等已付出足夠時間及專注力以處理本公司事務。

架構

董事會目前由三名執行董事、兩名非執行董事及三名獨立非執行董事組成。獨立非執行董事之人數超過董事會成員總數之三分之一。現時董事會成員如下：

執行董事

張偉權先生 (*主席*)
鄭孝仁先生 (*副主席*)
葉炯賢先生 (*行政總裁*)

非執行董事

林 江先生
白英海先生

獨立非執行董事

麥楊光先生
丘志明先生
林至穎先生

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Structure (continued)

The Directors' biographies are available on the Company's website. There is no personal relationship among members of the Board and in particular, between the Chairman and the CEO.

At least one of the INEDs has appropriate professional qualification as required by the Stock Exchange. The Company has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

The Directors (including the INEDs) were appointed for specific terms.

According to The International Tak Cheung Holdings Limited Act 1991 (the "Private Act", whereas "International Tak Cheung Holdings Limited" is the former name of the Company) under which the Company was exempted from certain compliances with the Bermuda Companies Act 1981 (the "Bermuda Companies Act"), the Directors shall not be required to be elected at each annual general meeting, but shall (save for any Chairman and managing Director) be subject to retirement by rotation in such manner and at such frequency as the Bye-laws may provide. Notwithstanding that no retirement by rotation is required for the managing director under the Private Act or the Bermuda Companies Act, Mr. Cheung, Mr. Cheng, and Mr. Ye as the Chairman, the Deputy Chairman and the CEO, respectively are willing to voluntarily retire from the directorships at annual general meetings of the Company at least once every three years by following the Bye-laws concerning the Directors' retirement by rotation, and being eligible, will offer themselves for re-election at the relevant annual general meetings.

Every Director is therefore subject to retirement by rotation either under the Bye-laws or voluntarily, and eligible for re-election at the annual general meetings of the Company at least once every three years.

董事會 (續)

架構 (續)

董事簡歷可於本公司網頁瀏覽。董事會成員之間，尤其主席與行政總裁之間，並無個人關係。

最少一名獨立非執行董事具備聯交所規定之合適專業資格。本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

董事（包括非執行董事及獨立非執行董事）均按指定任期委任。

按照The International Tak Cheung Holdings Limited Act 1991（「私人法例」，而「International Tak Cheung Holdings Limited」乃本公司之前稱），據此本公司獲豁免若干一九八一年百慕達公司法（「百慕達公司法」）應遵守之規定，董事不須於每次股東周年大會上選舉連任，但須（任何主席及董事總經理除外）根據公司細則所指定的方法及按時輪席卸任。儘管私人法例或百慕達公司法並無規定董事總經理輪席卸任，張先生、鄭先生及葉先生分別作為主席、副主席及行政總裁願意跟隨公司細則有關董事輪席卸任之規定，最少每三年於本公司之股東周年大會上自願輪席卸任為董事職務一次，並符合資格及願意於相關股東周年大會上膺選連任。

因此，每名董事須根據公司細則或自願最少每三年於本公司股東周年大會上輪席卸任一次，並符合資格重選連任。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD OF DIRECTORS (continued)

Assistance to Directors in Decision Making

Throughout their period in office, the Directors have been informed of the Group's businesses, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industries it operates in as a whole. They have also been advised on appointment of their legal and other duties and obligations as directors of a listed company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

The Directors are given access to independent professional advice at the Company's expense, when they deem it is necessary in order for them to carry out their responsibilities from time to time.

To enhance the Directors' consciousness on the importance of the directors' duties under common law (which is also generally applicable to Bermuda where the Company was incorporated) and to comply with the requirements of the Companies Ordinance (Cap. 622, Laws of Hong Kong), "A Guide on Directors' Duties" in which the general principles a director should follow in the performance of his functions and exercise of his powers was distributed to the Directors.

Conduct of Meetings

The Directors are consulted and properly briefed for matters to be included in the meetings' agenda. The Board is supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board's meeting is given to all Directors to provide them with the opportunity to attend the meeting. Board papers are dispatched to all Directors at least 3 days before the meetings to ensure that they have sufficient time to review the papers and will be adequately prepared for the meeting. The Management is invited to attend the meetings to address to the Board members' queries. This enables the Board to have pertinent data and insight for reaching a comprehensive and informed evaluation as part of the Board decision-making process.

董事會 (續)

給予董事決策之協助

於董事在任期間，彼等已獲知有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為上市公司董事之法定及其他職能以及職責獲提供意見，並於彼等成為董事後獲更新有關本集團之法定及監管規定之變動。

董事可不時視乎履行其職責所需而尋求獨立專業意見，當他們認為有需要時，費用概由本公司承擔。

為提高董事對普通法（彼亦一般地適用於本公司之註冊地百慕達）下董事職責重要性之意識及遵守公司條例（香港法例第622章）之要求，一份載有董事於執行職能及行使權力時應遵守之一般原則之「董事責任指引」已分發予董事。

會議之舉行

董事可獲諮詢及簡報會議議程內所載之事宜，並於每次定期董事會會議前獲提供有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，供其選擇是否出席會議。董事會文件於會議舉行前最少三日發給全體董事，以確保彼等具備足夠時間審閱文件，並為會議作好充份準備。管理層獲邀出席會議以解答董事會成員之提問。此舉令董事會在作出全面而知情之評估時，具有中肯之數據及認知，有助董事會作出決策。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD OF DIRECTORS (continued)

Conduct of Meetings (continued)

The chairman of the meetings has delegated the responsibility to the Company Secretary for drawing up and approving the meeting's agenda for each Board's meeting, taking into account of any matter proposed by each Director for inclusion in the agenda.

The proceedings of the Board at its meetings are generally monitored by the chairman of the meetings who would ensure that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to each Director to express his views and concerns.

Each Director has to declare his interest and to abstain from voting on any Board resolution in which he or any of his associates has a material interest pursuant to the Bye-laws and the laws of Bermuda.

All Directors have full access to the advice and services of the Company Secretary to ensure the Board procedures, rules and regulations are followed. Draft and final versions of minutes of each Board meeting in sufficient details are sent to the Directors for comments and records within reasonable time after the meeting is held. The minutes of Board's meetings and of the Board committees' meetings are kept by the Company Secretary, which are open for inspection by the Directors on reasonable notice.

Four Board meetings were held on 31 March, 31 August and two meetings on 21 December for the Year. The Company Secretary and the Management had attended the Board's meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting, finance and business.

董事會 (續)

會議之舉行 (續)

會議之主席已委派本公司公司秘書負責在考慮各董事建議之議程後，編撰及批核每次董事會會議之議程。

董事會之議事程序一般由會議之主席主持，以確保分配充裕之時間作出討論及考慮議程內之各個項目。各董事均獲平等機會表達其意見及關注事宜。

根據公司細則及百慕達法例，各董事均須申報其權益，並就其本身或其任何聯繫人士擁有重大權益之任何董事決議案放棄投票。

全體董事有權全面尋求公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。詳盡的各董事會會議記錄之初稿及最終稿將於舉行會議後之合理時間內，送交董事提供意見及記錄。董事會會議及董事會轄下委員會會議之記錄由公司秘書存置，並可由董事發出合理通知下供其查閱。

本年度董事會分別於三月三十一日、八月三十一日及兩次於十二月二十一日舉行共四次董事會會議。公司秘書及管理層均已出席董事會會議，匯報企業管治、風險管理、法規遵守、會計、財務及業務相關之事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Conduct of Meetings (continued)

Individual attendance of each Director at the meetings for the Year was as follows:

董事會 (續)

會議之舉行 (續)

本年度各董事於該等會議之出席率如下：

Directors	董事	No. of Board meetings attended/held (Percentage of attendance in total) 出席／舉行 董事會議數目 (總出席率)	No. of general meetings attended/held (Percentage of attendance in total) 出席／舉行 股東大會議數目 (總出席率)
Executive Directors			
Mr. Cheung Wai Kuen (Chairman)	張偉權先生 (主席)	4/4 (100%)	1/1 (100%)
Mr. Cheng Hau Yan (Deputy Chairman)	鄭孝仁先生 (副主席)	4/4 (100%)	1/1 (100%)
Mr. Ye Jiong Xian (CEO)	葉炯賢先生 (行政總裁)	4/4 (100%)	1/1 (100%)
Non-executive Directors			
Mr. Lin Jiang	林江先生	4/4 (100%)	1/1 (100%)
Mr. Bai Yinghai (Note)	白英海先生 (附註)		
Independent Non-executive Directors			
Mr. Mai Yang Guang	麥楊光先生	4/4 (100%)	0/1 (0%)
Mr. Yau Chi Ming	丘志明先生	4/4 (100%)	1/1 (100%)
Mr. Lam Chi Wing	林至穎先生	4/4 (100%)	1/1 (100%)

Note: During Mr. Bai's term of service in 2016, no board meeting or general meeting was held.

附註：白先生於二零一六年之在任期間，沒有舉行董事會或股東大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

Work Performed

During the Year, besides attending the Board's meetings to consider and make decision on corporate governance, risk management, statutory compliance, accounting, finance and business matters, the Directors had brought independent opinion and judgement on the Company's strategy, performance and standards of conduct; had taken the leave where potential conflicts of interests arose; had served on Board's committees; had ensured that the Board maintained high standards of financial and other mandatory reporting; had carried out reviews on matters reported by the Board's committees, and had provided adequate checks and balance to safeguard the interests of the Shareholders as a whole and the Company in general.

During the Year, the INEDs had actively participated in the Board's meetings, brought independent judgements and given their comments to the information or reports submitted to the meetings.

Besides holding the Board's or committees' meetings, in order to make timely decision and ensure effective implementation of the Company's policies and practices, the Board had also adopted written resolutions signed by all Directors for making decisions on corporate affairs from time to time.

As part of the continuing process on supervising the Company's affairs, the Directors, acting through by the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of the Company's accounting and financial reporting function, and their training programmes and budget during the Year.

Model Code for Securities Transactions

The Company has adopted the Model Code as a code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code regarding securities transaction throughout the Year.

董事會 (續)

履行之工作

本年內，除了出席董事會會議以考慮及決定企業管治、風險管理、法規遵守、會計、財務及業務事宜外，董事對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時已告退席；出任董事會轄下委員會成員；已確保董事會維持高水平之財務及其他強制申報準則；已審閱董事會轄下委員會報告之事項；以及提供足夠審查及平衡，以保障一般本公司與股東整體利益。

本年內，獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。

除了舉行董事會或委員會會議外，為了能及時作出決定及確保有效實施本公司之政策及實務，董事會亦不時採納全體董事書面決議為企業事務作出決定。

除作為持續監督本公司事務之程序外，董事已於本年度由審核委員會代行審閱本公司會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠。

進行證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易的操守準則。本公司在向全體董事及有關僱員作出具體查詢後，全體董事確認彼等本年內一直遵守標準守則載列的所需標準。

CORPORATE GOVERNANCE REPORT 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1 of the CG Code, the roles of the Chairman and the CEO should be separate and performed by different individuals. During the Year, the Chairman of the Board and the CEO are separate positions held by Mr. Cheung and Mr. Ye, respectively, with clear distinction in responsibilities. The segregation is clearly established and set out in writing to ensure a clear distinction between the Chairman's responsibility to manage the Board and CEO's responsibility to manage the Group's businesses.

BOARD COMMITTEES

The Board has established the Audit Committee, the Nomination Committee and the Remuneration Committee with defined roles and terms of reference.

Audit Committee

Structure

The Audit Committee has been established with the role to assist the Board in establishing formal and transparent arrangements for considering how it will apply the financial reporting and the internal control principles and for maintaining an appropriate relationship with the Independent Auditors. It acts in an advisory capacity and makes recommendations to the Board.

All the Audit Committee's members possess diversified industry experience. The current Audit Committee comprises all INEDs, namely:

Mr. Yau Chi Ming (*Chairman*)
Mr. Mai Yang Guang
Mr. Lam Chi Wing

主席及行政總裁

根據企管守則之守則條文第A.2.1條，主席及行政總裁之角色須予分開，需由不同人擔任。於本年度，公司主席及行政總裁的職務是分開的，分別由張先生及葉先生擔任。此分配已清楚以書面訂立，並清楚劃分主席負責管理董事會，而行政總裁負責管理本集團業務。

董事會轄下委員會

董事會已成立審核委員會、提名委員會及薪酬委員會，並界定其角色及職權範圍。

審核委員會

架構

審核委員會已成立，其角色為協助董事會建立正式及具透明度之安排，讓董事會考慮如何應用財務匯報及內部監控原則，以及如何與獨立核數師維持恰當的關係。審核委員會具有顧問職能，並向董事會提供意見。

審核委員會全體成員均具備多元化的行業經驗。現時審核委員會由全體獨立非執行董事組成，彼等為：

丘志明先生 (*主席*)
麥楊光先生
林至穎先生

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (continued)

Audit Committee (continued)

Function

The Audit Committee's terms of reference can be found on the Company's website.

The major duties of the Audit Committee are summarised below:

- (i) to make recommendations to the Board on the appointment, re- appointment and removal of the Independent Auditors, review and monitor their independence and objectivity as well as the effectiveness of the audit process;
- (ii) to monitor the integrity of the interim and annual consolidated financial statements, reports and accounts and quarterly reports (if applicable) of the Company, and to review any significant financial reporting judgements contained in them; and
- (iii) to review and ensure the effectiveness of the Company's financial control, internal control and risk management systems.

Conduct of Meetings

The Audit Committee shall meet with the Independent Auditors at least twice each year. As least 7 days' notice has to be given prior to any meeting being held unless all members of Audit Committee unanimously waive such notice. The Company prepares and delivers an information memorandum that includes all relevant information about the meetings to the Audit Committee's members at least 3 days prior to such meetings. During the Year, the Audit Committee's members reviewed the information memorandum with due care and discussed with the financial controller of the Group (who is also the Company Secretary) and other Management (if necessary) during the meetings.

During the Year, the Audit Committee held two meetings on 31 March and 31 August with the presence of the Management. Minutes drafted by the Company Secretary were circulated to the Audit Committee's members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Audit Committee's members for records.

董事會轄下委員會 (續)

審核委員會 (續)

職能

有關審核委員會之職權範圍，可瀏覽本公司網頁。

審核委員會之主要職責概述如下：

- (i) 就委任、續聘及罷免獨立核數師向董事會提供意見、審核及監控彼等之獨立性及客觀性，以及審核程序之有效性；
- (ii) 監察本公司中期及全年綜合財務報表、報告和賬目及季度報告（如適用）之完整性，以及審閱上述各項所載之任何重大財務報告之判斷；及
- (iii) 審閱及確保本公司財務監控、內部監控及風險管理系統之有效性。

會議之舉行

審核委員會成員與獨立核數師每年須最少開會兩次。除非全體審核委員會成員一致通過豁免通知之要求外，否則任何會議通知須最少該會舉行前7天發出。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於審核委員會開會前最少三日提交予審核委員會成員。本年內，審核委員會成員謹慎地審閱資料備忘錄，並於會議上與財務總監（彼亦為公司秘書）及其他管理層（如有需要）討論。

本年內，審核委員會分別於三月三十一日及八月三十一日舉行共兩次會議，而管理層均有出席。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員傳閱及給予意見。經簽署之會議記錄已由公司秘書存置，有關副本亦已送交審核委員會成員以作記錄。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (continued)

Audit Committee (continued)

Conduct of Meetings (continued)

Individual attendance of each committee's member at the meetings for the Year was as follows:

Members	成員	No. of meetings attended/held (Percentage of attendance in total)
		出席／舉行會議數目 (總出席率)
Mr. Yau Chi Ming (Chairman)	丘志明先生 (主席)	2/2 (100%)
Mr. Mai Yang Guang	麥楊光先生	2/2 (100%)
Mr. Lam Chi Wing	林至穎先生	2/2 (100%)

Work Performed

The works performed by the members of Audit Committee in the Year were summarised below:

- (i) reviewed and considered the Group accounts and financial statements for the year ended 31 December 2015, and interim report of 2016;
- (ii) reviewed, discussed and agreed with the Independent Auditors in respect of the audit fee for the Year; the terms of the engagement letters for the Year; and the nature, scope of audit and reporting obligations for the Year;
- (iii) reviewed and assessed the adequacy and effectiveness of the Group's financial reporting and controls, internal control procedures and risk management systems, and the Group's internal audit function;
- (iv) reviewed the corporate governance practices and monitored the progress of compliance of the CG Code;
- (v) carried out annual review on the continuing connected transactions of the Company (including those fallen outside Rule 14A.33 of the Listing Rules and not required to be made public (if any)) and their financial implication in their capacity as INEDs;

董事會轄下委員會 (續)

審核委員會 (續)

會議之舉行 (續)

本年度各委員會成員於該等會議之出席率如下：

Members	成員	No. of meetings attended/held (Percentage of attendance in total)
		出席／舉行會議數目 (總出席率)
Mr. Yau Chi Ming (Chairman)	丘志明先生 (主席)	2/2 (100%)
Mr. Mai Yang Guang	麥楊光先生	2/2 (100%)
Mr. Lam Chi Wing	林至穎先生	2/2 (100%)

履行之工作

審核委員會成員本年度履行之工作概述如下：

- (i) 審閱及省覽本集團截至二零一五年十二月三十一日止年度之賬目及財務報表，以及二零一六年之中期報告；
- (ii) 與獨立核數師審閱、討論及商定本年度核數費用；本年度委聘書之條款；及本年度核數之性質、範圍及申報責任；
- (iii) 審閱及評估本集團之財務匯報及監控、內部監控程序、風險管理系統及本集團內部審核功能是否足夠及有效；
- (iv) 檢討企業管治常規及監控遵循企管守則之進度；
- (v) 以獨立非執行董事之身份，對本公司之持續關連交易（包括上市規則第14A.33條所涵蓋的範圍以外及無需披露者（如有））及其財務影響進行周年審閱；

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Audit Committee (continued)

Work Performed (continued)

- (vi) reviewed the overall performance of the Group for the year ended 31 December 2016;
- (vii) reviewed the adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmes and budget; and
- (viii) prepared and submitted to the Board an Audit Committee's report detailing the works performed by the Audit Committee during the Year, presented its findings and made recommendations for the Board's consideration.

Overall, the Audit Committee was satisfied with the condition of the Company, including the corporate governance practices, internal control system, the conduct of the continuing connected transactions and adequacy of resources, qualifications and experience of the staff in accounting and financial reporting function, and the training programmes and budget.

On 31 March 2017, the Audit Committee reviewed the Group's accounts and draft consolidated financial statements for the Year. Details of this work will be given in corporate governance report for the financial year ended 31 December 2016 under the Listing Rules.

董事會轄下委員會 (續)

審核委員會 (續)

履行之工作 (續)

- (vi) 審閱本集團截至二零一六年十二月三十一日止年度之整體表現；
- (vii) 審閱會計及財務匯報職能方面的資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是否足夠；及
- (viii) 編製並向董事會呈交審核委員會報告，當中詳列審核委員會本年內已履行之工作，以及呈交其審核結果及向董事會提供建議以作考慮。

整體而言，審核委員會滿意本公司現狀，包括企業管治常規、內部監控制度、持續關連交易之進行，以及會計及財務匯報職能方面之資源、員工資歷及經驗與員工所接受的培訓課程及有關預算是足夠的。

於二零一七年三月三十一日，審核委員會已審閱本集團本年度之賬目及綜合財務報表之草稿。有關此履行工作之詳情將根據上市規則刊載於截至二零一六年十二月三十一日止之財政年度之企業管治報告內。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Nomination Committee

Structure

The Nomination Committee has been established since 1 April 2012 with the role to lead the process and make recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in the light of challenges and opportunities facing by the Company, as well as business development and requirements of the Company and to take approved action if within delegated authority.

The current Nomination Committee comprises all INEDs, namely:

Mr. Mai Yang Guang (Chairman)
Mr. Yau Chi Ming
Mr. Lam Chi Wing

Function

The major duties of the Nomination Committee are summarised below:

- (i) to review the structure, size, composition and diversity (including evaluation of the skills, knowledge, professional experience, cultural and education background, gender and age of the Board members) of the Board at least annually and make recommendation on any proposed change to the Board to complement the Company's corporate strategy;
- (ii) to identify individual suitably qualified to become Board members and select or make recommendations to the Board on the selection of individual nominated for directorship;
- (iii) to assess the independence of INEDs;
- (iv) to make recommendations to the Board on the appointment or re- appointment of Directors and succession planning for Directors, in particular the Chairman, the Deputy Chairman and the chief executive; and
- (v) to consult the Remuneration Committee about its remuneration proposals for the candidate to be appointed as a Director.

The Nomination Committee's terms of reference can be found on the Company's website.

董事會轄下委員會 (續)

提名委員會

架構

提名委員會已於二零一二年四月一日成立，其角色為於是否需要額外委任董事或填補董事職務之臨時空缺時，在委任董事會成員之過程中作出領導及提出建議，並因應本公司面對之任何挑戰及機遇，以及在配合本公司之業務發展及需要下，於其授予之權力範圍內採取認可之行動。

現時提名委員會由全體獨立非執行董事組成，彼等為：

麥楊光先生 (主席)
丘志明先生
林至穎先生

職能

提名委員會之主要職責概述如下：

- (i) 至少每年檢討董事會的架構、人數、組成及多元化 (包括對董事會成員之技能、知識、專業經驗、文化及教育背景，性別及年齡作評估)，並就任何為配合本公司之企業策略而擬對董事會作出的變動提出建議；
- (ii) 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (iii) 評核獨立非執行董事的獨立性；
- (iv) 就董事委任或重新委任，以及董事 (尤其是主席、副主席及高級行政人員) 繼任計劃向董事會提出建議；及
- (v) 就即將被委任為董事之人選之薪酬建議諮詢薪酬委員會。

有關提名委員會之職權範圍，可瀏覽本公司網頁。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Function (continued)

The Nomination Committee would consult the executive Directors about its proposals on appointment of other Directors and seek internal and external professional advices if considered necessary.

Conduct of Meetings

During the Year, the Nomination Committee held a meeting on 31 March 2016 to consider and approve the nomination of the non-executive Director and INEDs for the Year.

Individual attendance of each committee's member at the meeting for the Year was as follows:

Members	成員	No. of meetings attended/held (Percentage of attendance in total)
		出席／舉行會議數目 (總出席率)
Mr. Mai Yang Guang (Chairman)	麥楊光先生 (主席)	1/1 (100%)
Mr. Yau Chi Ming	丘志明先生	1/1 (100%)
Mr. Lam Chi Wing	林至穎先生	1/1 (100%)

The Nomination Committee shall meet at least once each year. At least 7 days' notice has been given prior to any meeting being held unless all members of the Nomination Committee unanimously waive such notice.

The Company prepared and delivered meeting papers that include all relevant information about the meeting to the Nomination Committee's members at least 3 days prior to such meeting. Minutes drafted by the Company Secretary were circulated to the Nomination Committee's members for comments within a reasonable time after this meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Nomination Committee's members for records.

董事會轄下委員會 (續)

提名委員會 (續)

職能 (續)

提名委員會須就其他董事之提名建議諮詢執行董事，並在認為有需要時尋求內部及外界專業意見。

會議之舉行

本年內，提名委員會於二零一六年三月三十一日舉行會議，以考慮及批准本年度非執行董事及獨立非執行董事之提名。

本年度各委員會成員於該會議之出席率如下：

提名委員會每年須最少開會一次。除非全體提名委員會成員一致通過豁免通知之要求外，否則任何會議通知須最少該會舉行前七日發出。

本公司編製及派發會議文件，內容包括會議時所需之相關資料，於該會議開會前最少三日提交予提名委員會成員。公司秘書草擬的會議記錄已於此次會議後一段合理時間內交予提名委員會成員傳閱及給予意見。經簽署之會議記錄由公司秘書存置，有關副本亦已送交提名委員會成員以作記錄。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Conduct of Meetings (continued)

On 31 March 2016, the Nomination Committee reviewed the diversity of the Board against the measurable objectives in accordance with the diversity policy of the Board.

Board Diversity Policy

The Company recognises and embraces the benefit of having a diverse board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage and achieving long-term sustainable growth for the Group. Elements of Board's diversity policy include gender, age, cultural and educational background, professional experience, skills and knowledge of Directors. The Board said elements have substantially been included in the current Board composition.

Nomination Procedures, Process and Criteria

The Nomination Committee leads the process and makes recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in the light of challenges and opportunities facing the Company, as well as business development and requirements of the Company. In evaluating and selecting candidate(s) for directorship, the Nomination Committee considers the character and integrity; skills and expertise; professional and educational background; potential time commitment for the Board and/or its committee responsibilities; and the elements of the Board's diversity policy etc. The Nomination Committee makes recommendation to the Board to appoint the appropriate person among the candidates nominated for directorship. Suitable candidate(s) shall be appointed by the Board in accordance with the Bye-laws and the Listing Rules.

董事會轄下委員會 (續)

提名委員會 (續)

會議之舉行 (續)

於二零一六年三月三十一日，提名委員會按照董事會多元化政策審閱了董事會多元化可計量的目標。

董事會多元化政策

本公司認同及相信多元化董事會帶來之裨益，並視董事會日益多元化為維持本集團競爭優勢及實現長遠可持續增長之必須元素。董事會多元化政策之元素包括董事之性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會目前之組成已大致包含上述元素。

提名程序、過程及準則

提名委員會於需要額外委任董事或填補董事職務之臨時空缺時，會因應本公司面對之挑戰及機遇，以及在配合本公司之業務發展及需要下，作出領導及就委任向董事會提出建議。於評估及挑選董事職位之人選時，提名委員會會考慮其品格及誠信；技能及專長；專業及學術背景；就履行董事會及／或其轄下委員會職責承諾能投放之時間；以及董事會多元化政策之元素等。提名委員會在董事職位之候選名單中挑選合適人選並向董事會提供建議。董事會根據公司細則及上市規則，委任合適之人士。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Continuous Professional Development of the Directors

During the Year and up to the date of this report, all Directors participated the following continuous professional development (CPD) to develop and refresh their knowledge and skills in compliance with code provision A.6.5 of the CG Code to ensure that their contribution to the Board remains informed and relevant. The Company is responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Directors.

董事會轄下委員會 (續)

提名委員會 (續)

董事之持續專業發展

於本年度至本報告之日，根據企管守則之守則條文第A.6.5條，所有董事已經參與以下持續專業發展，以發展及更新他們的知識及技能，確保他們在董事會的參與是完整。本公司有責任安排及找尋適合培訓，以負荷而董事的職能，功能及責任。

Directors	董事	Type of training 培訓類別 (See Remarks) (見附註)
Executive Directors		
Mr. Cheung Wai Kuen (Chairman)	張偉權先生 (主席)	B
Mr. Cheng Hau Yan (Deputy Chairman)	鄭孝仁先生 (副主席)	B
Mr. Ye Jiong Xian (CEO)	葉炯賢先生 (行政總裁)	A, B
Non-executive Directors		
Mr. Lin Jiang	林江先生	A, B, C
Mr. Bai Yinghai	白英海先生	A, B
Independent Non-executive Directors		
Mr. Mai Yang Guang	麥楊光先生	B
Mr. Yau Chi Ming	丘志明先生	A, B
Mr. Lam Chi Wing	林至顯先生	A, B, C

Remarks:

A: attending seminars and/or training

B: reading Listing Rules, updates, articles and/or materials etc.

C: preparing and/or giving seminar presentations

註:

A: 參與講座及／或培訓

B: 閱讀上市規則、更新、文章及／或材料等

C: 準備及／或提供講座材料

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Remuneration Committee

Structure

The Remuneration Committee has been established with the role to assist the Board in reviewing and determining the framework or policy for remuneration packages of the Directors and the senior management of the Group, overseeing any major changes in employee benefit structures and considering other topics as defined by the Board.

The current Remuneration Committee comprises all INEDs, namely:

Mr. Mai Yang Guang (*Chairman*)
Mr. Yau Chi Ming
Mr. Lam Chi Wing

Function

The major duties of the Remuneration Committee are summarised below:

- (i) to set, review and make recommendations to the Board for approving the Group's overall remuneration policy and strategy;
- (ii) to set, review and approve performance-based remuneration and individual remuneration packages for the executive Directors and the Management including terms and conditions of employment as well as compensation payable due to loss or termination of office, and dismissal or removal for misconduct; and
- (iii) to make recommendations to the Board on the remuneration of non-executive Directors and INEDs.

The Remuneration Committee's terms of reference can be found on the Company's website.

The Remuneration Committee would consult the Chairman, the Deputy Chairman and/or the CEO about its proposals on remuneration of other executive Directors and seek internal and external professional advices if considered necessary.

董事會轄下委員會 (續)

薪酬委員會

架構

薪酬委員會已成立，其角色為協助董事會檢討及釐定董事及高級管理層之薪酬待遇或政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

現時薪酬委員會由全體獨立非執行董事組成，彼等為：

麥楊光先生 (*主席*)
丘志明先生
林至穎先生

職能

薪酬委員會之主要職責概述如下：

- (i) 制訂、檢討及建議董事會批准本集團之整體薪酬政策及策略；
- (ii) 制訂、檢討及批准以表現為考慮基礎之薪酬，以及執行董事及管理層之個別薪酬待遇，包括僱傭條款及條件，以及因離職或終止受僱及因行為不當而遭解僱或罷免所產生需支付之賠償；及
- (iii) 就非執行董事及獨立非執行董事之薪酬向董事會提供意見。

有關薪酬委員會之職權範圍，可瀏覽本公司網頁。

薪酬委員會須就其他執行董事之薪酬建議諮詢主席、副主席及／或行政總裁，並在認為有需要時尋求內部及外界專業意見。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

Conduct of Meetings

During the Year, the Remuneration Committee held a meeting on 31 March 2016 to consider and approve the annual remuneration of the Directors for the Year.

Individual attendance of each committee's member at the meeting for the Year was as follows:

Members	成員	No. of meetings attended/held (Percentage of attendance in total)
		出席／舉行會議數目 (總出席率)
Mr. Mai Yang Guang (Chairman)	麥楊光先生 (主席)	1/1 (100%)
Mr. Yau Chi Ming	丘志明先生	1/1 (100%)
Mr. Lam Chi Wing	林至穎先生	1/1 (100%)

The Remuneration Committee shall meet at least once each year. As least 7 days' notice has to be given prior to any meeting being held unless all members of Audit Committee unanimously waive such notice.

The Company prepared and delivered meeting papers that include all relevant information about the meeting to the Remuneration Committee's members at least 3 days prior to such meeting. Minutes drafted by the Company Secretary were circulated to the Remuneration Committee's members for comments within a reasonable time after this meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Remuneration Committee's members for records.

董事會轄下委員會 (續)

薪酬委員會 (續)

會議之舉行

本年內，薪酬委員會於二零一六年三月三十一日共舉行一次會議，以考慮及批准本年度董事之年度酬金。

本年度各委員會成員於該會議之出席率如下：

薪酬委員會每年須最少開會一次。除非全體審核委員會成員一致通過豁免通知之要求外，否則任何會議通知須最少該會舉行前七日發出。

本公司編製及派發會議文件，內容包括會議時所需之相關資料，於該會議開會前最少三日提交予薪酬委員會成員。公司秘書草擬的會議記錄已於此次會議後一段合理時間內交予薪酬委員會成員傳閱及給予意見。經簽署之會議記錄由公司秘書存置，有關副本亦已送交薪酬委員會成員以作記錄。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

Remuneration Policy

After annual review in the aforesaid meeting, the Directors' emoluments remain unchanged. The Chairman and the Deputy Chairman are entitled to an annual remuneration of HK\$150,000. In addition, the Chairman, the Deputy Chairman and the CEO have entitled to monthly salary of HK\$50,000, HK\$120,000 and HK\$35,385 respectively, subject to annual review with reference to their duties and responsibilities as well as the prevailing market condition.

Non-executive Directors are entitled to an annual remuneration of HK\$150,000 as a position of Director. A non-executive Director is also entitled to an annual consultancy fee of HK\$150,000 as adviser of the Group determined by the Board subject to annual review with reference to his duties and responsibilities as well as the prevailing market condition.

The INEDs are not entitled to any other emoluments for holding office as the INEDs except for their entitlement of an annual remuneration of HK\$150,000 determined by the Board subject to annual review with reference to their duties and responsibilities as well as the prevailing market condition.

The Company aims to attract, retain and motivate talented and recognised staff, the Management and Directors of the Group by adoption of share option scheme. The Company adopted a share option scheme on 11 October 2012. As at 31 December 2016, the Company had granted an aggregate of 35,800,000 share options carrying the right to subscribe for the nominal ordinary shares of HK\$0.01 each of the Company, representing approximately 1.38% of total of 2,596,255,008 shares of issued share capital of the Company on 5 January 2016 (date of grant). During the Year, no share options had been exercised or expired. Accordingly, 35,800,000 share options were outstanding as at 31 December 2016.

Remuneration payable to the senior management and highest paid employees of the Company by band is disclosed in Note 12 of the consolidated financial statements of the Group in this report.

董事會轄下委員會 (續)

薪酬委員會 (續)

薪酬政策

於上述會議經年度審閱後，董事酬金維持不變。主席及副主席每年享有150,000港元之董事袍金，另外，主席、副主席及行政總裁分別享有月薪50,000港元、120,000港元及35,385港元，有關薪金須參考彼等職務與責任以及當時市況而作出檢討。

非執行董事就擔任董事職位每年享有150,000港元之袍金。一名非執行董事就擔任本集團顧問每年享有150,000港元之顧問費用。有關薪金須由董事會參考彼之職務與責任以及當時市況而每年作出檢討。

獨立非執行董事除每年享有150,000港元之袍金外，並無就擔任獨立非執行董事收取任何其他薪酬。有關薪金須由董事會參考彼等之職務與責任以及當時市況而每年作出檢討。

本公司旨在通過採納購股權計劃，以吸引、保留及激勵有才能及獲肯定的本集團員工、管理層及董事。本公司於二零一二年十月十一日採納了一項購股權計劃。於二零一六年十二月三十一日，本公司累計合共授出35,800,000份每股面值0.01港元之普通股股份之購股權，相等於二零一六年一月五日（授出日期）本公司已發行股本共2,596,255,008股之約1.38%。本年內，沒有購股權被行使或已屆滿。因此，於二零一六年十二月三十一日，仍有35,800,000份尚未行使或未屆滿的購股權。

本公司高級管理層及最高薪酬僱員的按組別劃分薪酬已在本報告內本集團綜合財務報表附註12中披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code. During the Year, the Board has reviewed and monitored the Company's corporate governance policies and practices, training and CPD of Directors and senior management of the Group, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

MANAGEMENT FUNCTIONS

The executive Directors have defined clear directions on powers of management and delegated daily management and administration functions to the Management. The functions reserved to the Board and those delegated to the Management are reviewed from time to time. The Company would formalise the division of responsibility between the Board and the Management when the operational requirement of the Group justifies such division.

INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng Limited was appointed as the Independent Auditors by the Shareholders at the 2016 annual general meeting of the Company held on 31 May 2016 (the "2016 AGM"). In order to maintain the independence and objectivity of the Independent Auditors (which for these purposes include any entity under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), they will not be engaged for non-audit work unless it has been pre-approved by the Audit Committee pursuant to the Company's non-audit services policy.

企業管治職能

董事會負責履行企管守則之守則條文第D.3.1條所載職能。本年度內，董事會已審閱及監察本公司的企業管治政策及慣例、本集團董事及高級管理層的培訓及持續專業發展、本公司關於法律及監管規定合規、標準守則合規及本公司企管守則合規以及企業管治報告的披露。

管理層職能

執行董事就管理層的權力，並就指派管理層處理日常管理及行政職能給予清晰的指引。董事會所保留與委派予管理層之職能乃不時予以檢討。倘本集團之規模發展至須劃分董事會與管理層之職責時，本公司將制訂該等職責劃分。

獨立核數師

國衛會計師事務所有限公司於二零一六年五月三十一日舉行之本公司二零一六年股東周年大會（「二零一六年股東周年大會」）上已獲股東聘任為獨立核數師。為保持獨立核數師之獨立性及客觀性（就此而言包括與核數師行共同控制、擁有或管理之任何實體，或合理及知情第三方在接獲一切相關資料後合理認為在國家或國際方面屬核數師行一部分之任何實體），其將不會受聘進行非核數工作，除非已根據本公司之非審核服務政策獲審核委員會事先批准。

CORPORATE GOVERNANCE REPORT 企業管治報告

INDEPENDENT AUDITORS (continued)

Independent Auditors were engaged on an ad hoc basis to provide non-audit services, such as to provide a confirmation letter to the Board and a copy of this letter to the Stock Exchange to confirm, among others, that the continuing connected transaction had not exceeded the stipulated caps for the transaction, as part of the process for the annual review of the transaction as required under the Listing Rules during the Year. The fundamental policy of the Group is to ensure that the engagement of the Independent Auditors for non-audit services will not harm their independence or cause any bias on audit works for the presentation of the consolidated financial statements of the Group. During the Year, the fees for engaging HLB Hodgson Impey Cheng Limited to carry out works in connection with the annual review of a continuing connected transaction aggregated to HK\$50,000, pursuant to the requirements of the Listing Rules.

At the 2016 AGM, HLB Hodgson Impey Cheng Limited was appointed by the Shareholders as the Independent Auditors. The audit fees for auditing the consolidated financial statements of the Group for the Year was HK\$1,380,000.

The accounts for the Year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee recommended to the Board that HLB Hodgson Impey Cheng Limited will be nominated for re-appointment as Independent Auditors at the forthcoming annual general meeting.

FINANCIAL REPORTING

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as inside information announcements and financial disclosures published as required under the Listing Rules.

獨立核數師 (續)

本年內獨立核數師於特別情況下提供非審核之服務，如本年內按上市規則規定提供確認書給予董事會及該信函副本給予聯交所，以確認（連同其他事項）持續關連交易並無超過該交易既定之上限，以視作為該交易周年審閱之部分程序。本集團之基本政策乃確保獨立核數師對非審核服務之參與不會損害彼等獨立性或導致編製本集團綜合財務報表時構成審核偏頗。根據上市規則規定，本年內，根據上市規則，聘任國衛會計師事務所有限公司就持續關連交易周年審閱所進行之工作費用合計為50,000港元。

於二零一六年股東周年大會上，國衛會計師事務所有限公司已獲股東聘任為獨立核數師。本年度本集團綜合財務報表之審核費用為1,380,000港元。

本年度之賬目經由國衛會計師事務所有限公司審核，彼於即將舉行之股東周年大會上任滿。審核委員會已向董事會建議，於本公司即將舉行之股東周年大會上提名委任國衛會計師事務所有限公司為續聘獨立核數師。

財務報告

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以盡早發布為基礎，而中期報告及年報，連同其他內幕消息公布及財務披露則根據上市規則之規定而發布。

CORPORATE GOVERNANCE REPORT

企業管治報告

FINANCIAL REPORTING (continued)

The Management provides explanation, information and progress update to the executive Directors and/or the Board in order for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

Throughout the Year, the Directors had selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with generally accepted accounting standards published by the HKICPA. A statement by the HLB Hodgson Impey Cheng Limited about their reporting responsibilities for the Year is set out in the Independent Auditors' Report.

HLB Hodgson Impey Cheng Limited did not report for the Year that there was any material uncertainty relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, maintaining sound and effective risk management and internal control systems and reviewing their effectiveness to safeguard Shareholders' investment and the Group's assets. To this end, the Company continues to allocate resources for internal control and risk management systems to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk or failure to achieve business objectives.

During the Year, the Group has implemented an internal audit function. The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems, through the Audit Committee.

財務報告 (續)

管理層向執行董事及／或董事會提供解釋、資料及最新進度，讓董事會就財務及其他事項於提交董事會審批及考慮前，可作出知情評估。

本年全年內，董事已選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目，賬目須真實而公平，並根據香港會計師公會頒佈而普遍被採用之會計準則。國衛會計師事務所有限公司就彼等本年度之報告責任所發出之聲明已載於本報告內。

國衛會計師事務所有限公司並無就本年度有關任何重大涉及可能對本集團持續經營能力存疑之事件或狀況之重大不確定因素作出報告。

風險管理及內部監控

董事會全面負責評估及釐定為達成本集團戰略目標所願承擔的風險性質及程度、維持穩健及有效的風險管理和內部監控系統並檢討其成效，以保障股東的投資及本集團資產。為此，本公司持續投放資源予內部監控及風險管理系統，為不會有重大的失實陳述或損失作出合理（而非絕對）的保證，並管理（而非消除）未能達到業務目標的風險。

本年內本集團實施內部審核功能。董事會已透過審核委員會檢閱本集團的風險管理及內部監控系統的充足程度及成效。

CORPORATE GOVERNANCE REPORT 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

Risk Management Procedures

Establish risk context – internal audit establishes common risk assessment and criteria and sets up risk reference tables for the Group.

Risk identification – departments identify the risks that potentially impact the key process of their operations.

Risk assessment – departments assess and score the risks identified along with their impact on the business and the likelihood of their occurrence.

Risk treatment – departments assess effectiveness of existing controls and provide treatment plans when required.

Risk reporting and monitoring – departments monitor risk mitigating activities. Risks are regularly reported at appropriate level within the Group and assurance is provided on the progress of treatment plans.

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorised use of inside information and has communicated to all staff; the Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and conducts the affairs with reference to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission in June 2012. In addition, only Directors and delegated officers can act as the Group’s spokesperson and respond to external enquiries about the Group’s affairs.

Principal Risks

The Group faces a number of principal risks and uncertainties that if not properly managed could create an exposure for the Group. Thorough risk assessment and mitigation help ensure these risks are well managed and governed effectively. Principal risks identified by the Group are disclosed in the Directors’ Report under the section headed “Risks and Uncertainties Relating to the Group’s Business”.

風險管理及內部監控 (續)

風險管理程序

設定風險背景 – 內部審核為本集團設定通用的風險評估準則及制定風險參照。

風險識別 – 各部門識別對其營運重要程序具有潛在影響的風險。

風險評估 – 各部門就已識別的風險對其業務的影響及其發生的可能性作出評估及評分。

風險處理 – 各部門評估現有監控措施的成效，並在有需要時提供處理方案。

風險匯報及監察 – 各部門監察風險紓減工作。本集團內相關管理層級別會獲定期匯報風險，而處理方案進度亦會獲提供保證。

關於處理及發佈內幕消息的程序和內部監控措施，本集團既有內部政策及程序嚴禁未經授權使用內幕消息，並已傳遞給所有員工。董事會明白根據上市規則發佈任何內幕消息的責任及按照證券及期貨事務監察委員會於二零一二年六月發表的《內幕消息披露指引》行事。此外，只有董事及授權職員才可擔任本集團的發言人及回應外部對本集團事情的諮詢。

主要風險

本集團面對多項主要風險及不明朗因素，倘沒有妥善管理，可能會為本集團帶來影響。全面的風險評估及紓減風險措施有助本集團確保該等風險得到適當管理及有效控制。本集團識別的主要風險已於董事會報告 – 「有關本集團業務的風險及不確定因素」一段內披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures are followed and for facilitating information flows and communications among Directors as well as with Shareholders and the Management. The Company Secretary's biography is set out in the "Profiles of Directors and Senior Management" section of this report. During the Year, the Company Secretary had undertaken not less than 15 hours of professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company is committed to safeguarding the Shareholders' and the Company's interests as a whole and encourages the Shareholders to attend general meetings for participating in the important decisions of the Company for which the Shareholders' approval is required under the Listing Rules and the laws of Bermuda. The Company regards general meeting as an important event as it provides an important opportunity for direct communication between the Board and the Shareholders. Notices of the 2016 AGM, together with the annual report and circular, was sent to the Shareholders more than 20 clear business days before the meeting whereas notice of the special general meeting, together with circular, was sent to the Shareholders more than 10 clear business days before the meeting. These can allow more time for the Shareholders to digest information in the annual report and circulars, and to consider whether joining the meetings or not.

With the implementation of poll voting in lieu of show of hands at all general meetings of a listed company, shareholders can fully reflect their proprietary rights and interests by means of poll which is regarded as a fairer method of determination on business matters than voting on a show of hands at general meetings under the Listing Rules.

The Chairman acting as the chairman of the 2016 AGM, took the initiative to demand for a poll at the commencement of the meetings and explained the detailed procedures for conducting a poll to the Shareholders. All resolutions were put to vote and passed by poll under the scrutiny of the independent share registrar. The poll results were made public by means of public announcements which were uploaded to the websites of the Company and the Stock Exchange.

公司秘書

公司秘書負責確保董事會的程式是有根據的及促進董事、股東及管理層間的信息流程及溝通，公司秘書的簡歷已載於本報告的董事及高級管理層部分。於本年度，公司秘書已遵守上市規則第3.29條，參加不少於15小時的專業培訓。

股東權利

本公司銳意保障股東及本公司之整體利益，並鼓勵股東出席股東大會，以參與上市規則及百慕達法例要求股東批准之重要決策。鑑於股東大會為董事會與股東直接溝通之主要機會，故本公司視股東大會為一項重要事項。召開二零一六年股東周年大會之通告，連同年報及通函，已在開會前，超過二十個營業日發送予股東，而召開股東特別大會之通告連同通函，已在開會前超過十個營業日發送予股東，以讓股東有更多時間消化年報及通函之資料，及考慮是否參與會議。

根據上市規則，隨著上市公司於所有股東大會上實行以按股數投票方式表決以代替舉手方式表決之落實，股東以股數投票方式表決能全面反映股東之財產權益，且於股東大會上作為股東決定業務之辦法，較舉手方式表決更為公平。

主席於二零一六年股東周年大會擔任會議主席時，於會議開始時主動要求以按股數投票方式表決，並向股東解釋進行按股數投票表決之詳細程序。在獨立股份過戶登記處之監察下，所有議案以按股數投票方式表決及通過。按股數投票方式表決之結果以公開公布之方式，已上載至本公司及聯交所之網頁。

CORPORATE GOVERNANCE REPORT 企業管治報告

SHAREHOLDERS' RIGHTS (continued)

Statutory announcements, financial and other information of the Group are made available on the Company's website, which are regularly updated.

The Shareholders may put their enquires to the Board and also put forward proposals at general meetings by way of a written notice addressed to the Company Secretary at the principal office of the Company in Hong Kong.

INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the Shareholders, including institutional investors, is crucial. The Company considers good investor relations as a key part of its operations and continues to promote investor relations and enhances communications with the investors.

The Company maintains a corporate website (www.cs-ih.com) to make the Group's information, statutory announcements, and other financial and non-financial information available on the internet to facilitate its communication with the Shareholders.

The Company welcomes suggestions from investors and the Shareholders, and invites them to share their views and suggestions by contacting the Investor Relations Team at ir@cs-ih.com.hk.

CHANGE IN CONSTITUTIONAL DOCUMENTS

There is no change in the memorandum of association and the Bye-laws for the Year.

股東權利 (續)

本集團之法定公告、財務及其他資料可於本公司網頁瀏覽，並定期更新。

股東可向董事會作出提問，並以書面通知方式致本公司於香港之主要辦事處向公司秘書提交於股東大會提呈之建議。

投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東（包括機構投資者）定時溝通更屬不可或缺之部分。本公司認為良好投資者關係乃其運作之主要部分，並持續推廣投資關係及加強與投資者之溝通。

本公司設有公司網頁(www.cs-ih.com)，使股東可透過互聯網取得本集團之資料、法定公告及其他財務和非財務資料，加強與股東之溝通。

本公司歡迎投資者及股東提出意見，並誠邀彼等通過ir@cs-ih.com.hk聯繫投資者關係部分享彼等之意見及建議。

變更憲制性文件

於本年度，公司細則並沒有任何變更。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE CODE

The Company had fully applied the principles and complied with the requirements of the CG Code, as set out in Appendix 14 of the Listing Rules throughout the Year. None of the Directors was aware of any information that would reasonably indicate that the Company was, during the Year, not compliant with the CG Code except for the deviations as follows:

Pursuant to Rule 3.10(1) of the Listing Rules, the Board must include at least three INEDs. Pursuant to Rule 3.21 of the Listing Rules, the Audit Committee must comprise a minimum of three members. Following the resignation of Mr. Huang Liang as an INED on 17 December 2015, the number of INED and the number of members of the Audit Committee fell below the minimum requirements under Rule 3.10(1) and Rule 3.21 of the Listing Rules.

On 15 March 2016, the Company appointed Mr. Lam Chi Wing as an INED, a member of the Audit Committee and also a member of other board committees of the Company. Following the appointment Mr. Lam as an INED and a member of the Audit Committee, the Company met the minimum requirements under Rule 3.10(1) and Rule 3.21 of the Listing Rules.

CONCLUSION

Notwithstanding the deviation from the code provisions, the Company trusts that it has maintained a high standard of corporate governance during the Year. The Company believes that corporate governance principles and practices are essential to the business communities. Ongoing effort will be given to review its corporate governance practices from time to time so to accommodate the changing circumstances. The Company will strive to maintain and strengthen the standard and quality of its corporate governance.

企業管治守則

本公司於本年度一直全面應用上市規則附錄十四企管守則之原則，並遵守該守則之規定。董事概不知悉有任何資料可合理指出本公司本年內並無遵守企管守則，惟以下偏離者除外：

根據上市規則第3.10(1)條，董事會必須包括至少三名獨立非執行董事。根據上市規則第3.21條，審核委員會必須包括至少三名成員。黃亮先生於二零一五年十二月十七日辭任獨立非執行董事後，本公司之獨立非執行董事及審核委員會成員人數將分別低於上市規則第3.10(1)條及3.21條規定之下限。

於二零一六年三月十五日，本公司委任林至穎先生為獨立非執行董事、審核委員會成員以及本公司其他董事委員會之成員。繼林先生獲委任為獨立非執行董事及審核委員會成員，本公司已遵守上市規則第3.10(1)及3.21條項下的最低人數規定。

總結

儘管存在若干守則條文之偏離者（若干只是形式上屬輕微之偏離者），本公司相信本年內已達到高水平之企業管治。本公司相信企業管治原則及常規對商業社會而言至關重要，故本公司亦將持續不時檢討其企業管治常規，以符合環境上之轉變。本公司將致力維持及加強其企業管治標準及質素。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

SCOPE OF REPORTING

The Group's vision is "to solve the health problems of people through our products and services so as to achieve Healthy, Happy and Secure Life". To achieve this, the Group has implemented the principles of sustainable development at operational levels such as day-to-day operations, strategic planning and investment, in order to create long-term value for shareholders, stakeholders and communities.

For the year ended 31 December 2016, the Group adopted Appendix 27 of the Listing Rules as a framework to report Environmental, Social and Governance ("ESG") matters.

The Board is of the opinion that two ESG subject areas, Operating Practices and Community Involvement are relevant to the Group's businesses. Within these two ESG subject areas, certain aspects and Key Performance Indicators ("KPIs") are more important. The Group will only report the areas that we believe are relevant and important to the purposes of the Group.

A. ENVIRONMENTAL

Aspect A1: Emissions

The most significant environmental impact resulting from our operations are carbon dioxide emissions produced by the energy required to run our life clubs and offices.

KPI A1.1

Major greenhouse gas emissions by the Group's business are carbon dioxide produced by the use of energy.

報告範圍

本集團的願景為「通過我們提供的產品和服務，解決人民健康問題，達致「生命健康，快樂無憂」」。為達此願景，本集團在日常營運、策略性規劃及投資等業務層面，貫徹落實可持續發展原則，為股東、持份者及社區創造長遠價值。

截至二零一六年十二月三十一日止年度，本集團採納上市規則附錄27作為報告環境、社會及管治（「環管」）事宜之框架。

董事會認為，環管的兩個範疇，營運慣例及社區參與與本集團業務相關。此兩個範疇內，若干層面及關鍵績效指標（「關鍵績效指標」）較為重要。本集團將僅匯報我們認為與本集團宗旨相關且重要的範疇。

A. 環境

A1層面 排放物

本集團的業務對環境的最大影響為我們在運行生命會所及辦公室時由能源需要所帶來的二氧化碳排放。

關鍵績效指標A1.1

本集團的業務主要的溫室氣體排放為使用能源時產生的二氧化碳。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

Aspect A1: Emissions (continued)

KPI A1.2

Based on an average carbon dioxide emission of 0.54kg per unit of electricity as provided by an electricity company, the projected carbon dioxide emission by running the life clubs and offices of the Group was approximately 67 tonnes.

KPI A1.3

Total hazardous waste produced by the Group: not applicable or amount not material.

KPI A1.4

Total non-hazardous waste produced by the Group: not applicable or amount not material.

KPI A1.5

The Group will reduce the energy consumption level to mitigate emissions. 2016 was the first year that the Group implemented relevant measures and the results will be reviewed in the coming year.

KPI A1.6

Since the amount of hazardous and non-hazardous wastes of the Group is not material, there are no specific reduction initiatives.

Aspect A2: Use of Resources

Other environmental impacts caused by our operations are those associated with waste disposal, paper use, electricity and water consumption.

KPI A2.1

During the Year, total electricity consumption of the Group was approximately 124,000 kWh.

KPI A2.2

During the Year, total water consumption of the Group was approximately 472 cubic metres.

A. 環境 (續)

A1層面 排放物 (續)

關鍵績效指標A1.2

根據電力有限公司提供的2016年平均每度電二氧化碳排放量為0.54千克推算，本集團運行生命會所及辦公室所排放的二氧化碳約67噸。

關鍵績效指標A1.3

由本集團的業務所產生的有害廢棄物：不適用或數量不明顯。

關鍵績效指標A1.4

由本集團的業務所產生的無害廢棄物：不適用或數量不明顯。

關鍵績效指標A1.5

本集團將減少能源耗用量以減低排放量。2016年為本集團實施相關措施的首年，所得成果將於來年回顧。

關鍵績效指標A1.6

由於本集團產生有害及無害廢棄物的數量不明顯，故沒有特定減低產生量的措施。

A2層面 資源使用

本集團的業務經營造成的其他環境影響與廢物處理、紙張使用、用電及耗水有關。

關鍵績效指標A2.1

本年度本集團的用電量約124,000個千瓦時。

關鍵績效指標A2.2

本年度本集團的耗水量約472立方米。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

A. ENVIRONMENTAL (continued)

Aspect A2: Use of Resources (continued)

KPI A2.3

Energy use efficiency initiatives include setting all major equipment to an automatic low energy stand-by mode when idle, setting the office room temperature to an optimal level and switching off all equipment after business hours. 2016 was the first year that the Group implemented relevant measures and the results will be reviewed in the coming year.

KPI A2.4

Sourcing water that is fit for purpose is not an issue for the Group. Since the use of water is limited to office use, the Group has not implemented any major water efficiency initiatives.

KPI A2.5

The amount of packaging material used for finished products of the Group is not significant. During the Year, total number of plain paper used by the Group was approximately 28,000 pieces and the total number of paper used for printed matters including annual report was approximately 202,000 pieces.

Aspect A3: The Environment and Natural Resources

Save for disclosed above, the Group has no significant impact on the environment and natural resources.

B. SOCIAL

Employment and Labour Practices

Aspect B1: Employment

The Group has established and complied with the policies and guidelines that are compliant with the relevant employment and labour laws in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other treatment and benefits and welfare.

A. 環境 (續)

A2層面 資源使用 (續)

關鍵績效指標A2.3

能源使用效益計劃包括將所有重大設備在空閒時設置為低耗備用狀態，將辦公室內溫度設置為最適宜水平及於營業時間後關斷所有設備。2016年為本集團實施相關措施的首年，相關成果將於來年回顧。

關鍵績效指標A2.4

本集團求取適用水源上並沒有問題。而由於用水只限於辦公室使用，本集團並未實施任何重大提升用水效益計劃。

關鍵績效指標A2.5

本集團製成品所用包裝材料的總量並不明顯。本年度本集團全年用紙量約28,000張，使用於印刷品的紙張數量約202,000張。

A3層面 環境及天然資源

除上述披露外，本集團對環境及天然資源並沒有造成重大影響。

B. 社會

僱傭及勞工常規

B1層面 僱傭

本集團已就有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利等方面制定並遵守符合相關僱傭及勞工法例的政策及指引。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

B. SOCIAL (continued)

Employment and Labour Practices (continued)

Aspect B1: Employment (continued)

These policies and guidelines are:

Recruitment and Promotion

1. The Group promotes equal opportunity to eliminate any discrimination in sex, family status and disability in employment and the workplace, ensuring that all employees receive equal respect and fair promotion opportunity and will not be affected by age, sex, race or other factors.
2. The Group hires and promotes based on ability and performance.
3. The Group hires and promotes those who share our values and work ethics; those who demonstrate initiative, responsibility and integrity.

Compensation

Compensation, working hours, rest periods and other treatment and benefits and welfare are benchmarked against prevailing local industry norms and are adjusted according to position, experience, qualification and seniority.

Dismissal

Dismissal will be preceded according to the dismissal procedure established in the contract and a reasonable reason will be given to employee. Our employment contracts are based on the Hong Kong employment laws.

B. 社會 (續)

僱傭及勞工常規 (續)

B1層面 僱傭 (續)

該等政策及指引為：

招聘及晉升

1. 本集團提倡平等機會，致力消除招聘及職場上的性別、家庭狀況及殘疾歧視，確保全體員工一律獲得應有的尊重及公平的晉升機會，不會因年齡、性別、種族或其他因素而有異。
2. 本集團按照能力和表現僱用及晉升。
3. 本集團僱用及晉升有共同價值觀及職業道德，並表現主動、有責任心及誠信之人仕。

薪酬

薪酬、工作時數、假期及其他待遇及福利，以現行本地行業常規為準，並按員工的職位、經驗、資格及年資調整。

解僱

解僱員工時，會給予對方合理的原因，並根據合約內訂立的解僱程序進行。本集團的僱傭合約是根據香港僱傭法例訂立。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

B. SOCIAL (continued)

Employment and Labour Practices (continued)

Aspect B2: Health and Safety

Human resources is one of the Group's most important assets. The Group provides a safe and healthy working environment for our employees, and strives to prevent occupational accidents, injuries and illnesses.

1. Office employees are assigned individual work stations unless due to the nature of work.
2. Life clubs and offices are properly lit and ventilated, kept clean and tidy with ample space between work stations.
3. Offices are smoke-free.
4. Office furniture and fittings are well maintained and replaced where necessary.
5. Security measures are in place at our offices to restrict entry and exit only to staff and permitted visitors.

Aspect B3: Development and Training

The Group invests resources in staff training and career development to help them develop their potential. Proper training and development will not only provide the necessary knowledge and skills to staff, enhancing their ability and confidence in work, but also keep them updated with the latest information on their work.

Our management and all employees regardless of any positions have been involved in vocational training related to their posts from time to time.

B. 社會 (續)

僱傭及勞工常規 (續)

B2層面 健康與安全

人力資源乃本集團最重要的資產之一。本集團為員工提供安全健康的工作環境，竭力防止與職業相關的意外、工傷及疾病。

1. 除非工作性質所需，辦公室僱員均各自有獨立工作空間。
2. 生命會所與辦公室具備妥善照明及通風系統，環境保持整潔，各工作空間之間有充裕位置。
3. 辦公室內禁煙。
4. 辦公室家具及配置保養良好，並於必要時更換。
5. 辦公室設有保安措施僅限員工及許可訪客進出。

B3層面 發展及培訓

本集團於員工培訓及事業發展方面投入資源，協助他們發揮潛能。適當的培訓及發展不但為員工提供所需的知識及技能，提升他們的工作能力及自信，亦可讓他們知悉工作最新資訊。

不論任何職位，我們的管理層及所有員工已不時參與與其職位相關的職業培訓。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B. SOCIAL (continued)

Employment and Labour Practices (continued)

Aspect B4: Labour Standards

It is the Group's policy not to employ child and forced labour and to strictly adhere to relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.

Operating Practices

Aspect B5: Supply Chain Management

The Group selects reputable suppliers and establishes long term business relationship with them, in order to reduce the business, environmental and social risks of the supply chain.

Aspect B6: Product Responsibility

The Group employs a professional team with medical doctor license, to manage the Group's quality of products and services at the standard as managing hospitals. The Group strictly adheres to relevant laws and regulations that have a significant impact on Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Aspect B7: Anti-corruption

The Group adopts a zero-tolerance policy on corruption issues and has implemented internal whistle-blowing procedures that are written on the staff handbook. The Group strictly adheres to relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

Aspect B8: Community Investment

The Group is concerned about social trends and the development of people as well as value the community participation. The Group encourages our staff to participate in various community volunteer activities, such as visiting the elderly, taking part in community cleaning and voluntary donation.

B. 社會 (續)

僱傭及勞工常規 (續)

B4層面 勞工準則

本集團的政策是不聘用童工或強制勞工，嚴格遵守對本集團有重大影響的有關防止童工或強制勞工的相關法律及規例。

營運慣例

B5層面 供應鏈管理

本集團挑選信譽良好的供應商，建立長期業務關係，以減低供應鏈的業務、環境及社會風險。

B6層面 產品責任

本集團聘用具有醫生執照的專業醫務團隊，以管理醫院的標準管理本集團的產品及服務質量，嚴格遵守對本集團有重大影響的有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的相關法律及規例。

B7層面 反貪污

本集團在貪污問題上採取零容忍政策，並已實施載於員工手冊內的內部舉報程式，嚴格遵守對本集團有重大影響的有關防止賄賂、勒索、欺詐及洗黑錢的相關法律及規例。

B8層面 社區投資

本集團留意社會動向，關注民心發展和重視社區的參與。本集團鼓勵員工參與不同的社區義工活動，如探望老人、參加社區清潔等活動，亦支持員工自然地參與捐款。

INDEPENDENT AUDITORS' REPORT 獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 置地廣場
Hong Kong 告羅士打大廈31樓

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMMON SPLENDOR INTERNATIONAL HEALTH INDUSTRY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Common Splendor International Health Industry Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 81 to 234, 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 consolidated financial statements, including a summary of significant accounting policies.

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

獨立核數師報告
致同佳國際健康產業集團有限公司股東
(於百慕達註冊成立之有限公司)

意見

吾等已審核第81頁至第234頁所載同佳國際健康產業集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，當中包括於二零一六年十二月三十一日之綜合財務狀況報表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，綜合財務報表已根據香港會計師公會頒佈(「香港會計師公會」)的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度貴集團的綜合財務表現及其綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

BASIS FOR OPINION

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 Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company 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.

KEY AUDIT MATTERS

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

意見基準

吾等已根據香港會計師公會頒佈的香港核數準則進行審核。吾等於該等準則下的責任於本報告「核數師有關審核綜合財務報表的責任」一節進一步闡述。按照香港會計師公會的《專業會計師道德守則》（「守則」），吾等獨立於貴集團，並已按照守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證足以且適當地為吾等的意見提供基礎。

關鍵審核事宜

關鍵審核事宜為根據吾等的專業判斷，對吾等審核本期綜合財務報表最為重要的事宜。此等事宜於吾等審核綜合財務報表及就此出具意見時一併處理，吾等不會就此等事宜另行提供意見。吾等於審核過程中如何處理下文所述各項事宜的描述乃以此為基準提供。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key Audit Matters

關鍵審核事宜

Acquisition of intangible asset through acquisition of subsidiaries and the impairment assessment of intangible asset and goodwill

通過收購附屬公司所產生的無形資產及對無形資產及商譽的減值評估

Refer to notes 17, 18 and 39(a) in the Group's consolidated financial statements.

參照 貴集團綜合財務報表附註17、18及39(a)。

During the year ended 31 December 2016, the Group completed the acquisition of the intangible asset through the acquisition of subsidiaries at consideration of approximately HK\$144,967,000. The acquisition requires the identification of assets acquired and the liabilities assumed and the consideration measured at their acquisition-date fair values, which require significant management judgement.

截至二零一六年十二月三十一日止年度，本集團通過完成收購附屬公司所產生的無形資產約144,967,000港元。收購要求確認所收購可識別資產及所承擔負債按其收購日期的公平值的對價，須進行管理層重大判斷。

As at 31 December 2016, the Group had intangible asset and goodwill of approximately HK\$122,150,000 and HK\$53,382,000 respectively.

於二零一六年十二月三十一日，貴集團的無形資產及商譽分別約為122,150,000港元及53,382,000港元。

For the purpose of assessing impairment, these assets were allocated to cash generating unit ("CGU") of health industry segment, and the recoverable amount of the CGU was determined by management based on value-in-use calculations using cash flow projections. In carrying out the impairment assessments, significant management judgement was used to appropriately identify of CGU and to determine the key assumptions, including operating margins, terminal growth rates and discount rates, underlying the value-in-use calculations. Management has concluded that there is no impairment in respect of the intangible asset and goodwill.

為進行減值測試，無形資產分配至現金產生單位（「現金產生單位」）的健康產業，每一項現金產生單位的可收回金額乃按現金流預算的使用價值計算基準釐定。在執行減值評估時，使用了重大的管理判斷以合適地識別現金產生單位及判斷主要假設，包括營業利潤、終極增長率及折現率，基準使用價值。管理層的結論是無形資產及商譽沒有減值。

How our audit address the key audit matters

吾等的審核如何處理關鍵審核事宜

Our procedures in relation to management's impairment assessment of the Group's key businesses included: 吾等對管理層 貴集團的主要業務減值評估之程序包括：

- Considering and challenging management's assessment of the appropriate accounting treatment, the identification and valuation of tangible and intangible assets and the allocation of purchase price to the assets and liabilities acquired; 考慮及質疑管理層就會計處理方法合適度的評估、對有形及無形資產進行識別及估值以及將購買價分配至所收購資產及負債；
- Assessing management's identification of CGUs based on the Group's accounting policies and our understanding of the Group's business; 評估管理層根據 貴集團的會計政策及吾等對 貴集團業務的理解識別現金產生單位；
- Assessing the appropriateness of the valuation methodologies used and the key assumption based on our knowledge of the business and the relevant industry; 評估使用的估值方法的適用性以及吾等對業務和相關行業知識的重要假設；
- Assessing the reasonableness of key assumptions (including operating margins, terminal growth rates and discount rates) based on our knowledge of the business and industry; and 根據吾等對業務及行業的知識，評估主要假設是否合理（包括營業利潤、終極增長率及折現率）；及
- Checking, on a sampling basis, the accounting and relevance of the input data used. 抽樣檢查會計及對應輸入的資料。

We found that the acquisition-date fair values of the identifiable assets acquired, the liabilities assumed, the consideration and the assumptions were supported by the available evidence.

吾等認為於收購日期有關可識別資產、承擔負債及對價的公平值及假設有實質證據支持。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key Audit Matters

關鍵審核事宜

Impairment assessment on loan to a shareholder and short-term loans receivable

借予股東款項及應收短期貸款賬項的減值評估

Refer to notes 26 and 27 in the Group's consolidated financial statements.

參照 貴集團綜合財務報表附註26及27。

As at 31 December 2016, the carrying amount of loan to a shareholder and short-term loans receivable was approximately HK\$77,291,000 and HK\$58,200,000 respectively.

於二零一六年十二月三十一日，借予股東款項及應收短期貸款賬項的賬面值分別約為77,291,000港元及58,200,000港元。

For the purpose of determining the allowance for loan to a shareholder and short-term loans receivable, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the loan to a shareholder and short-term loans receivable.

為判斷借予股東款項及應收短期貸款賬項的準備，管理層考慮包括借予股東款項及應收短期貸款賬項的違約或延期支付、還款記錄、期後還款及賬齡分析的信貸記錄。

How our audit address the key audit matters

吾等的審核如何處理關鍵審核事宜

Our procedures in relation to management's impairment assessment on loan to a shareholder and short-term loans receivable included:

吾等對管理層借予股東款項及應收短期貸款賬項的減值評估之程序包括：

- Discussing the Group's procedures on credit limits and credit periods given to shareholder and customers with the management;
與 貴集團管理層討論有關授予客戶信貸限期及信貸期的程序；
- Evaluating the management's impairment assessment of the loan to a shareholder and short-term loans receivable; and
評估管理層對借予股東款項及應收短期貸款賬項的減值評估；及
- Checking, on a sample basis, the accuracy and relevance of information included in the impairment assessment of loan to a shareholders and short-term loans receivable.
抽樣檢查借予股東款項及應收短期貸款賬項的減值評估所包括的信息的準確性及相關性。

We considered management's conclusion to be consistent with the available information.

吾等認為管理層的結論與可獲得的信息一致。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key Audit Matters

關鍵審核事宜

Valuation of embedded derivatives of the convertible notes

可換股票據贖回權利的估值

Refer to note 33 in the Group's consolidated financial statements.

參照 貴集團綜合財務報表附註33。

Management has estimated the fair value of the Group's embedded derivatives of convertible notes of approximately HK\$7,006,000 as at 31 December 2016, with fair value gain for the year ended 31 December 2016 recorded in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$1,758,000. Independent external valuations were obtained in order to support management's estimates. The valuations are dependent on certain key assumptions that require significant management judgement, including risk-free rates and dilution effect.

管理層估計 貴集團的可換股票據嵌入式衍生工具於二零一六年十二月三十一日之公平值約為7,006,000港元，於截至二零一六年十二月三十一日止年度的綜合損益及其他全面收益表中錄得約1,758,000的公平值收益。獨立外部評估支持管理層的估計。該評估乃根據需要重大管理判斷的若干重要假設，包括無風險利率及攤薄影響。

How our audit address the key audit matters

吾等的審核如何處理關鍵審核事宜

Our procedures in relation to management's valuation of embedded derivatives of convertible notes included:

吾等對可換股票據嵌入式衍生工具的估值之程序包括：

- Evaluation of the independent valuer's competence, capabilities and objectivity;
評價獨立估值師的才能、能力及客觀性；
- Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the convertible notes and using our valuation experts; and
根據吾等對可換股票據的知識及使用吾等的評估專家，評核所用的方法及主要假設的合適性；及
- Checking, on a sample basis, the accuracy and relevance of the input data used.
抽樣核對輸入資料的準確性及關聯性。

We found the key assumptions were supported by the available evidence.

吾等認為主要假設有實質證據支持。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the Group's 2016 annual report other than the consolidated financial statements and our auditors' report thereon. ("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. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

其他資料

貴公司董事負責其他資料。其他資料包括 貴集團2016年年報所載資料，但不包括綜合財務報表及相關核數師報告（「其他資料」）。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的鑒證結論。

審核綜合財務報表時，吾等的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或吾等於審計過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。

倘若基於吾等已進行的工作，吾等認為其他資料有重大錯誤陳述，則吾等須報告有關事實。吾等並無任何相關報告。

貴公司董事及審核委員會有關綜合財務報表的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部監控負責。

編製綜合財務報表時，貴公司董事負責評估 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 貴公司董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

INDEPENDENT AUDITORS' REPORT 獨立核數師報告

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

審核委員會的責任是監察 貴集團的綜合財務報告程序。

核數師有關審核綜合財務報表的責任

吾等的目標為合理確定整體綜合財務報表是否存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有吾等意見的核數師報告。吾等僅向 閣下（作為整體）按照百慕達一九八一年公司法第90節報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負責或承擔任何責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，吾等運用專業判斷，於整個審核過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對 貴集團內部控制的有效程度發表意見。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
 - 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
 - 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致 貴集團不再具有持續經營的能力。
 - 評估綜合財務報表（包括資料披露）的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
 - 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

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

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

吾等與審核委員會就（其中包括）審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施（如適用）作溝通。

INDEPENDENT AUDITORS' REPORT 獨立核數師報告

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement director on the audit resulting in this independent auditors' report is Yu Chi Fat.

吾等從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

出具獨立核數師報告的審計業務董事為余智發。

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Yu Chi Fat

Practising Certificate Number: P05467

Hong Kong, 31 March 2017

國衛會計師事務所有限公司

香港執業會計師

余智發

執業證書編號：P05467

香港，二零一七年三月三十一日

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

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Revenue	收入	7	554,962	530,290
Cost of sales	銷售成本		(487,815)	(462,544)
Gross profit	毛利		67,147	67,746
Other income	其他收入	9	338	659
Share-based payment expenses	股權基礎支出		(3,836)	–
Administrative expenses	行政費用		(39,939)	(31,153)
Selling and distribution expenses	銷售及分銷費用		(4,934)	(1,051)
Share of result of associates	攤佔聯營公司之業績		14,105	12,899
Profit from operations	營運溢利		32,881	49,100
Fair value change on convertible notes	可換股票據公平值變動		1,758	21
Gain on disposal of subsidiaries	出售附屬公司收益		2,320	–
Gain on disposal of an associate	出售聯營公司收益	19	28,999	–
Finance cost	財務成本	10	(9,699)	(69)
Profit before income tax	除稅前溢利		56,259	49,052
Income tax expense	所得稅開支	13	(9,098)	(6,946)
Profit for the year	年度溢利	11	47,161	42,106
Other comprehensive income/ (expense), net of income tax	其他全面收益／(開支)，已扣除所得稅			
<i>Items that may be reclassified subsequent to profit or loss</i>	<i>其後可能重新分類至損益的項目</i>			
Exchange differences on translating foreign operations	年內換算境外業務產生之匯兌差額		(40,633)	(7,502)
Reclassification on disposal of interests in subsidiaries	出售附屬公司權益重分		455	–
Other comprehensive expense for the year, net of income tax	年度其他全面開支，已扣除所得稅		(40,178)	(7,502)
Total comprehensive income for the year	年度全面收益總額		6,983	34,604

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

	<i>Notes</i> <i>附註</i>	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit for the year attributable to: 應佔年度溢利：			
Owners of the Company 本公司擁有人		42,096	34,009
Non-controlling interests 非控股股東權益		5,065	8,097
		47,161	42,106
Total comprehensive income /(expense) for the year attributable to: 應佔年度全面收益／(開支) 總額：			
Owners of the Company 本公司擁有人		10,753	19,527
Non-controlling interests 非控股股東權益		(3,770)	15,077
		6,983	34,604
Earnings per share for the year attributable to owners of the Company 本公司擁有人之基本及 攤薄每股盈利	15		
Basic (HK cents per share) 基本(每股港仙)		1.62	1.36
Diluted (HK cents per share) 攤薄(每股港仙)		1.62	1.36

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 December 2016 於二零一六年十二月三十一日

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	16	206,538	12,430
Intangible asset	無形資產	17	122,150	–
Goodwill	商譽	18	53,382	53,382
Interests in associates	於聯營公司之權益	19	127,128	234,811
Available-for-sale financial assets	待售金融資產	21	71,217	2,042
			580,415	302,665
Current assets	流動資產			
Deposits, prepayment and other receivables	按金、預付款項及其他應收款項	22	120,025	54,112
Trade receivables	應收貿易款項	23	8,695	12,645
Inventories	存貨	24	18,046	12,443
Amount due from a shareholder	應收股東款項	25	256	562
Loan to a shareholder	借予股東貸款	26	77,291	186,600
Short-term loans receivable	應收短期貸款賬項	27	58,200	74,200
Bank and cash balances	銀行及現金結餘	28	109,721	29,404
			392,234	369,966
Current liabilities	流動負債			
Trade payables	應付貿易款項	29	1,395	5,127
Accruals, deposits received and other payables	應計款項、已收按金及其他應付款項	30	29,217	100,767
Obligation under a finance lease	融資租賃責任	31	6	13
Loan from associates	聯營公司借款	19	12,300	–
Amount due to associates	應付聯營公司款項	19	–	654
Convertible notes	可換股票據	33	15,039	–
Derivative financial liabilities	衍生金融負債	33	7,006	1,582
Bonds payable	應付債券	35	5,680	–
Tax payable	應付稅項		2,950	3,949
			73,593	112,092
Net current assets	流動資產淨值		318,641	257,874
Total assets less current liabilities	資產總額減流動負債		899,056	560,539

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 December 2016 於二零一六年十二月三十一日

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Capital and reserves	資本及儲備			
Share capital	股本	32	25,962	25,962
Reserves	儲備		437,954	483,128
Equity attributable to owners of the Company	本公司擁有人應佔股本權益		463,916	509,090
Non-controlling interests	非控股股東權益		203,634	37,265
Total equity	股本權益總額		667,550	546,355
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	33	70,496	14,152
Deferred tax liabilities	遞延稅項負債	34	32	32
Guaranteed notes and bonds payable	擔保票據及應付債券	35	160,978	–
			231,506	14,184
			899,056	560,539

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2017 and are signed on its behalf by:

綜合財務報表已獲本公司董事會於二零一七年三月三十一日批准及授權發佈，並由下列代表簽署：

Cheung Wai Kuen

張偉權

Director

董事

Cheng Hau Yan

鄭孝仁

Director

董事

The accompanying notes form an integral part of these consolidated financial statements.

綜合財務報表附註乃綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium	Translation reserve	Statutory reserve	Other reserve	Share options reserve	Retained earnings	Sub-total	Attributable to non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	法定儲備	其他儲備	股權基礎儲備	保留溢利	小計	非控股股東權益	股本權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	24,282	351,638	353	2,705	734	32,074	24,857	436,643	21,146	457,789
Profit for the year	年度溢利	-	-	-	-	-	-	34,009	34,009	8,097	42,106
Other comprehensive income	其他全面收益										
Exchange differences on translating foreign operations arising during the year	年內產生換算海外業務之匯兌差額	-	-	(14,314)	-	-	-	-	(14,314)	6,980	(7,334)
Share of other comprehensive expenses of associate	股份聯營公司的其他綜合費用	-	-	(168)	-	-	-	-	(168)	-	(168)
Total comprehensive income for the year	年度全面收益總額	-	-	(14,482)	-	-	-	34,009	19,527	15,077	34,604
Issue of ordinary shares upon exercise of share option	行使購股權發行普通股	1,680	73,560	-	-	-	(22,320)	-	52,920	-	52,920
Transfer upon expiry of share option	轉讓受股票期權到期	-	-	-	-	-	(9,754)	9,754	-	-	-
Change in interests in subsidiaries without loss of control	在損失附屬公司的控制權益變動	-	-	-	-	-	-	-	-	1,042	1,042
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	3,700	-	-	(3,700)	-	-	-
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及於二零一六年一月一日	25,962	425,198	(14,129)	6,405	734	-	64,920	509,090	37,265	546,355
Profit for the year	年度溢利	-	-	-	-	-	-	42,096	42,096	5,065	47,161
Other comprehensive (expense)/ income	其他全面(開支)/收益										
Exchange differences on translating foreign operations arising during the year	年內產生換算海外業務之匯兌差額	-	-	(31,594)	-	-	-	-	(31,594)	(8,824)	(40,418)
Reclassification on disposal of interests in subsidiaries	出售附屬公司權益重分	-	-	455	-	-	-	-	455	-	455
Share of other comprehensive expense of associates	股份聯營公司的其他綜合費用	-	-	(204)	-	-	-	-	(204)	(11)	(215)
Total comprehensive (expense)/ income for the year	年度全面(開支)/收益總額	-	-	(31,343)	-	-	-	42,096	10,753	(3,770)	6,983
Issue of share options	發行購股權	-	-	-	-	-	3,836	-	3,836	-	3,836
Acquisition of additional interests in subsidiaries	收購附屬公司的額外權益	-	-	-	-	(59,782)	-	-	(59,782)	(17,998)	(77,780)
Change in non-controlling interests arising from acquisition of subsidiaries	收購附屬公司的非控制權益變動	-	-	-	-	-	-	-	-	139,023	139,023
Change in non-controlling interests arising from disposal of subsidiaries	出售附屬公司的非控制權益變動	-	-	-	(163)	-	-	163	-	(56)	(56)
Disposal of partial interests in subsidiaries without lost of control	出售附屬公司而損失部份控制權益	-	-	-	-	19	-	-	19	49,170	49,189
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	2,194	-	-	(2,194)	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	25,962	425,198	(45,472)	8,436	(59,029)	3,836	104,985	463,916	203,634	667,550

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 PREMIUM

The application of share premium is governed by Section 40 of the Companies Act 1981 of Bermuda (as amended). The share premium account may be distributed in the form of fully paid bonus shares.

STATUTORY RESERVE

The statutory reserve of the Group refers to the statutory reserve fund in the People's Republic of China (the "PRC"). Appropriations to such reserve fund are made out of profit after tax as recorded in the statutory financial statements of the PRC subsidiaries. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital of the PRC subsidiaries. The statutory reserve can be used to make up prior year losses, if any, and can be applied in conversion into the PRC subsidiaries' capital by means of capitalisation issue.

TRANSLATION RESERVE

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (Hong Kong dollars ("HK\$")) are recognised directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

SHARE OPTIONS RESERVE

The share options reserve comprises the fair value of the share options granted which are yet to be exercised. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profit should the related options expire or lapse.

OTHER RESERVE

Other reserve represents (i) the difference between the consideration paid to obtain additional non-controlling interests in subsidiaries and its carrying amount on the date of acquisition; and (ii) the difference between the consideration received to dispose certain non-controlling interests in subsidiaries without losing of control and its carrying amount on the date of disposed.

股份溢價

股份溢價之運用受百慕達一九八一年公司法（經修訂）第40條規管。股份溢價賬可作為繳足股款之紅股方式分派。

法定儲備

本集團法定儲備指中華人民共和國（「中國」）的法定儲備金。有關儲備金撥自中國附屬公司法定財務報表所入賬除稅後溢利。該數額不得低於法定財務報表所入賬除稅後溢利的10%，惟總額超過中國附屬公司註冊資本的50%則除外。法定儲備可用於補足過往年度虧損（如有），及可以資本化發行方式轉換為中國附屬公司的資本。

匯兌儲備

本集團海外業務之資產淨值由其功能貨幣換算為本集團之呈列貨幣（即港元「港元」）相關之匯兌差額，直接於其他全面收益中確認及於匯兌儲備中累計。該等於匯兌儲備中累計之匯兌差額將於出售海外業務時重新分類至損益賬內。

股權基礎儲備

股權基礎儲備包括已授出但尚未行使之購股權公平值。倘相關購股權獲行使時，有關金額將轉撥至股份溢價賬；或倘相關購股權屆滿或失效，有關金額則轉撥至保留溢利。

其他儲備

其他儲備指(i)考慮支付獲取額外的附屬公司非控股股東權益與收購日之賬面值的差額；及(ii)收到出售附屬公司而損失部份控制權益的對價和出售日的賬面價值之間的差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash flows from operating activities	來自經營業務之現金流量		
Profit before tax	除稅前溢利	56,259	49,052
Adjustments for:	對下列事項之調整：		
Interest income	利息收入	(18,888)	(13,840)
Interest expense	利息開支	9,699	69
Depreciation of property, plant and equipment	物業、機器及設備折舊	8,509	5,314
Gain on disposal of an subsidiaries	出售附屬公司收益	(2,320)	-
Gain on disposal of an associate	出售聯營公司收益	(28,999)	-
Impairment loss of available-for-sale financial assets	待售金融資產減值損失	755	-
Share of result of associates	攤佔聯營公司之業績	(14,105)	(12,899)
Share-based payment expenses	股權基礎支出	3,836	-
Fair value change on convertible notes	可換股票據公平值變動	(1,758)	(21)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	12,988	27,675
Decrease in trade receivables	應收貿易款項減少	3,717	34,104
Increase in inventories	存貨增加	(4,814)	(12,302)
Decrease in amount due from an associate	應收聯營公司款項減少	-	4,107
Decrease in deposits, prepayment and other receivables	按金、預付款項及其他應收款項減少	25,828	77,157
Decrease/(increase) in amount due from a shareholder	應收股東款項減少/(增加)	306	(447)
Decrease in trade payables	應付貿易款項減少	(2,090)	(24,246)
(Decrease)/increase in amount due to associates	應付聯營公司款項(減少)/增加	(654)	654
Increase in loan from associates	聯營公司借款增加	12,300	-
(Decrease)/increase in accruals, deposits received and other payables	應計款項、已收按金及其他應付款項(減少)/增加	(161,648)	19,732
Cash (used in)/generated from operating activities	(用於)/來自經營業務之現金	(114,067)	126,434
Bank interest received	已收銀行利息	26	21
Income tax paid	已付所得稅	(10,097)	(9,570)
Net cash (used in)/generated from operating activities	(用於)/來自經營業務之現金淨額	(124,138)	116,885
Cash flows from investing activities	來自投資業務之現金流量		
Purchase of property, plant and equipment	購置物業、機器及設備	(79,375)	(5,357)
Loan interest received	已收貸款利息	18,862	13,819
Net cash outflow on acquisition of associates	收購聯營公司的現金流出淨額	-	(129,951)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net cash outflow on acquisition of subsidiaries	收購附屬公司的現金流出淨額	39(a)	(139,621)	(63,265)
Net cash outflow on acquisition of additional interest in subsidiaries	收購附屬公司的額外權益的現金流出淨額	41	(77,780)	-
Net cash inflow on disposal of partial interest in subsidiaries	出售附屬公司的部分權益的現金流入淨額	41	49,189	-
Net cash inflow on disposal of subsidiaries	出售附屬公司的現金流入淨額	40	2,999	-
Net cash inflow on disposal of associate	出售聯營公司的現金流入淨額		107,014	-
Changes in loan to a shareholder	借予股東貸款變動		109,309	33,400
Changes in short-term loans receivable	應收短期貸款賬項變動		16,000	(5,700)
Proceeds from non-controlling interest for changes in interests in a subsidiary	附屬公司權益變動而收取來自非控制權益之所得款項		-	1,042
Net cash generated from/(used in) investing activities	來自/(用於)投資業務之現金淨額		6,597	(156,012)
Cash flows from financing activities	來自融資業務之現金流量			
Proceeds from issue of convertible notes, net of related expenses	可換股票據之所得款項，扣除相關淨支出		75,780	15,742
Proceeds from issue of guaranteed notes and bonds, net of related expenses	擔保票據及債券之所得款項，扣除相關淨支出		166,148	-
Proceeds from the issuance of ordinary share	普通股之所得款項		-	52,920
Interest paid	已付利息		(1,486)	(56)
Repayment of obligation under a finance lease	償還融資租賃責任		(7)	(7)
Net cash generated from financing activities	融資業務產生之現金淨額		240,435	68,599
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額		122,894	29,472
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目		29,404	6,795
Effect of foreign exchange rate changes	匯率變動之影響		(42,577)	(6,863)
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目		109,721	29,404
Analysis of the balance of cash and cash equivalents	現金及現金等值項目結餘分析			
Bank and cash balances	銀行及現金結餘		109,721	29,404

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 INFORMATION

The Company is an exempted company incorporated in Bermuda with limited liability and shares of the Company are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The directors of the Company consider its parent and ultimate holding company is Champion Dynasty Limited (a company incorporated in the British Virgin Islands with limited liability). The addresses of the Company’s registered office and principal office in Hong Kong are disclosed in the “Corporate Information” section of the annual report.

The consolidated financial statements are presented in HK\$, which is the same as the functional currency of the Company and its subsidiaries (“Group”) and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The principal activity of the Company is investment holding and the principal activities of its major subsidiaries are set out in Note 45.

1. 一般資料

本公司為一間於百慕達註冊成立之受豁免有限公司及本公司股份於香港聯合交易所有限公司(「聯交所」)上市。本公司董事認為，其母公司及最終控股公司為英屬維爾京群島註冊成立之Champion Dynasty Limited。本公司註冊辦事處及在香港之主要辦事處之地址於本年報「公司資料」一節中披露。

此綜合財務報表以港元呈列，港元亦為本公司與其附屬公司(「本集團」)之功能貨幣，除另有說明外，所有價值均四捨五入至最接近之千位數(千港元)。

本公司之主要業務為投資控股及其重大附屬公司之主要業務載於附註45。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are effective for the Group’s financial year beginning on or after 1 January 2016.

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

2. 新訂及經修訂香港財務報告準則之應用

(a) 採納新訂及經修訂香港財務報告(「香港財務報告準則」)準則

於本年度，本集團已首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂準則及修訂及詮釋(「新訂及經修訂香港財務報告準則」)，適用於本集團二零一六年一月一日或以後開始的財政年度。

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(修訂)	投資實體：應用綜合賬目例外情況
香港財務報告準則(修訂)	2012-2014年周期年度改進
香港財務報告準則第11號(修訂)	收購合營業務權益之會計處理
香港財務報告準則第14號	規管遞延賬目
香港會計準則第1號(修訂)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂)	澄清可接受之折舊及攤銷方法
香港會計準則第16號及香港會計準則第41號(修訂)	農業：生產性植物
香港會計準則第27號(修訂)	獨立財務報表之權益法

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(a) New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group *(continued)*

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to HKFRS 10 Consolidated Financial Statements, HKFRS 12 Disclosure of Interests in Other Entities and HKAS 28 Investments in Associates and Joint Ventures clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment entity parent, applies only to subsidiaries that are not investment entities themselves.

The application of these amendments to HKFRS 10, HKFRS 12 and HKAS 28 has had no material impact on the Group’s consolidated financial statements as the Group is not an investment entity and does not have any subsidiary, associate or joint venture that qualifies as an investment entity.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

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 (修訂) 投資實體：應用綜合賬目例外情況

香港財務報告準則第10號綜合財務報表、香港財務報告準則第12號披露於其他實體的權益及香港會計準則第28號於聯營公司及合營企業的投資 (修訂) 澄清，投資實體之附屬公司編製可供母公司實體閱覽之綜合財務報表的例外情況，即使投資實體根據香港財務報告準則第10號按公平值計量其所有附屬公司。有關修訂亦澄清，投資實體須將附屬公司 (其主要業務乃為提供與投資實體母公司的投資活動有關的服務及活動) 綜合入賬之規定僅以於其本身並非投資實體之附屬公司為限。

應用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 (修訂) 不會對本集團之綜合財務報表造成重大影響，原因為本集團並非投資實體，亦無持有任何作為投資實體之附屬公司、聯營公司或合營企業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(a) New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group

(continued)

Annual Improvements HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments shall be applied prospectively.

The amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

2012-2014年周期年度改進

香港財務報告準則2012-2014年周期年度改進包括對不同香港財務報告準則的多項修訂，概述如下。

香港財務報告準則第5號(修訂)於香港財務報告準則第5號引入特定指引，處理實體將資產(或出售組別)由持作出售重新分類至持作分派予擁有人(或反之亦然)的時間，或終止持作分派會計處理的時間。該等修訂按未來適用法應用。

香港財務報告準則第7號(修訂)披露 – 抵銷金融資產與金融負債提供額外指引，澄清就有關已轉讓資產的披露規定而言，一項有效合約是否持續參與一項已轉讓資產，並澄清並非明文規定須就所有中期期間作出抵銷披露(於二零一一年十二月頒佈並於二零一三年一月一日或之後開始的期間生效的香港財務報告準則第7號(修訂)中引入)。然而，簡明中期財務報表可能須載有相關披露，以符合香港會計準則第34號中期財務報告。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(a) New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group

(continued)

Annual Improvements HKFRSs 2012-2014 Cycle

(continued)

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for postemployment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in opening retained earnings of the earliest comparative period presented.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere in the interim financial report. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The application of the said amendments to HKFRSs has had no material effect on the Group’s consolidated financial statements.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

2012-2014年周期年度改進 (續)

香港會計準則第19號(修訂)澄清，估計離職福利貼現率所採用優質企業債券，應以與支付福利相同的貨幣發行。該等修訂將導致從貨幣層面評估優質企業債券的市場深度。該等修訂由首次應用該等修訂的財務報表所呈列的最早比較期間開始應用。所產生的任何初始調整應於所呈列的最早比較期間的期初保留盈利中確認。

香港會計準則第34號(修訂)澄清關於香港會計準則第34號規定於中期財務報告內其他部分呈列的資料的規定。該等修訂規定，有關資料應以與中期財務報表相互參照形式，按與中期財務報表相同的用語，載入使用者與中期財務報表同時取得的中期財務報告其他部分。

應用上述香港財務報告準則的修訂並無對本集團的綜合財務報表構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)(a) **New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group***(continued)***Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations**

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 regarding impairment testing of a cash-generating unit (“CGU”) to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The application of these amendments to HKFRS 11 has had no material impact on the Group’s consolidated financial statements.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

**香港財務報告準則第11號 (修訂)
收購合營業務權益之會計處理**

香港財務報告準則第11號 (修訂) 就構成香港財務報告準則第3號業務合併之合營業務收購之入賬方法提供指引。具體而言，該等修訂指出應採用香港財務報告準則第3號及其他準則 (例如香港會計準則第36號有關收購合營業務獲分派商譽之現金產生單位 (「現金產生單位」) 之減值測試) 中有關業務合併會計處理方法的相關原則。只有在參與合營其中一方將一項現有業務注入合營業務時，組建合營業務方會應用相同的規定。

合營方亦須披露香港財務報告準則第3號及其他業務合併準則所規定的相關資料。

香港財務報告準則第11號 (修訂) 於二零一六年一月一日或之後開始的年度期間追溯應用。應用此等香港財務報告準則第11號 (修訂) 並無對本集團的綜合財務報表構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(a) **New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group** *(continued)*

Amendments to HKAS 1 Disclosure Initiative

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

The application of these amendments to HKAS 1 has had no material impact on the Group's consolidated financial statements.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

香港會計準則第1號 (修訂) 披露計劃

香港會計準則第1號 (修訂) 旨在進一步鼓勵公司應用專業判斷，以釐定於其財務報表中所披露的資料。例如，有關修訂明確指出重要資料適用於整份財務報表，而包含非重要資料會抑制財務披露的效用。此外，有關修訂澄清公司須運用專業判斷，以釐定資料須在財務披露中呈列環節及次序。

香港會計準則第1號 (修訂) 對本集團綜合財務報表並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)(a) **New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group***(continued)***Amendments to HKAS 16 and HKAS 38
Clarification of Acceptable Methods of
Depreciation and Amortisation**

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- when the intangible asset is expressed as a measure of revenue; or
- when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the application of these amendments to HKAS 16 and HKAS 38 has had no material impact on the Group's consolidated financial statements.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

香港會計準則第16號及香港會計準則第38號 (修訂) 澄清可接受之折舊及攤銷方法

香港會計準則第16號 (修訂) 禁止就物業、機器及設備項目使用以收益為基礎之折舊法。香港會計準則第38號 (修訂) 引入一項可推翻之假設，即收益並非無形資產攤銷之合適基準。此項假設僅可於以下兩種有限情況下遭推翻：

- 當無形資產是以收益來衡量；或
- 當可證明收益與無形資產經濟利益之消耗存在高度關聯。

有關修訂於二零一六年一月一日或之後開始的年度期間追溯應用。目前，本集團就機器及設備之折舊使用直線法。本公司董事相信，直線法為反映有關資產之固有經濟利益消耗之最適合方法，因此，應用香港會計準則第16號及香港會計準則第38號 (修訂) 不會對本集團之綜合財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(a) New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group

*(continued)***Amendments to HKAS 27 Equity Method in Separate Financial Statements**

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost;
- in accordance with HKFRS 9 Financial Instruments (or HKAS 39 for entities that have not yet adopted HKFRS 9); or
- using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards.

The directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

香港會計準則第27號 (修訂) 獨立財務報表之權益法

有關修訂允許實體按以下方式將於附屬公司、合營企業及聯營公司的投資在其獨立財務報表入賬：

- 按成本；
- 根據香港財務報告準則第9號金融工具 (或就尚未採納香港財務報告準則第9號的實體而言，香港會計準則第39號)；或
- 按香港會計準則第28號於聯營公司及合營企業的投資所述運用權益法。

會計選項必須按投資類別應用。

有關修訂亦澄清當母公司不再為投資實體，或成為投資實體時，須由地位改變當日起將相關變動入賬。

除香港會計準則第27號 (修訂) 外，香港會計準則第28號亦有後續修訂，避免與香港財務報告準則第10號綜合財務報表及香港財務報告準則第1號首次採納香港財務報告準則出現潛在衝突。

本公司董事預期應用此等香港會計準則第27號 (修訂) 不會對本集團之綜合財務報表構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

(a) New and amended Hong Kong Financial Report Standards (“HKFRSs”) adopted by the Group (continued)

Amendments to HKAS 27 Equity Method in Separate Financial Statements (continued)

The application of the other new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and on the disclosures set out in these consolidated financial statements.

(b) Issued but not yet effective HKFRSs

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements HKFRSs 2014-2016 Cycle ⁵
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ²
HKFRS 4 (Amendments)	Insurance Contracts ²
HKFRS 9	Financial Instruments ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
HKAS 7 (Amendments)	Disclosure Initiative ¹
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses ¹

2. 新訂及經修訂香港財務報告準則之應用 (續)

(a) 採納新訂及經修訂香港財務報告 (「香港財務報告準則」) 準則 (續)

香港會計準則第27號 (修訂) 獨立財務報表之權益法 (續)

於本年度應用其他新訂及經修訂香港財務報告準則不會對本集團於本年度及過往年度的財務表現及狀況以及此等綜合財務報表所載披露構成重大影響。

(b) 已頒佈但尚未生效之新訂香港財務報告準則

下列之新訂及經修訂香港財務報告準則經已頒佈，惟尚未生效亦未經本集團提早採納。

香港財務報告準則 (修訂)	2014-2016年 周期年度改進 ⁵
香港財務報告準則 第2號 (修訂)	以股份為基礎 付款的交易的 分類及 計量 ²
香港財務報告準則 第4號 (修訂)	保險合約 ²
香港財務報告準則 第9號	金融工具 ²
香港財務報告準則 第10號及香港會計準則第28號 (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
香港財務報告準則 第15號	來自客戶合約 的收益 ²
香港財務報告準則 第15號 (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
香港會計準則第7號 (修訂)	披露計劃 ¹
香港會計準則 第12號 (修訂)	就未實現虧損 確認遞延 稅項資產 ¹

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(b) Issued but not yet effective HKFRSs (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
- ⁴ Effective for annual periods beginning on or after a date to be determined.
- ⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018 as appropriate.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income measurement category for certain simple debt instruments.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

- ¹ 於2017年1月1日或之後開始之年度期間生效，容許提早採納
- ² 於2018年1月1日或之後開始之年度期間生效，容許提早採納
- ³ 於2019年1月1日或之後開始之年度期間生效，容許提早採納
- ⁴ 於待釐定日期或之後開始之年度期間生效
- ⁵ 於2017年1月1日或2018年1月1日或之後開始之年度期間生效 (如適用)

香港財務報告準則第9號 金融工具

於二零零九年頒佈之香港財務報告準則第9號對金融資產的分類及計量提出新要求。香港財務報告準則第9號隨後於二零一零年修訂並載有對金融負債的分類及計量及終止確認的要求，並於二零一三年修訂，以載入一般對沖會計的要求。於二零一四年頒佈之香港財務報告準則第9號另一個經修訂版本主要加入a)有關金融資產之減值要求；及b)藉為若干簡單債務工具引入透過其他全面收益按公平值列賬計量類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(b) Issued but not yet effective HKFRSs (continued)

HKFRS 9 Financial Instruments (continued)

Key requirements of HKFRS 9 that are relevant to the Group are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 to be subsequently measured at amortised cost or fair value. Specifically, 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 subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, 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) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

香港財務報告準則第9號 金融工具 (續)

香港財務報告準則第9號與本集團相關的之主要規定描述如下：

- 所有屬香港財務報告準則第39號範疇內之已確認金融資產其後均須按攤銷成本或公平值計量。尤其是，按商業模式持有而目的為收取合約現金流量之債務投資，以及僅為支付本金及未償還本金之利息之合約現金流量之債務投資，一般均於其後報告期間結束時按攤銷成本計量。所有其他債項投資及權益性投資均於其後會計期末按公平值計量。此外，根據香港財務報告準則第9號，實體可以不可撤回地選擇於其他全面收益表呈列股本投資（並非持作買賣）之其後公平值變動，而一般只有股息收入於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(b) Issued but not yet effective HKFRSs *(continued)*

HKFRS 9 Financial Instruments *(continued)*

Key requirements of HKFRS 9 that are relevant to the Group are described as follows: *(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 the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' 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 was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

香港財務報告準則第9號 金融工具 (續)

香港財務報告準則第9號與本集團相關的之主要規定描述如下：(續)

- 就計量指定為透過損益按公平值計算之金融負債而言，香港財務報告準則第9號要求因金融負債信貸風險有變而導致其公平值變動之款額須於其他全面收益表呈列，除非於其他全面收益表呈報該負債信貸風險變動之影響會產生或增加損益之會計錯配，則作別論。因金融負債信貸風險而導致金融負債公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為透過損益按公平值計算之金融負債之全部公平值變動款額均於損益中呈列。
- 就金融資產減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(b) Issued but not yet effective HKFRSs (continued)

HKFRS 9 Financial Instruments (continued)

Key requirements of HKFRS 9 that are relevant to the Group are described as follows: (continued)

- The new general hedge accounting requirements retain the three types of hedge accounting. However, 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 directors of the Company anticipate that the application of HKFRS 9 in the future may impact the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

香港財務報告準則第9號 金融工具 (續)

香港財務報告準則第9號與本集團相關的之主要規定描述如下：(續)

- 一般對沖之新會計處理規定保留現有三類對沖會計法。然而，已為符合對沖會計處理之交易類型引入更大的靈活性，特別是擴闊符合對沖工具之工具類型及符合對沖會計處理之非金融項目之風險組成部分的類型。此外，成效測試已廢除，並由「經濟關係」原則取代。同時亦毋須追溯評估對沖成效。該準則亦加強有關實體風險管理活動披露之規定。

本公司董事預期於日後採納香港財務報告準則第9號或會對本集團綜合財務報表呈報之金額及披露有重大影響。然而，直至本集團已完成詳細審閱前，本集團提供影響的合理估計為不可行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(b) Issued but not yet effective HKFRSs (continued)

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.
- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

香港財務報告準則第10號及香港會計準則第28號 (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

香港財務報告準則第10號 (修訂):

- 香港財務報告準則第10號已引入一般要求全數確認收益或虧損的例外情況，以處理與聯營公司或合營企業 (以權益法列賬者) 進行交易而失去附屬公司控制權 (不包含業務) 的情況。
- 所引入的新指引規定，交易產生的收益或虧損於母公司損益確認，以無關聯投資者於該聯營公司或合營企業的權益為限。同樣，按公平值重新計量於已成為聯營公司或合營企業 (以權益法列賬者) 的任何前附屬公司的保留投資所產生的收益及虧損，於前母公司損益確認，以無關聯投資者於新聯營公司或合營企業的權益為限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(b) Issued but not yet effective HKFRSs (continued)

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (continued)

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

香港財務報告準則第10號及香港會計準則第28號 (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 (續)

香港會計準則第28號 (修訂):

- 有關實體與其聯營公司或合營企業進行交易所產生的收益及虧損的規定已修訂為僅涉及不構成一項業務的資產。
- 引入一項新規定，即倘實體與其聯營公司或合營企業進行的順流交易所涉及的資產構成一項業務，則所產生的收益或虧損須於投資者的財務報表全面確認。
- 新增一項規定，即實體需考慮於獨立交易中出售或注入的資產是否構成一項業務，以及應否入賬列為一項單一交易。

本公司董事預期應用此等香港財務報告準則第10號及香港會計準則第28號 (修訂) 不會對本集團之綜合財務報表構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)(b) Issued but not yet effective HKFRSs *(continued)***HKFRS 15 Revenue from Contracts with Customers**

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

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, the standard 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

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

香港財務報告準則第15號 來自客戶合約的收益

於二零一四年七月，香港財務報告準則第15號獲頒佈，其制定一項單一全面模式供實體用作將來自客戶合約之收益入賬。香港財務報告準則第15號生效後將取代現時涵蓋香港會計準則第18號 收益、香港會計準則第11號 建築合約及相關詮釋之收益確認指引。

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該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，該準則引入五個確認收益之步驟：

- 第一步：確定與客戶訂立之合約。
- 第二步：確定合約中之履約責任。
- 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：於實體完成履約責任時（或就此）確認收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

(b) Issued but not yet effective HKFRSs (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

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

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

The Group is in the process of assessing the potential impact of the other new and revised HKFRSs upon initial application but is not yet in a position to state whether the other new and revised HKFRSs, will have a significant impact on the Group's financial performance and position.

2. 新訂及經修訂香港財務報告準則之應用 (續)

(b) 已頒佈但尚未生效之新訂香港財務報告準則 (續)

香港財務報告準則第15號來自客戶合約的收益 (續)

根據香港財務報告準則第15號，實體於完成履約責任時即於特定履約責任相關之商品或服務的「控制權」轉讓予客戶時（或就此）確認收益。香港財務報告準則第15號已新增多項有關處理特別情況的規範性指引。此外，香港財務報告準則第15號規定作出更全面的披露。

本公司董事預期將來應用香港財務報告準則第15號可能會對本集團的綜合財務報表內呈報的金額及作出的披露造成重大影響。然而，在本集團進行詳細審閱前，就香港財務報告準則第15號的影響作出合理估計並不可行。

本集團正在評估上述新訂及經修訂香港財務報告準則對初始應用之潛在影響，惟尚未確定上述新訂及經修訂香港財務報告準則是否會對本集團之財務表現及狀況構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

3. 主要會計政策概要

(a) 合規聲明

綜合財務報表已根據香港會計公會頒佈香港財務報告準則進行編製。此外，綜合財務報表包含上市規則所需之適用披露及遵守香港公司條例規定的披露要求。

(b) 編製基準

綜合財務報表乃按歷史成本法編製，惟按公平值計算之若干金融工具除外在每一報告期末，在下文所載的會計政策解釋交易性投資持有。

歷史成本一般按貨物及服務交換代價之公平值計算。

公平值為於計量日市場參與者於有序交易中出售資產將收取或轉讓負債支付之價格，不論該價格是否可直接觀察或使用其他估值方法估計。於估計資產或負債之公平值時，本集團考慮該資產或負債的特點，猶如市場參與者於計量日定價資產或負債時考慮該等特點。於本綜合財務報表計量及／或披露之公平值是按此基準釐定，除非屬於香港財務報告準則第2號範圍內之以股權基礎支出交易、屬於香港會計準則第17號範圍內之租賃交易及與公平值比較之若干相似點（並非公平值）之計量，例如香港會計準則第2號內之可變現淨值或香港會計準則第36號內之使用價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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.

3. 主要會計政策概要 (續)

(b) 編製基準 (續)

此外，根據公平值計量之輸入變數的可觀察程度及其對整體公平值計量之重要性分為第一、第二或第三級，以作財務報告之用，敘述如下：

- 第一級的輸入值指實體能於計量日在活躍市場上得到相同的資產或負債的報價（未予調整）；
- 第二級的輸入值指輸入除包含在第一級的報價以外，可直接或間接觀察得到的資產或負債的輸入變數；及
- 第三級的輸入值指資產或負債不可觀察得到的輸入數據。

(c) 綜合賬目基準

綜合財務報表包括本公司及本集團所控制實體（包括結構性實體）之財務報表。於本公司符合以下各項時取得控制權：

- 可控制該投資對象之權力；
- 因參與投資對象從而承擔或享有不同回報的風險或權利；及
- 有能力運用其控制權以影響回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous patterns at previous shareholders' meetings.

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.

3. 主要會計政策概要 (續)

(c) 綜合賬目基準 (續)

當本集團被投資對象少於多數投票權時，投票權有足夠實踐能力直接可控制該投資對象之權力的相關單方面活動。本集團考慮所有相關事實和情況，並評估本集團對被投資單位的表決權是否足以發揮權力，包括：

- 本集團持有相對於其他持有投票權的人持股數量和分散的投票權的規模；
- 本集團、其他持有投票權的人或其他方面持有的潛在投票權；
- 其他合同安排產生的權利；及
- 任何額外的事實和情況，表明本集團在決策需要時具有或不具備指導相關活動的能力，包括以往股東大會以前模式的投票模式。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益報表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

(d) Business combinations

Acquisitions of businesses 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 incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 主要會計政策概要 (續)

(c) 綜合賬目基準 (續)

損益及其他全面收益各組成部分歸屬於本公司擁有人及非控股股東權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股股東權益，即使此舉會導致非控股權益出現虧絀結餘。

如有需要，將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。

與本集團成員公司之間交易有關之所有集團內資產及負債、權益、收益、開支及現金流量已於綜合賬目時悉數對銷。

(d) 業務合併

收購業務按收購法入賬。於業務合併中轉讓之代價以公平值計量，公平值則按本集團所轉讓資產、由本集團向被收購人前擁有人所產生之負債以及本集團為換取被收購人之控制權而發行股本權益之收購日公平值總和計算。與收購有關之成本一般會於產生時在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 and HKAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangement of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 are measured in accordance with that Standard.

Goodwill is measured as 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 reassessment, 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 profit or loss as a bargain purchase gain.

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

於收購日，已收購之可辨別資產及須承擔之負債按其公平值予以確認，惟：

- 遞延稅項資產或負債以及有關僱員福利安排之負債或資產已分別根據香港會計準則第12號及香港會計準則第19號確認及計量；
- 涉及被收購人以股權基礎支出安排或為取代被收購人之以股權基礎支出安排而訂立之本集團股權基礎支出安排之負債或股本工具按香港財務報告準則第2號於收購日予以計量；及
- 按香港財務報告準則第5號分類為待售資產的資產（或出售組別）按該準則予以計量。

商譽按轉讓代價、被收購人之任何非控股權益金額及收購人先前於被收購人持有之股本權益公平值（如有）之總額超出所收購可辨別資產扣除所承擔負債後於收購日期之金額之差額計量。倘經重新評估後，所收購可辨別資產扣除所承擔負債後於收購日期之金額超出轉讓代價、被收購人之任何非控股權益金額及收購人先前於被收購人持有之股本權益公平值（如有）之總額，則該差額即時在損益內確認為議價收購收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Business combinations *(continued)*

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 may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

屬現時所有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值的非控股權益，可初步按公平值或非控股權益應佔被收購方可別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別的非控股權益乃按其公平值或（如適用）另一項香港財務報告準則規定的基準計量。

倘本集團在業務合併中轉讓之代價包括或然代價安排所產生之資產或負債，則或然代價按其收購日公平值計量，並視為業務合併中轉讓之部分代價。符合計量期間調整條件之或然代價公平值變動將會追溯調整，並相應調整商譽。計量期間調整指在「計量期間」（不能超過收購日起計一年）所獲取涉及於收購日已存在事實和情況之額外資料而引致的調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Business combinations *(continued)*

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with the corresponding gain or loss being recognised in profit or loss.

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 profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

或然代價公平值變動倘不符合計量期間調整之條件，則其後續入賬須視乎或然代價如何分類而定。分類為股本權益之或然代價於後續報告日期不會重新計量，而其後續結算則會在股本權益中入賬。分類為資產或負債之或然代價在後續報告日期重新計量，相關收益或虧損會在損益中確認。

倘業務合併分階段完成，本集團將於收購日期（即本集團獲得控制權之日）將先前所持於被收購人之權益重新計量至公平值，而所產生之收益或虧損（如有）於損益內確認。於收購日期前因於被收購人之權益而產生且先前已於其他全面收益中確認之金額重新分類至損益，前提為該處理方法在該權益已出售之情況下屬恰當。

倘業務合併之初步會計處理於合併發生之報告期末尚未完成，則本集團會報告尚未完成會計處理項目之臨時金額。該等臨時金額會於計量期間予以調整，並確認額外資產或負債，以反映於收購日已存在而倘知悉將會影響該日已確認款額之事實與情況所取得之新資訊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Separate financial statements

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

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

(f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of CGU) that is expected to benefit from the synergies of the combination.

3. 主要會計政策概要 (續)

(e) 獨立財務報表

於附屬公司之投資乃按成本扣除減值列賬。成本包括投資直接應佔成本。附屬公司之業績乃由本公司按已收及應收股息列賬。

於收取該等投資股息時，倘股息超出附屬公司於宣派股息期間的全面收益總額，或倘獨立財務報表內的投資賬面值超出被投資方的資產淨值（包括商譽）在綜合財務報表的賬面值，則須對於附屬公司之投資進行減值測試。

(f) 商譽

收購業務所產生之商譽按於收購業務當日確立之成本扣除累計減值虧損（如有）列賬。

就減值測試而言，商譽會分配至本集團各預期可受惠於合併之協同效益之現金產生單位（或多組現金產生單位）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Goodwill *(continued)*

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit 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 for goodwill is recognised directly in the profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Interests in associates/joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities required unanimous consent of the parties sharing control.

3. 主要會計政策概要 (續)

(f) 商譽 (續)

商譽所屬之現金產生單位會每年（或於有跡象顯示該單位可能出現減值時更頻密地）進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。任何商譽之減值虧損會直接於損益確認。商譽之已確認減值虧損不會於往後期間撥回。

出售相關現金產生單位時，就出售釐定損益會計入商譽所佔金額。

(g) 於聯營公司／合營企業之權益

聯營公司為本集團對其有重大影響力的實體。重大影響力指參與投資對象財務及經營政策決策的權力，但並非對該等政策有控制權或共同控制權。

合營企業為對共同安排擁有共同控制權之各方對共同安排之資產淨值擁有權利之共同安排。共同控制為對一項安排控制權的合約協定分佔，而此僅於相關活動需要分佔控制權各方一致同意時方會存在。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Interests in associates/joint ventures (continued)

The results and assets and liabilities of associates or joint venture are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, interests in associates or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. 主要會計政策概要 (續)

(g) 於聯營公司／合營企業之權益 (續)

聯營公司或合營企業之業績及資產與負債利用會計權益法計入綜合財務報表，惟倘投資或其部分分類為持作出售，在該情況下根據香港財務報告準則第5號入賬。根據權益法，於聯營公司或合營企業之權益初始按成本在綜合財務狀況報表確認，及隨後作出調整以確認本集團攤佔聯營公司或合營企業損益及其他全面收益。倘本集團攤佔聯營公司或合營企業之虧損高出其所佔該聯營公司或合營企業權益（包括任何實質上構成本集團於該聯營公司或合營企業之淨投資一部分之任何長期權益），則本集團會終止確認其攤佔之其他虧損。額外攤佔之虧損僅在本集團已產生法定或推定責任或代表該聯營公司或合營企業付款的情況下方會確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Interests in associates/joint ventures *(continued)*

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interest in associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in associate or joint venture that are not related to the Group.

3. 主要會計政策概要 (續)

(g) 於聯營公司／合營企業之權益 (續)

於聯營公司或合營企業之投資乃自投資對象成為聯營公司或合營企業當日起按權益法入賬。收購於聯營公司或合營企業之投資時，投資成本超出本集團應佔該投資對象之可識別資產及負債之公平值淨額之任何金額會確認為商譽，並計入該投資之賬面值。本集團應佔可識別資產及負債之公平值淨額超出投資成本之任何金額（於重新評估後）即時在收購該投資之期間內於損益表確認。

應用香港會計準則的規定釐定有否必要就本集團所持聯營公司或合營企業權益確認任何減值虧損。倘必要，投資（包括商譽）的整個賬面值會根據香港會計準則第36號作為單一資產透過將其可收回數額（使用價值與公平值減出售成本之較高者）與賬面值比較進行減值測試，任何已確認減值虧損屬於投資賬面值的一部分。該減值虧損的任何撥回根據香港會計準則第36號確認，惟以投資其後所增加之可收回數額為限。

當集團實體與本集團聯營公司或合營企業交易時，則僅於交易所產生損益與本集團於聯營公司或合營企業之權益無關時，方於本集團之綜合財務報表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible 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 CGU to which the asset belongs. When 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 CGU for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

3. 主要會計政策概要 (續)

(h) 商譽以外之有形及無形資產減值

於各報告期末，本集團審閱其有形及無形資產賬面值，以釐定有否任何跡象顯示該等資產已出現減值虧損。如果存在任何此類跡象，則會對資產之可收回金額作出估計，以確定減值虧損之程度（如有）。倘無法估計單個資產之可收回金額，本集團會估計該資產所屬之現金產生單位之可收回金額。倘能識別合理一致之分配基礎，公司資產亦應分配至單個現金產生單位，否則應按能識別合理一致之分配基礎將公司資產分配至最小之現金產生單位組合。

可使用年期無限之無形資產及尚未能使用之無形資產均於最少每年進行減值檢測，而不論有否任何跡象顯示資產可能出現減值。

可收回金額是指公平值減去銷售費用後之餘額與使用價值兩者中之較高者。在評估使用價值時，估計未來現金流量會採用稅前貼現率貼現為其現值，該稅前貼現率反映貨幣時間價值之當前市場評價及該資產特有之風險（未針對該風險調整估計未來現金流量）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of tangible and intangible assets other than goodwill (continued)

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

(i) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the profit or loss.

3. 主要會計政策概要 (續)

(h) 商譽以外之有形及無形資產減值 (續)

倘估計資產(或現金產生單位)之可收回金額低於其賬面值,則將該資產(或現金產生單位)之賬面值減至其可收回金額。減值虧損則即時在損益內確認。

如減值虧損於其後撥回,資產(或現金產生單位)之賬面值會提高至其經修訂之估計可收回金額,惟所提高之賬面值不得高於在過往年度未有就資產(或現金產生單位)確認減值虧損之情況下之賬面值。減值虧損之撥回會即時在損益內確認。

(i) 金融工具

當一集團實體成為金融工具合約條文之一方,則確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(通過損益以反映公平值之金融資產及金融負債除外)直接應佔之交易成本乃於首次確認時加入金融資產或金融負債之公平值,或從金融資產或金融負債之公平值扣除(如適用)。收購透過損益按公平值計算之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of such category of financial assets are set out below:

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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融資產

本集團之金融資產分類為以下兩個類別其中之一，包括貸款及應收款項及待售金融資產。分類視乎金融資產之性質及目的，並於初步確認時釐定。所有正常購買或銷售之金融資產，按交易日之基準確認及取消確認。正常購買或銷售金融資產是指按照市場規定或慣例須在一段期限內進行資產交付之金融資產買賣。有關該類金融資產所採納之會計政策載列如下：

實際利率法

實際利率法為一種計算債務工具攤銷成本與於有關期間內分配利息收入之方法。實際利率為於首次確認時將債務工具預計年期或（如適用）更短期間內將估計未來現金收入（包括所有已付或已收並構成實際利率一部分之費用及貼息、交易成本及其他溢價或折讓）準確貼現至賬面淨值之利率。

除分類為通過損益以反映公平值之金融資產外，債務工具之利息收入按實際利率計算確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables (including deposits and other receivables, trade receivables, amount due from a shareholder, loan to a shareholder, short-term loans receivable and bank and cash balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as any of the other categories under HKAS 39.

Debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method are recognised in profit or loss.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項 (包括按金及其他應收款項、應收貿易款項、應收股東款項、借予股東貸款、應收短期貸款賬項、以及銀行及現金結餘) 為於交投活躍之市場內並無報價而附帶固定或可議定付款之非衍生金融資產。貸款及應收款項使用實際利率法按攤銷成本減任何減值計量。

利息收入使用實際利率法確認，惟確認利息屬無關重要之短期應收款項除外。

待售金融資產

待售金融資產為指定作待售或並未分類為香港會計準則第39條項下任何其他類別之非衍生工具。

於各報告期末，本集團所持有分類作待售金融資產並在活躍市場買賣之債務證券按公平值計量。以實際利率法計算有關利息收入之待售貨幣金融資產賬面值變動乃於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial assets (continued)*Available-for-sale financial assets (continued)*

Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Available-for-sale financial assets equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For available-for-sale financial assets equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融資產 (續)*待售金融資產 (續)*

待售金融資產賬面值之其他變動於其他全面收益確認並於投資重估儲備中累計。倘投資出售或被認定為減值時，過往於投資重估儲備中累計之盈虧，將重新分類到損益中。

如待售金融資產股本權益投資於活躍市場並無市場報價且其公平值不能可靠計量，及與股本權益投資掛鉤且必須以該等並無報價股本權益投資作交收之衍生工具，則於各報告期末按成本扣除任何已識別減值虧損計量。

金融資產減值

金融資產(通過損益以反映公平值者除外)，於各報告期末評估有否出現減值跡象。當於首次確認金融資產後發生一項或多項事件，導致有客觀證據顯示金融資產之估計未來現金流量已受到影響時，則金融資產視為已經減值。

就待售金融資產股本權益投資而言，倘證券公平值顯著或長期低於其成本，則被視為須作減值之客觀證據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade 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, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, 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 financial asset's original effective interest rate.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就所有其他金融資產而言，減值客觀證據可包括：

- 發行人或交易方出現嚴重財困；或
- 違反合約，如無力支付或拖欠利息或本金額；或
- 借款人有可能破產或進行財務重組；或
- 因財困而導致該項金融資產失去活躍市場。

就應收貿易款項等若干類別之金融資產而言，被評為不會個別減值之資產會彙集評估減值。一組應收款項之減值客觀證據可包括本集團過往之收款經驗、組合內還款時間超過平均信貸期之延遲還款數目增加，以及與無力支付應收款項有關之國家或地方之經濟環境之明顯變動。

就按攤銷成本列賬之金融資產而言，確認之減值虧損金額以資產之賬面值與按金融資產原實際利率貼現其估計未來現金流量之現值兩者之差額計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial assets (continued)*Impairment of financial assets (continued)*

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade 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 the profit or loss. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融資產 (續)*金融資產減值 (續)*

就按成本列賬之金融資產而言，減值虧損金額按資產之賬面值與按類似金融資產之現行市場回報率貼現其估計未來現金流量之現值兩者之差額計算。有關減值虧損將不會於往後期間撥回。

除應收貿易款項外，所有金融資產之賬面值會直接扣除其減值虧損，而應收貿易款項之賬面值會利用撥備賬進行扣減。當應收貿易款項被視為不可收回時，則會撇銷撥備賬。倘之前已撇銷之款項於其後收回，則會計入撥備賬。撥備賬之賬面值變動於損益確認。

當待售金融資產視為已減值，以往於其他全面收益確認之累計盈虧會重新分類至期內損益。

就按攤銷成本計量之金融資產而言，倘減值虧損之金額於確認後之期間有所減少，而有關減少可以客觀地與確認減值虧損後發生之事件有關，之前已確認之減值虧損可透過損益予以撥回，但於撥回減值虧損日期資產之賬面值不得超過該項資產原未確認減值時之攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Classification as debt or equity

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 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 Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就待售股本權益投資而言，先前於損益確認之減值虧損不會透過損益撥回。減值虧損後公平值之增加會於其他全面收益確認，並於投資重估儲備項下累計。就待售債務投資而言，倘該項投資之公平值增加可客觀地與確認減值虧損後之事件有關，則減值虧損將於其後經損益撥回。

金融負債及股本工具

分類為債務或股本

集團實體發行之債務及股本工具乃根據合約安排之內容及金融負債與股本工具之定義分類為金融負債或股本。

股本工具

股本工具為可證明於實體資產經扣除其所有負債後之剩餘權益之任何合約。本集團發行之股本工具按收取之所得款項扣除直接發行成本確認。

購回本公司本身之股本工具於股本權益確認及直接扣除。因購買、出售、發行或註銷本公司本身股本工具而產生之損益不會於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial liabilities and equity instruments
(continued)*Convertible notes*

If the conversion option of convertible notes exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible notes based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the income statement.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is either held for trading or it is designated at fair value through profit or loss on initial recognition.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融負債及股本工具 (續)*可換股票據*

倘可換股票據的換股權具有嵌入式衍生工具之特徵，則應獨立於其負債部分。於首次確認時，可換股票據之衍生工具部分按公平值計量，並以衍生財務工具之一部份呈列。若所得款項超出首次確認為衍生工具部分的金額，基於收益的負債和衍生工具部分的分配可換股票據，則差額確認為負債部分。交易費用用於工具首次確認時分配至可換股票據之負債與衍生工具部分。有關負債部分的交易費用部份首次確認為負債部分。有關衍生工具的部分則即時在損益賬內確認。

金融負債

金融負債分類為按公平值計入損益之金融負債或其他金融負債。

按公平值計入損益之金融負債

倘金融負債持作買賣或於初步確認時指定為按公平值計入損益，則分類為按公平值計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities (continued)

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融負債及股本工具 (續)

金融負債 (續)

倘屬下列情況，金融負債分類為持作買賣：

- 主要用於在不久將來購回；或
- 於初步確認時構成本集團合併管理之已識別金融工具組合之一部份，且近期實際短期獲利；或
- 屬於未被指定之衍生工具，並可有效作為對沖工具。

倘屬下列情況，金融負債（持作買賣之金融負債除外）可於初步確認時指定為按公平值計入損益之金融負債：

- 有關指定可對銷或大幅減少可能出現之不一致計量或確認；或
- 金融負債為金融資產或金融負債組別或兩者之組成部份，而根據本集團之風險管理文件或投資策略，金融資產乃按照公平值基準管理及評估表現，且有關分類資料會以該基準向內部提供；或

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

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

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract to be designated at fair value through profit or loss.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities (including trade payables, accruals, deposits received and other payables, convertible notes, loan from associates, amount due to associates, guaranteed notes and bonds payable and obligation under a finance lease) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at fair value through profit or loss.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

金融負債及股本工具 (續)*金融負債 (續)*

- 其為包括一項或多項嵌入式衍生工具之合約之組成部份，而香港會計準則第39號金融工具：確認及計量容許將全部合併合約指定為按公平值計入損益。
- 按公平值計入損益之金融負債以公平值列賬，重新計量產生之任何收益或虧損於損益中確認。

其他金融負債

其他金融負債(包括應付貿易款項、應計款項、已收按金及其他應付款項、可換股票據、聯營公司借款、應付聯營公司款項、擔保票據及應付債券，以及融資租賃責任)其後乃採用實際利率法按攤銷成本計算。

實際利率法

實際利率法為一種計算金融負債攤銷成本與於有關期間內分配利息開支之方法。實際利率為於首次確認時將金融負債預計年期或(如適用)更短期間內將估計未來現金支出(包括所有已付或已收並構成實際利率一部分之費用及貼息、交易成本及其他溢價或折讓)準確貼現至賬面淨值之利率。

除分類為通過損益以公平值計算之金融負債外，利息開支按實際利率計算確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Financial instruments *(continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, 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.

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

取消確認

本集團僅於從資產中收取現金流量之合約權利到期，或於本集團已將金融資產及其擁有權之絕大部分風險及回報轉移至另一實體，方始取消確認金融資產。倘本集團既無轉移亦無保留擁有權之絕大部分風險及回報，且繼續控制之已轉讓資產，則會繼續確認有關資產（以本集團持續參與者為限）及確認相關負債。倘本集團保留已轉讓之金融資產擁有權之絕大部分風險及回報，則會繼續確認金融資產，並就已收所得款項確認作為抵押品之借貸。

於取消確認整項金融資產時，資產賬面值與已收及應收代價及已於其他全面收益確認及於股本權益累計之累計盈虧之總和之差額，於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

3. 主要會計政策概要 (續)

(i) 金融工具 (續)

取消確認 (續)

於並非取消確認整項金融資產時，本集團分配金融資產前賬面值時會分為繼續確認及不再確認兩部分，基準為該等部分於轉讓日期之相對公平值。分配至不再確認部分之賬面值與就該部分收取之代價和獲分配且於其他全面收益確認之任何累計盈虧之總和之差額，會於損益確認。分配於其他全面收益確認之累計盈虧時會分為繼續確認及不再確認兩部分，基準為該等部分相對公平值。

當（及僅當）本集團於有關金融負債之責任獲解除、取消或到期，則會取消確認金融負債。取消確認之金融負債賬面值與已付及應付代價之差額乃於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the reporting period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Construction in progress as at 31 December 2016 mainly represented the properties which are under construction in the PRC.

3. 主要會計政策概要 (續)

(j) 物業、機器及設備

物業、機器及設備乃按成本減隨後累計折舊及隨後累計減值虧損(如有)在綜合財務狀況報表列賬。

資產成本包括購買價及將資產達致其使用狀況及地點作擬定用途之任何直接應佔費用。物業、機器及設備投產後產生之開支，如維修保養費，一般於產生之報告期間計入損益。倘有關開支明顯可提高日後使用物業、機器及設備預期將獲得之經濟利益，則有關開支將作為該項資產之額外成本撥充資本。

截至二零一六年十二月三十一日止在建工程主要為中國正在建設的房地產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, as follows:

Leasehold improvements	租賃裝修	Over the shorter of lease terms and 5 years 租約期及五年之較短者
Office equipment	辦公室設備	30%
Furniture and fixture	傢俬及裝置	20%
Computer software	電腦軟件	30%
Equipment under finance lease	融資租賃設備	20%
Motor vehicle	汽車	25%
Medical equipment	醫療設備	10%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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 the 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.

(i) 物業、機器及設備 (續)

上述物業、機器及設備除在建工程外，以直線法計算其估計可使用年期及估計剩餘價值折舊，具體如下：

根據融資租賃持有之資產乃於其估計可使用年期按與自有資產相同之基準折舊。然而，倘擁有權未能在租賃期完結前合理地確定，則資產須以其租賃期及其可使用年期之較短者折舊。

當出售時或當繼續使用資產預期不會產生任何未來經濟利益時，物業、機器及設備項目將取消確認。處置或報廢一項物業、機器及設備產生之盈虧，應按出售所得款項與該資產賬面值之差額予以確定，並於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment (continued)

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of land use rights provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

(k) Revenue recognition

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. 主要會計政策概要 (續)

(j) 物業、機器及設備 (續)

建築物正在開發為未來的自用目的

當建築物正在開發生產或行政用途時，施工期間提供的土地使用權攤銷將作為在建工程費用的一部分。正在建造的建築物以成本計量，減去任何確定的減值損失。建築物的折舊在可供使用時開始（即當他們處於必要的位置和條件，以能夠以管理運作的方式）。

(k) 收入確認

銷售貨品之收入在交付貨品及轉移所有權時確認，屆時下列全部條件將獲達成：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關之銷售貨品持續管理權或實際控制權；
- 收入金額能夠可靠地計量；
- 與交易相關之經濟利益很可能流入本集團；及有關交易產生或將產生之成本能夠可靠地計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenue recognition (continued)

Revenue from provision of health management service is recognised when the services are rendered.

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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(l) Taxation

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

Current tax

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

3. 主要會計政策概要 (續)

(k) 收入確認 (續)

提供健康管理服務的收入於服務提供時確認。

當本集團有可能獲得經濟利益，且收入金額能可靠地計量，則會確認金融資產之利息收入。利息收入乃就本金結餘按適用實際利率及時間比例計算。有關利率指於金融資產預計年內將估計未來現金收入準確貼現至該資產於首次確認之賬面淨值之利率。

(l) 稅項

所得稅開支指當期應付稅項及遞延稅項之總和。

當期稅項

當期應付稅項按年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益報表所報「稅前溢利」不同，此乃由於其他年度應課稅或可扣減之收入或開支項目，及永不課稅或扣減之項目。本集團之當期稅項負債於報告期末以已頒佈或實質頒佈之稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Taxation (continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests 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.

3. 主要會計政策概要 (續)

(I) 稅項 (續)

遞延稅項

遞延稅項按綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相關稅基兩者之暫時差異確認。遞延稅項負債通常會就所有應課稅暫時差異確認。遞延稅項資產通常會就所有可扣減暫時差異確認，惟其限於較可能取得應課稅溢利，並可用以抵銷可扣減暫時差異者。若暫時差異因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中首次確認其他資產及負債而引致，則不會確認該等遞延稅項資產及負債。

本集團會就於附屬公司及聯營公司之投資以及合營企業權益所產生之應課稅暫時差異確認遞延稅項負債，惟本集團有能力控制暫時差異之撥回及暫時差異不大可能於可見將來撥回則另作別論。與該等投資及權益有關之可扣減暫時差異產生之遞延稅項資產，僅於可能將有充足之應課稅溢利以使用暫時差異之利益以及預期於可見將來可撥回時，方予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable 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 realised, based on tax rates (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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

3. 主要會計政策概要 (續)

(I) 稅項 (續)

遞延稅項 (續)

遞延稅項資產之賬面值於各報告期末均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項資產及負債以負債獲清償或資產獲變現之期間預期適用之稅率計量，並根據於報告期末已頒佈或實質上已頒佈之稅率（和稅法）計量。

遞延稅項負債及資產之計量反映隨本集團預期於報告期末時收回或償還其資產及負債賬面值所產生之稅務後果。

就計量遞延稅項負債或遞延稅項資產而言，利用公平值模式計量之投資物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於一個業務模式（其業務目標是隨著時間流逝（而非銷售）消耗該等投資物業大部分經濟利益）內持有時，有關假設會被推翻。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxation (continued)

Current and deferred tax for the year

Current and deferred tax are 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 the business combination.

(m) Leasing

Leases are classified as finance leases whenever 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 lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenses on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair values at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

3. 主要會計政策概要 (續)

(l) 稅項 (續)

年內當期及遞延稅項

當期稅項及遞延稅項會於損益中確認，惟若有關項目於其他全面收益或直接於股本權益之中確認，則其當期稅項及遞延稅項亦會於其他全面收益或直接於股本權益中確認。若當期稅項或遞延稅項乃因首次就業務合併入賬而產生，則其稅務影響會納入業務合併之會計處理中。

(m) 租賃

凡租約條款規定將租賃資產擁有權之絕大部分風險及回報轉移至承租人之租約均列為融資租賃。所有其他租約分類為經營租賃。

本集團為出租人

經營租賃之租金收入會以直線法按有關租約年期確認。磋商及安排經營租賃時產生之初步直接成本會加入租賃資產之賬面值，並以直線法按租約年期確認為開支。

本集團作為承租人

根據融資租賃持有之資產乃於租賃開始時按公平值或(如較低)最低租賃付款現值確認為本集團之資產。對出租人負有之相應債項於綜合財務狀況報表內列作一項融資租賃責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leasing (continued)

The Group as lessee (continued)

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3. 主要會計政策概要 (續)

(m) 租賃 (續)

本集團作為承租人 (續)

租金款項會於融資費用及租約債務扣減中作出分配，以為負債結餘計算一個穩定利率。融資費用直接於損益確認，除非有關費用直接與合資格資產有關，在此情況下，則根據本集團借貸成本政策撥充資本。或然租金於產生期間確認為開支。

經營租賃付款於租期內按直線法確認為開支，惟倘有另一系統基準更能代表從租賃資產獲得經濟利益之時間模式則另當別論。經營租賃所產生之或然租金於其產生期間確認為開支。

倘就訂立經營租賃獲得租賃優惠，則有關優惠確認為負債。優惠利益總額乃按直線法確認為租金開支之扣減，惟倘有另一系統基準更能代表從租賃資產獲得經濟利益之時間模式則另當別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3. 主要會計政策概要 (續)

(n) 外幣

在編製個別集團實體之財務報表時，以實體功能貨幣以外之貨幣（外幣）進行之交易按交易日通用之匯率記錄。於報告期末，以外幣列值之貨幣項目以報告期末通用之匯率重新換算。以外幣列值並按公平值列賬之非貨幣項目以釐定公平值當日通用之匯率重新換算。以外幣列值並以歷史成本計量之非貨幣項目不會重新換算。

貨幣項目之匯兌差額乃於產生期間內於損益確認，惟以下各項例外：

- 當有關日後生產用途之在建資產外幣借貸匯兌差額被視為外幣借貸之利息成本調整時，匯兌差額將計入該等資產之成本內；
- 進行交易之匯兌差額為對沖若干外幣風險；及
- 應收或應付海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大，故其構成海外業務投資淨額之一部分，並初步於其他全面收益確認及於償還貨幣項目時由股本權益重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Retirement benefits cost

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

(p) Share-based payment arrangements

Share-based payment transactions of the Company

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

3. 主要會計政策概要 (續)

(o) 退休福利成本

界定供款退休福利計劃之供款於僱員提供服務以有權取得供款時確認為開支。

(p) 股權基礎支出安排

本公司股權基礎支出交易

對於須待指定歸屬條件獲履行後方始授出之購股權而言，獲提供服務之公平值乃參考所授購股權於授出日期之公平值釐定，在歸屬期以直線法確認為開支，股本權益（股權基礎儲備）則相應增加。

於報告期末，本集團修訂其預期最終歸屬之購股權估計數目。若原先估計數目有所修訂（如有），則修訂估計之影響在損益確認，使累計開支反映經修訂估計，並於股權基礎儲備中作相應調整。

就於授出日即時歸屬之購股權而言，所授出購股權公平值隨即於損益中列為開支。

購股權行使時，先前於股權基礎儲備中確認之金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獲行使，則先前於股權基礎儲備中確認之金額將轉撥至保留盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. 主要會計政策概要 (續)

(q) 撥備

當本集團因過往事件而承擔現有法定或推定責任，導致本集團將有可能就該責任付款，而該責任款額能可靠地估計時確認撥備。

確認為撥備之款額乃於報告期末就支付現有責任所需之代價之最佳估計，當中已考慮涉及有關責任之風險及不確定因素。倘撥備使用估計支付現有責任之現金流進行計量，其賬面值即為該等現金流之現值（倘金錢之時間值影響屬重大）。

當預期可向第三方收回就撥備付款所需之部分或全部經濟利益，則會於實質上肯定將獲償付款項及應收款項金額能可靠地計量時，將應收款項確認為資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties transactions

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

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

3. 主要會計政策概要 (續)

(r) 關連人士交易

下列人士視為與本集團有關連：

- (a) 倘屬以下人士，即該人士或與該人士關係密切的家庭成員與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；或
- (b) 倘符合下列任何條件，即該實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司彼此間有關連）；
 - (ii) 一實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）；
 - (iii) 兩間實體均為同一第三方的合營企業；
 - (iv) 一實體為一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；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Related parties transactions *(continued)*

- (b) An entity is related to the Group if any of the following conditions applies: *(continued)*
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employees are also related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

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

- (a) that person's children and spouse or domestic partner;

3. 主要會計政策概要 (續)

(r) 關連人士交易 (續)

- (b) 倘符合下列任何條件，即該實體與本集團有關連：(續)
- (v) 該實體為本集團或與本集團相關之實體之僱員離職後福利計劃。如果本集團本身是一項計劃，則贊助僱員也與本集團有關；
 - (vi) 該實體受(a)項所述人士控制或共同控制；
 - (vii) 於(a)(i)項所述人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理人員；及
 - (viii) 該實體，或有部分團體的股東，向本集團或本集團的母公司提供關鍵管理人員服務。

交易被認為關連人士交易是指本集團與關連人士之間轉移資源、服務或責任，不論是否收取價款。

個別人士關係密切的家庭成員是指與該實體交易時預期可影響該個別人士或受該個別人士影響的家庭成員，包括：

- (a) 該人的子女和配偶或家庭伴侶；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Related parties transactions (continued)

- (b) children of that person's spouse or domestic partner; and
- (c) dependants of the person or that person's spouse or domestic partner.

(s) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3. 主要會計政策概要 (續)

(r) 關連人士交易 (續)

- (b) 該人配偶或家庭伴侶的子女；及
- (c) 該人或該人的配偶或家庭伴侶的家屬。

(s) 或然負債及或然資產

或然負債乃來自過去事件所帶來之可能債務，而其存在與否僅由不屬本集團全然掌握之一件或以上未確定未來事件之發生或不發生所確定。或然負債亦可以是過去事件所產生之現時債務，而由於不大可能導致經濟資源流失，或債務數額不能可靠地衡量而未予確認。或然負債雖未予確認，惟於綜合財務報表附註披露。倘資源外流可能性發生變動，以致經濟資源有可能流失時，則或然負債將會確認為撥備。

或然資產乃指因過往事件而可能獲得之資產，其存在僅可視乎將來發生或不發生一件或以上非本集團所能完全控制之不明確未來事件予以確定。或然資產雖未予確認，惟於經濟利益有可能流入時，於綜合財務報表附註中作出披露。當確定有關利益流入時，將會確認為資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Segment reporting

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

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

(u) Intangible asset (other than goodwill)

Development right

Development right with indefinite useful lives are not amortised but are tested for impairment annually, and whenever there is an indication that they may be impaired, by comparing their carrying amounts with their recoverable amounts. An impairment loss is recognised immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, 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 in prior years.

3. 主要會計政策概要 (續)

(t) 分部呈報

經營分部及綜合財務報表內報告各分部項目的金額，乃從財務資料中識別，有關財務資料乃定期向本集團主要營運決策者提供用作本集團各項業務及地點分配資源並評估其表現。

個別重大的經營分部不會為財務報告目的而合計，除非有關分部具有類似經濟特性，並且具有類似的產品及服務性質、生產工序性質、客戶類型或類別、分銷產品或提供服務方法，以及監管環境性質。個別非重大的經營分部倘符合上述大多數準則可予合計。

(u) 無形資產 (商譽以外)

開發權

無限使用年期之開發權並不攤銷，但透過將其賬面值與其可收回金額進行比較每年進行減值測試，且每當有跡象顯示商標可能已減值時，亦進行減值測試。如資產賬面值金額超出其可收回金額，則即時確認為減值虧損。如減值虧損其後回撥，資產之賬面值增加至修訂後之估計可收回金額，致使增加之賬面值不超過倘於過往年度無就資產確認減值虧損而原應釐定之賬面值。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Impairment of short-term loans receivable

The policy for impairment loss in respect of short-term loans receivable of the Group is based on the evaluation of collectability and ageing analysis of the receivables of short-term loans receivable and on the management of the Company's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance maybe required.

Impairment of goodwill and intangible asset

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill and intangible asset has been allocated. The value in use calculation requires the management of the Company to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

4. 重大會計判斷及估計不明確因素之主要來源

估計及判斷將不斷評估，按過往經驗及其他因素為準，包括於有關情況下被視為合理之預期日後事件。

本集團對未來作出估計及假設。顧名思義，會計估計很少等同相關實際情況。下文論述可能會導致於下個財政年度內對資產及負債之賬面值作出重大調整之巨大風險之估計及假設。

應收短期貸款減值

本集團有關應收短期貸款的減值虧損政策乃基於可收回性評估及應收短期貸款賬齡分析以及本公司管理層判斷。於評估此等應收款項之最終變現時需作出重大判斷，包括每名客戶之現行信用及過往收款記錄。倘本集團客戶之財政狀況惡化，以致彼等付款之能力降低，則可能須作出額外撥備。

商譽及無形資產之減值

釐定商譽及無形資產是否減值須對獲分配商譽之現金產生單位之使用價值作出估計。計算使用價值時，本公司管理層須估計預期產生自現金產生單位之未來現金流量及適當之貼現率以計算現值。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Impairment of trade and other receivables

The Group's management determines impairment of trade and other receivables on a regular basis. The estimate is based on the credit history of its customers and current market conditions. The management of the Group reassesses the impairment of trade and other receivables at the end of reporting period.

Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重大會計判斷及估計不明確因素之主要來源 (續)

應收貿易及其他款項之減值

本集團管理層定期釐定應收貿易及其他應收款項之減值。估計乃基於其客戶的信貸紀錄及現行市況。本集團管理層於報告期末重新評估應收貿易及其他應收款項之減值。

物業、機器及設備之可使用年期

根據香港會計準則第16號，本集團估計物業、機器及設備之可使用年期，以釐定須予記錄之折舊開支。可使用年期於收購資產時按過往經驗、預期用量、資產損耗及市場需求或資產提供之服務變動所產生的技術過時而作出估計。本集團亦每年審閱就可使用年期作出之假設以確保該等假設持續生效。

所得稅

本集團須繳納多個司法權區之所得稅。在確定全球所得稅之撥備時，本集團須作出重大判斷，部份交易之計算在日常業務過程中難以明確釐定最終稅務。本集團根據會否需要繳納額外稅項之估計，確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與最初入賬金額有所不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

*(continued)***Impairment of loan to a shareholder**

The Group's management determines impairment of loan to a shareholder on a regular basis. The estimate is based on the credit history of its shareholder and current market conditions. The management of the Group reassesses the impairment of loan to a shareholder at the end of reporting period.

Fair value measurements and valuation processes

Certain assets and liabilities of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. At the end of each reporting period, the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company.

Information about the valuation techniques and inputs used in the determination of the fair value of various assets and liabilities are disclosed in Note 5(c).

4. 重大會計判斷及估計不明確因素之主要來源 (續)

借予股東貸款減值

本集團管理層定期對借予股東貸款判斷減值。其估計是基於股東的信用記錄及市場條件。本集團管理層在報告期末重新評估借予股東貸款減值。

公平值衡量及估值流程

本集團的部份資產及負債對財務報告公平值衡量，在估計資產或負債的公平值，本集團利用市場觀察數據來合選的範圍。其中第一級投入不合宜，本集團從第三方合資格的評估師進行估值。在每一報告期末，本集團與合資格的外聘評估師密切合作，為第2級及第3級公平值建立和確定合適的估值技術和投入。本集團將首先審議並通過在可觀察的報價在活躍市場中獲得第2級的投入。當第2級信息無法獲得，本集團將採用估值技術包括第3級的投入。凡在資產公平值發生重大變化，波動的原因將被報告給本公司董事。

關於各項資產和負債的公平值的判定使用估計技術和投入信息披露在附註5(c)。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. The directors of the Company reassess the estimations at the end of reporting period.

4. 重大會計判斷及估計不明確因素之主要來源 (續)

存貨可變淨值法

存貨可變淨值法是估計售價在日常業務過程中，完成及可變銷售費用減去估計的成本。估計是基於當前市場情況及類似性質的生產和銷售產品的歷史經驗。可以成為反應行業周期的客戶變化和競爭對手的行動變動的結果改變。本公司董事在報告期末重新評估其估計。

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets	金融資產
Loan and receivables	貸款及應收款項
Available-for-sale financial assets	待售金融資產
Financial liabilities	金融負債
Amortised cost	攤銷成本
Fair value through profit or loss	按公平值計入損益

5. 金融工具

(a) 金融工具類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets			
Loan and receivables	貸款及應收款項	336,764	332,866
Available-for-sale financial assets	待售金融資產	71,217	2,042
Financial liabilities			
Amortised cost	攤銷成本	293,580	94,240
Fair value through profit or loss	按公平值計入損益	7,006	1,582

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

5. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

The Group's major financial instruments include available-for-sale financial assets, deposits and other receivables, trade receivables, amount due from a shareholder, loan to a shareholder, short-term loans receivable, bank and cash balances, trade payables, accruals, deposits received and other payables, convertible notes, amount due to associates, loan from associates, guaranteed notes and bonds payable and obligation under a finance lease. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these are set out below. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's risk exposure in respect of financial instruments or the manner in which it manages and measures the risks.

5. 金融工具 (續)

(a) 金融工具類別 (續)

本集團之主要金融工具包括待售金融資產、按金及其他應收款項、應收貿易款項、應收股東款項、借予股東貸款、應收短期貸款、銀行及現金結餘、應付貿易款項、應計款項、已收按金及其他應付款項、可換股票據、應付聯營公司款項、聯營公司借款、擔保票據及應付債券及融資租賃責任。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。本公司管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

本集團有關金融工具之風險或管理及計量該等風險之方式並無變動。

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

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

Foreign currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash and bank balance that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transaction relate. The currencies giving rise to this risk are primarily HK\$ and Renminbi (“RMB”).

Certain cash and bank balances are denominated in RMB. The conversion of RMB into other currencies is subject to the rules and regulations of foreign exchange control promulgated by PRC. The Group is exposed to foreign exchange risk in respect of exchange fluctuation of HK\$ against RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The Group are not exposed to foreign currency risk in respect to HK\$ against the United States dollars (“USD”) as long as this currency is pegged.

5. 金融工具 (續)

(b) 金融風險管理目標及政策

外幣風險

本集團主要因買賣產生以外幣(即非交易相關營運的功能貨幣的貨幣)計值應收款項、應付款項及現金及銀行結餘而面對貨幣風險。產生該風險的貨幣主要為港元及人民幣(「人民幣」)。

若干現金及銀行結餘以人民幣計值。人民幣兌換為其他貨幣須遵守中國政府頒佈的外匯管制法規及規則。本集團面對港元兌人民幣匯兌波動的外匯風險。本集團現時並無任何外幣資產及負債之外幣對沖政策。本集團將密切監管其外幣風險，並於必要時考慮對沖重大外幣風險。

本集團並無就港元兌美元(「美元」)面臨外匯風險，因該兩種貨幣掛鈎。

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

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
RMB	人民幣	23,557	26,660	1,395	–

Sensitivity analysis

The following table details the Group sensitivity to a 5% increase and decrease in functional currency of the Group against the relevant foreign currencies. 5% represents the management of the Company's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date or a 5% change in foreign currency rates. A positive number below indicates a decrease in loss or an increase in profit where functional currency of the Group weakens 5% against the relevant foreign currency. For a 5% strengthen of functional currency of the Group against the relevant foreign currency, there would be an equal and opposite impact on the profit or loss, and the balance below would be negative.

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

外幣風險 (續)

本集團以外幣計值之貨幣資產及負債於報告期末之賬面值如下：

敏感度分析

下表詳列本集團對其功能貨幣兌有關外幣升值及貶值5%之敏感度詳情。5%指本公司管理層評估外幣匯率變動的可能合理變動。敏感度分析僅包括以外幣計值的未償還貨幣項目，並於報告日期就外幣匯率的5%變動調整其換算。當功能貨幣相對於其他貨幣貶值5%時，下表中的正數表示虧損減少或溢利增加；當本集團的功能貨幣相對於相關貨幣升值5%時，會對損益產生一個相等或相反的影響，以下結餘也將變成負數。

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

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Sensitivity analysis (continued)

		Profit before tax	
		稅前溢利	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
RMB	人民幣	2,345	1,333

Interest rate risk

The Group does not have any bank borrowings.

The Group has interest-bearing assets and liabilities including time deposits and bank balances, short-term loans receivable, loan to a shareholder, convertible notes, obligation under a finance lease and guaranteed notes and bonds payable. Details of these financial instruments are disclosed in respective notes. The Group currently does not have interest rate hedging policy. However, the management of the Company monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of The Hong Kong Interbank Offered Rates ("HIBOR").

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

外幣風險 (續)

敏感度分析 (續)

		Profit before tax	
		稅前溢利	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
RMB	人民幣	2,345	1,333

利率風險

本集團並無任何銀行借貸。

本集團擁有之計息資產包括定期存款及銀行結餘、應收短期貸款賬項、借予股東貸款、可換股票據、融資租賃責任及擔保票據及應付債券。該等金融工具之詳情於各附註披露。本集團現時並無採用任何利率對沖政策。然而，本公司管理層會監控利率風險，並於需要時考慮對沖重大利率風險。

本集團之現金流量利率風險主要集中於香港銀行同業拆息（「香港銀行同業拆息」）之波動。

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

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Interest rate risk (continued)*Sensitivity analysis*

If the floating rates had been 50 basis points (2015: 50 basis points) higher/lower and all other variables were held constant, the Group's:

Profit before tax for the year ended 31 December 2016 would increase by approximately HK\$645,000 (2015: HK\$147,000). This is mainly attributable to the Group's exposure to interest rates on its loan to a shareholder (2015: time deposits and loan to a shareholder).

Credit risk

The Group's credit risk is mainly attributable to trade receivables, loan to a shareholder, short-term loans receivable and bank and cash balances. The management of the Company has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade receivables and short-term loans receivable, the credit periods usually vary from one month to twelve months depending on the nature of the business. Extension may be granted to major customers and each customer is granted a maximum credit limit. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and also taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Given the constant repayment history, the directors of the Company are of the opinion that the risk of default by these counter parties is not significant.

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

利率風險 (續)*敏感度分析*

在全部其他變數維持不變之情況下，倘浮動利率上升／降低50個基點（二零一五年：50個基點），則本集團：

截至二零一六年十二月三十一日止年度之除稅前溢利將增加約645,000港元（二零一五年：147,000港元）。此乃主要由於本集團所承受之定期存款及借予股東貸款（二零一五年：定期存款及借予股東貸款）之利率風險所致。

信貸風險

本集團信貸風險主要來自應收貿易款項、借予股東貸款、應收短期貸款以及銀行及現金結餘。本公司管理層設有信貸政策，持續監察面對的該等信貸風險。

對於應收貿易款項及應收短期貸款，信貸期通常介乎一個月至十二個月不等，視乎業務性質而定。主要客戶可能獲延期，每個客戶獲授最高信貸限額。對於要求超過一定數額的信貸的所有客戶進行個別信貸評估。該等評估專注客戶過往到期付款的紀錄及現時付款的能力，亦考慮客戶特定資料及有關客戶經營所在經濟環境的資料。鑒於穩定的還款紀錄，本公司董事認為該等對手方違約的風險不大。

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

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Debtors with balances that are more than three months past due are requested to settle all outstanding balances before any further credit is granted and all overdue balances are reviewed regularly by the management of the Group. Normally, the Group does not obtain collateral from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry and country in which customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the Group has certain concentration of credit risk as 38.6% (2015: 21.1%) and 75.0% (2015: 37.5%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated and the Company statement of financial position after deducting any impairment allowance. The Group and the Company does not provide any guarantees which would expose the Group or the Company to credit risk.

The Group deposited its cash and cash equivalents with approved and reputable banks. Bankruptcy or insolvency of the bank may cause the Group's right with respect to cash and cash equivalents held to be delayed or limited. The management of the Group monitors the credit rating of these banks on an ongoing basis, and considers that the Group's exposure to credit risk at 31 December 2016 and 2015 were minimal.

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險 (續)

結餘逾期三個月以上的應收賬項須在進一步授出任何信貸前結算所有未償還結餘，管理層定期審查所有逾期結餘。一般而言，本集團並不從客戶獲得抵押品。本集團面對的信貸風險主要受各客戶而非客戶經營所在行業及國家的個別特徵影響，因此主要當本集團有重大個別客戶時會產生重大信貸集中風險。於報告期末，由於應收貿易款項總額38.6% (二零一五年：21.1%) 及75.0% (二零一五年：37.5%) 分別為應收本集團最大客戶及五大客戶款項，因此本集團有一定的信貸集中風險。

面對的最大信貸風險為綜合及公司財務狀況表中各金融資產的賬面值 (於扣除任何減值撥備後)。本集團及本公司並不提供任何將會使本集團或本公司面對信貸風險的任何擔保。

本集團在經核准的信譽良好銀行存放現金及現金等值項目。銀行破產或無力償債可能導致本集團有關所持現金及現金等值項目的權利遭延遲或限制。管理層持續監察該等銀行的信貸評級，認為本集團於二零一六年及二零一五年十二月三十一日面對的信貸風險很小。

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

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The Group manages liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash and intended credit lines of funding from major financial institutions to meet the Group's liquidity requirements in the short and long term. The liquidity risk is under continuous monitoring by the management of the Group. The Group will raise bank borrowings whenever necessary.

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險

本集團管理流動資金風險之方法為定期監察現時及預測之流動資金需要，並確保具備足夠流動現金及取得計劃來自主要金融機構之融資，以應付本集團之短期及長期流動資金需要。本集團管理層會持續監察流動資金風險，本集團將於必要時籌集銀行借貸。

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

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following tables detail the Group's contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest dates on which the Group can be required to pay. The amounts disclosed in the table are based on the contractual undiscounted payments, are as follows:

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

下表載列本集團非衍生金融負債之合約到期日詳情。各表乃根據本集團最早可被要求償還之日期，按金融負債之未貼現現金流量而編製。下表所披露款項乃基於以下合約未貼現付款：

		Weight average effective interest rate	On demand or less than 1 year	Between 1-5 years	Over 5 years	Total contractual undiscounted cash flows	Total Total carrying amount
		加權平均 實際利率	按要求或 少於一年	一至五年	超過五年	已訂約未貼現 現金流量總額	賬面總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2016	於二零一六年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付貿易款項	-	1,395	-	-	1,395	1,395
Accruals, deposits received and other payables	應計款項、已收按金及其他應付款項	-	29,217	-	-	29,217	29,217
Convertible notes	可換股票據	17.82%	17,716	83,092	-	100,808	85,535
Derivative financial liabilities	衍生金融負債	-	7,006	-	-	7,006	7,006
Guaranteed notes and bonds payable	擔保票據及應付債券	12.35%	7,325	179,918	-	187,243	166,658
Loan from associates	聯營公司借款	9.00%	12,300	-	-	12,300	12,300
Obligation under a finance lease	融資租賃責任	5.98%	6	-	-	6	6
Total	總計		74,965	263,010	-	337,975	302,117
At 31 December 2015	於二零一五年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付貿易款項	-	5,127	-	-	5,127	5,127
Accruals, deposits received and other payables	應計款項、已收按金及其他應付款項	-	74,294	-	-	74,294	74,294
Convertible notes	可換股票據	15.90%	13,804	2,000	-	15,804	14,152
Derivative financial liabilities	衍生金融負債	-	1,582	-	-	1,582	1,582
Amount due to an associate	應付聯營公司款項	-	654	-	-	654	654
Obligation under a finance lease	融資租賃責任	5.52%	14	-	-	14	13
Total	總計		95,475	2,000	-	97,475	95,822

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

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments

Fair value of the Group's 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 prices and ask prices respectively;
- the fair values of derivative instruments are calculated using quoted prices. When such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives; and
- the fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

5. 金融工具 (續)

(c) 金融工具之公平值

本集團金融資產及金融負債之公平值釐定如下：

- 具有標準條款及條件並於活躍市場買賣之金融資產及金融負債，乃分別參考所報市場買盤價及賣盤價釐定公平值；
- 衍生工具之公平值按報價計算。倘未能獲得有關價格，則以非期權衍生工具之工具期限的適用孳息曲線，以及期權衍生工具的期權定價模式進行貼現現金流量分析；及
- 其他金融資產及金融負債（不包括上述者）之公平值乃根據使用貼現現金流量分析之普遍採納定價模式釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements are approximate to their fair values:

		2016 二零一六年		2015 二零一五年	
		Carrying Amount 賬面值 HK\$'000 千港元	Fair Value 公平值 HK\$'000 千港元	Carrying Amount 賬面值 HK\$'000 千港元	Fair Value 公平值 HK\$'000 千港元
Financial liabilities	金融負債				
Obligation under a finance lease (Note)	融資租賃責任 (附註)	6	6	13	14
Convertible notes	可換股票據	92,541	96,799	15,734	16,049

Note:

The fair value of obligation under a finance lease is estimated to be approximately HK\$6,000 (2015: HK\$14,000) using 5.98% discount rate based on bank interest rate for instalment loan.

5. 金融工具 (續)

(c) 金融工具之公平值 (續)

除下表所詳述者外，本公司董事認為綜合財務報表中已確認金融資產及金融負債之賬面值均與其公平值相若：

附註：

按基於銀行分期貸款利率之5.98%貼現率計算，融資租賃責任之公平值估計約為6,000港元（二零一五年：14,000港元）。

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

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2016	於二零一六年 十二月三十一日				
Other financial liabilities	其他金融負債				
Derivative financial liabilities	衍生金融負債	-	-	7,006	7,006
At 31 December 2015	於二零一五年 十二月三十一日				
Other financial liabilities	其他金融負債				
Derivative financial liabilities	衍生金融負債	-	-	1,582	1,582

The fair values of the financial liabilities included in level 3 category above represented derivative financial liabilities which have been determined in accordance with generally accept pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

5. 金融工具 (續)

(c) 金融工具之公平值 (續)

下表載列於初步確認後按公平值計量之金融工具分析，並根據其公平值可觀察程度分為第一至第三級別：

計入上文第三級類別之金融負債之公平值乃指衍生金融負債相關應付或然代價，並根據貼現現金流量分析按公認定價模式釐定，最重要輸入數據為影響對手方信貸風險之貼現率。

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

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

Fair value estimation

The following table presents the changes in convertible notes which are classified as level 3 instruments for the years ended 31 December 2016.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	1,582	–
Issue of the convertible notes	發行可換股票據	7,182	1,603
Fair value gain recognised	已確認公平值收益	(1,758)	(21)
At 31 December	於十二月三十一日	7,006	1,582

The fair values of the embedded derivatives in the convertible notes at 31 December 2016 and 2015 are calculated using the Binomial Pricing Model. The inputs into the model are as follows:

於二零一五年及二零一六年十二月三十一日，可換股票據內嵌入衍生工具的公平值是用二項式定價模式計算，根據模式計算如下。

		31 December 2016 二零一六年十二月三十一日			31 December 2015 二零一五年 十二月 三十一日
Principal amount ('000)	本金金額 (千元)	HK\$16,000 16,000港元	HK\$1,000 1,000港元	USD10,000 10,000美元	HK\$16,000 16,000港元
Expected volatility (%)	預期波幅 (%)	27.26	27.36	42.85	41.73
Expected life (years)	預期年期 (年)	0.975	1.044	1.644	1.963
Expected dividend yield (%)	預期股息率 (%)	0.00	0.00	0.00	0.00
Risk-free rate (%)	風險率 (%)	0.85	0.86	0.88	0.361
Share price (HK\$)	股價 (港元)	0.66	0.66	0.66	0.68

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

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

Fair value estimation (continued)

The Binomial Pricing Model requires the input of highly subjective assumptions, including the share price, therefore the changes in subjective input assumptions can materially affect the fair value estimates.

For the year ended 31 December 2016, increase in share price of the Company by 10% would decrease the fair value of embedded derivatives in the convertible notes by approximately HK\$87,428,000 (2015: HK\$465,000). Decrease in share price by 10% would increase the fair value of embedded derivatives in the convertible notes by approximately HK\$7,233,000 (2015: HK\$592,000).

There is no transfer into and out of Level 3 for the years ended 31 December 2016 and 2015.

6. 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 stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2015.

The capital structure of the Group consists of borrowings (comprising loan from associates, convertible notes and guaranteed notes and bonds payable) and equity (comprising share capital and reserves).

5. 金融工具 (續)

(c) 金融工具之公平值 (續)

公平值估計 (續)

二項式期權定價模式需運用高度主觀之假設，包括股價，故此主觀假設之變動可對公平值估計造成重大影響。

截至二零一六年十二月三十一日，本公司的可換股票據衍生工具公平值將減少10%約87,428,000港元(二零一五年：465,000港元)對本公司股價上升。可換股票據衍生工具公平值將增加10%約7,233,000港元(二零一五年：592,000港元)對本公司股價降低。

截至二零一六年及二零一五年十二月三十一日，第三級工具沒有轉入及轉出。

6. 資本風險管理

本集團管理其資本以確保本集團將能夠繼續作持續經營，同時最大限度地通過債務和股本權益平衡的優化回報利益相關者。本集團的整體策略仍然是由二零一五年持平。

本集團的資本結構由借款(包括聯營公司借款、可換股票據及擔保票據及應付債券)和股本權益(包括股本和儲備)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

6. CAPITAL RISK MANAGEMENT (continued)

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 each class of capital. The gearing ratio at the end of the reporting period was as follows:

6. 資本風險管理 (續)

本公司董事定期檢討資本架構。於過去審查後，本公司董事認為資本成本和風險與每類資本。在報告期末的資本負債率，結果如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total borrowings:	借款總額：		
Convertible notes (Note 33)	可換股票據 (附註33)	85,535	14,152
Loan from associates (Note 19)	聯營公司借款 (附註19)	12,300	-
Guaranteed notes and bonds payable (Note 35)	擔保票據及應付債券 (附註35)	166,658	-
		264,493	14,152
Total equity	股本權益總額	667,550	546,355
Gearing ratio	資產負債率	39.6%	2.6%

7. REVENUE

7. 收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue represents the aggregate amounts received and receivable analysed as follows:	收入指已收及應收之合計金額，分析如下：		
Health industry	健康產業	536,100	516,471
Interest income from investment and finance	投資及融資利息收入	18,862	13,819
		554,962	530,290

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

8. OPERATING SEGMENTS

The Group manages its businesses by divisions which are organised by business lines. 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 two reportable segments. No operating segments have been aggregated to form the following reportable segments:

Health industry – included life anti-aging, healthcare investment management business and natural health food business

Investment and finance – investing and financing activities

The Group's measurement methods used to determine reported segment profit or loss remain unchanged from 2015.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Information about major customers

Revenue from customers contributing over 10 % of the total revenue of the Group during the year was as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A ¹	客戶A ¹	N/A不適用 ³	111,990
Customer B ²	客戶B ²	91,566	N/A不適用 ³
Customer C ²	客戶C ²	70,130	N/A不適用 ³

¹ Revenue from natural health food business

² Revenue from life anti-aging business

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

8. 營運分部

本集團根據業務流程組織管理業務組別，以內部匯報給本集團最高行政管理人員，用以分配資源及考核業績的一致方式，本集團呈報下列兩項可呈報分部。概無經營分部於可呈報分部綜合處理。

健康產業 – 包括生命抗衰老、醫療投資管理業務及天然健康食品業務

投資及融資 – 投資及融資活動

本集團用於釐定已呈報分部損益之計量方式自二零一五年起維持不變。

本集團可呈報分部以營運不同活動為策略業務單元。彼等受個別管理，此乃由於各業務擁有不同市場，且要求不同市場策略。

主要客戶之資料

本年內，來自佔本集團收入總額超過10%之客戶之收入如下：

¹ 收入來自天然健康食品業務

² 收入來自生命抗衰老業務

³ 所對應收入佔本集團收入總額未超過10%。

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

8. 營運分部 (續)

營運分部資料呈列如下：

綜合損益及其他全面收益報表

Consolidated Statement of Profit or Loss and Other Comprehensive

Income

	Health Industry 健康產業											
	Natural Health Food 天然健康食品		Life Anti-aging 生命抗衰老		Healthcare Investment Management 醫療投資管理		Sub-total 小計		Investment and Finance 投資及融資		Consolidated 綜合	
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	
Revenue 收入												
Revenue from external customer 來自外部客戶 之收入	213,772	137,116	321,544	356,898	784	22,457	536,100	516,471	18,862	13,819	554,962	
Results 業績												
Segment results for reportable segment 之分部業務	1,509	1,608	48,050	38,300	8,827	8,610	58,386	48,518	12,532	9,121	70,918	
Bank interest income 銀行利息收入	2	2	19	1	5	14	26	17	-	4	26	
Unallocated corporate expense, net 未分攤之 企業支出淨額											(14,685)	
Income tax expense 所得稅開支	(389)	(405)	(7,733)	(5,861)	(976)	(680)	(9,098)	(6,946)	-	-	(9,098)	
Profit for the year 年度溢利											47,161	
											57,639	

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

8. 營運分部 (續)

綜合財務狀況報表

Consolidated Statement of Financial Position

	Health Industry 健康產業											
	Natural Health Food 天然健康食品		Life Anti-aging 生命抗衰老		Healthcare Investment Management 醫療投資管理		Sub-total 小計		Investment and Finance 投資及融資		Consolidated 綜合	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Assets												
Segment assets for reportable segments	31,704	23,806	622,164	302,561	145,737	59,479	799,605	385,846	140,965	259,537	940,570	645,383
Unallocated corporate assets											32,079	27,248
Total assets											972,649	672,631
Liabilities												
Segment liabilities for reportable segments	9,112	563	16,423	5,959	2,050	16,449	27,585	22,971	1,926	19,148	29,511	42,119
Unallocated corporate liabilities											275,588	84,157
Total liabilities											305,099	126,276

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

8. OPERATING SEGMENTS (continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2015: Nil).

Segment results represent the profit earned/(the loss incurred) by each segment without allocation of corporate expenses, bank interest income, income tax (expense)/credit.

For the purposes of monitoring segment performance and allocating resources between segments:

All assets are allocated to reportable segments other than unallocated corporate assets which mainly include property, plant and equipment, partial prepayment and deposits and corporate bank balances.

All liabilities are allocated to reportable segments other than unallocated corporate liabilities which mainly include partial accruals, deposits received and other payables, convertible notes, guaranteed notes and bonds payable and obligation under a finance lease.

Geographical information

In determining the Group's geographical information, revenue information is based on the location of the customers, and asset information is based on the location of the assets.

8. 營運分部 (續)

上文呈報分部收入指來自外部客戶之收入。本年度沒有內部分部銷售(二零一五年：無)。

分部業績指各分部賺取之溢利/(產生之虧損)，並未分攤企業開支、銀行利息收入及所得稅(開支)/抵扣。

就監察分部表現及於分部間分攤資源而言：

除未分攤企業資產外(主要包括物業、機器及設備；部分預付款項及按金及企業銀行結餘)外，所有資產已分攤至可呈報分部。

除未分攤企業負債(主要包括部份應計款項、已收按金及其他預付款項、可換股票據、擔保票據及應付債券及融資租賃責任)外，所有負債已分攤至可呈報分部。

地區資料

在決定本集團之地區資料時，收入資料由客戶所在地決定，資產資料則由資產所在地決定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

Geographical information (continued)

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

		Revenue from external customers		Non-current assets*	
		來自外部客戶之收入		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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
The PRC	中國	536,100	485,239	379,869	64,256
Hong Kong	香港	18,862	45,051	2,201	1,556

* Non-current assets excluded those relating to interests in joint ventures, interests in associates and available-for-sale financial assets.

8. 營運分部 (續)

地區資料 (續)

本集團來自外部客戶之收入及有關其非流動資產之資料的地域位置，詳情如下：

* 非流動資產不包括有關於合營企業、聯營公司所持有之權益及待售金融資產。

Other segment information

		其他分部資料							
		Health Industry		Investment and Finance		Unallocated		Consolidated	
		健康產業		投資及融資		未分配		綜合	
		2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK'000	HK'000	HK'000	HK'000	HK'000	HK'000	HK'000	HK'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Addition to property, plant and equipment	添置物業、機器及設備	79,375	5,357	-	-	-	-	79,375	5,357
Depreciation of property, plant and equipment	物業、機器及設備折舊	8,509	5,314	-	-	-	-	8,509	5,314
Impairment loss of available-for-sale financial assets	待售金融資產減值損失	755	-	-	-	-	-	755	-
Share of result of associates	攤佔聯營公司之業績	14,105	12,899	-	-	-	-	14,105	12,899
Interests in associates	於聯營公司之權益	127,128	234,811	-	-	-	-	127,128	234,811

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

9. OTHER INCOME

9. 其他收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank interest income	銀行利息收入	26	21
Others	其他	312	638
		338	659

10. FINANCE COST

10. 財務成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on convertible notes (Note 33)	可換股票據利息 (附註33)	6,956	69
Interest on guaranteed notes and bonds payable (Note 35)	擔保票據及應付債券利息 (附註35)	1,861	-
Interest on loan from associates	聯營公司借款利息	882	-
		9,699	69

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

11. PROFIT FOR THE YEAR**11. 年度溢利**

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year has been arrived at after charging/(crediting):	年度溢利已扣除／(計入)		
Total staff costs including remuneration of the directors of the Company:	僱員成本總額 (包括本公司董事薪酬)：		
Salaries and other benefits	薪金及其他福利	13,041	13,106
Retirement benefit scheme contributions	退休福利計劃供款	483	530
Share-based payment expenses	股權基礎支出	3,836	—
		17,360	13,636
Auditors' remuneration	核數師酬金	1,380	1,448
Fair value changes on convertible notes	可換股票據公平值變動	(1,758)	(21)
Cost of inventories recognised as expenses*	確認為開支之存貨*	471,594	460,282
Exchange loss/(gain), net	匯兌虧損／(收益) 淨額	3	(600)
Depreciation of property, plant and equipment	物業、機器及設備折舊	8,509	5,314
Impairment loss of available-for-sale financial assets	待售金融資產減值損失	755	—
Operating lease rentals in respect of rented premises (excluding rented premise for director of the Company)	租用物業之經營租賃租金費用 (不包括本公司董事的租用物業)	7,340	4,587

* Included in "Cost of sales" of the consolidated statement of profit or loss and other comprehensive income

* 已計入綜合損益及其他全面收益報表內之「銷售成本」

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

12. DIRECTORS', SENIOR MANAGEMENT'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

Fees and other emoluments paid or payable to the directors of the Company for the years ended 31 December 2016 and 2015 were as follows:

For the year ended 31 December 2016

	Fees	Contributions			Total
		Salaries and allowances	to retirement benefit scheme	Share-based payment expenses	
	袍金	薪金及津貼	退休福利計劃供款至	股權基礎支出	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Executive directors					
Mr. Cheung Wai Kuen (Chairman)	150	150	5	-	305
Mr. Cheng Hau Yan (Deputy Chairman) (note i)	150	1,560	18	-	1,728
Mr. Ye Jiong Xian (Chief Executive Officer) (note ii)	-	460	18	1,072	1,550
Non-executive director:					
Mr. Lin Jiang	150	150	-	107	407
Mr. Bai Yinghai (note iii)	-	-	-	-	-
Independent non-executive directors:					
Mr. Mai Yang Guang	150	-	-	107	257
Mr. Yau Chi Ming	150	-	-	107	257
Mr. Lam Chi Wing (note iv)	120	-	-	-	120
Total	870	2,320	41	1,393	4,624

12. 董事、高級管理層及僱員酬金

(a) 董事酬金

截至二零一六年及二零一五年十二月三十一日止年度，已付或應付予各董事之袍金及其他酬金如下：

截至二零一六年十二月三十一日止年度：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

12. DIRECTORS', SENIOR MANAGEMENT'S AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

For the year ended 31 December 2015

		Contributions				Total
		Fees	Salaries and allowances	to retirement benefit scheme	Share-based payment expenses	
		袍金	薪金及津貼	退休福利計劃	股權基礎支出	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事					
Mr. Cheung Wai Kuen (Chairman)	張偉權先生(主席)	150	650	18	-	818
Mr. Cheng Hau Yan (Deputy Chairman) (note i)	鄭孝仁先生(副主席)(附註i)	150	1,560	18	-	1,728
Mr. Ye Jiong Xian (Chief Executive Officer) (note ii)	葉炯賢先生(行政總裁)(附註ii)	-	38	-	-	38
Non-executive director:	非執行董事					
Mr. Lin Jiang	林江先生	150	150	-	-	300
Independent non-executive directors:	獨立非執行董事					
Mr. Mai Yang Guang	麥揚光先生	150	-	-	-	150
Mr. Yau Chi Ming	丘志明先生	150	-	-	-	150
Mr. Huang Liang (note v)	黃亮先生(附註v)	150	-	-	-	150
Total	總額	900	2,398	36	-	3,334

No emoluments were paid by the Group to the directors of the Company, its chief executive officer and senior management as a discretionary bonus or an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2016 and 2015.

None of the directors of the Company and chief executive officer of the Company agreed to receive or waived any emoluments in the years ended 31 December 2016 and 2015.

(a) 董事酬金(續)

截至二零一五年十二月三十一日止年度：

		Contributions				Total
		Fees	Salaries and allowances	to retirement benefit scheme	Share-based payment expenses	
		袍金	薪金及津貼	退休福利計劃	股權基礎支出	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事					
Mr. Cheung Wai Kuen (Chairman)	張偉權先生(主席)	150	650	18	-	818
Mr. Cheng Hau Yan (Deputy Chairman) (note i)	鄭孝仁先生(副主席)(附註i)	150	1,560	18	-	1,728
Mr. Ye Jiong Xian (Chief Executive Officer) (note ii)	葉炯賢先生(行政總裁)(附註ii)	-	38	-	-	38
Non-executive director:	非執行董事					
Mr. Lin Jiang	林江先生	150	150	-	-	300
Independent non-executive directors:	獨立非執行董事					
Mr. Mai Yang Guang	麥揚光先生	150	-	-	-	150
Mr. Yau Chi Ming	丘志明先生	150	-	-	-	150
Mr. Huang Liang (note v)	黃亮先生(附註v)	150	-	-	-	150
Total	總額	900	2,398	36	-	3,334

截至二零一六年及二零一五年十二月三十一日止年度，本集團概無支付任何薪酬予本公司董事、行政總裁及高級管理層，以作為吸引加入本集團或於加入本集團時的酌情花紅或獎勵或作為離職的彌償。

本公司董事及行政總裁概無於截至二零一六年及二零一五年十二月三十一日止年度內同意收取或放棄收取任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

12. DIRECTORS', SENIOR MANAGEMENT'S AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The share-based payment represents the estimated value of share options granted to the directors of the Company under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 3.

At 31 December 2016 and 2015, the directors of the Company held share options under the Company's share option scheme. Details of the share options are disclosed under the paragraph "Share option scheme" in the report of the directors of the Company and Note 36.

Notes:

- (i) Mr. Cheng Hau Yan resigned as the chief executive officer of the Company with effect from 28 December 2015.
- (ii) Mr. Ye Jiong Xian was appointed as executive director of the Company with effect from 18 December 2015 and chief executive officer of the Company with effect from 28 December 2015.
- (iii) Mr. Bai Yinghai was appointed as non-executive director of the Company with effect from 19 December 2016.
- (iv) Mr. Lam Chi Wing was appointed as independent non-executive director of the Company with effect from 15 March 2016.
- (v) Mr. Huang Liang resigned as independent non-executive director of the Company with effect from 17 December 2015.

12. 董事、高級管理層及僱員酬金 (續)

(a) 董事酬金 (續)

股權基礎支出指根據本公司購股權計劃授予本公司董事之購股權的估計價值。該等購股權的價值根據附註3所載本集團股權基礎支出交易的會計政策計量。

於二零一六年及二零一五年十二月三十一日，本公司董事根據本公司購股權計劃持有購股權。購股權詳情於本公司董事報告及附註36「購股權計劃」一段披露。

附註：

- (i) 鄭孝仁先生已辭任本公司之行政總裁，自二零一五年十二月二十八日起生效。
- (ii) 葉炯賢先生已獲委任為執行董事及本公司之行政總裁，自二零一五年十二月十八日及二零一五年十二月二十八日起生效。
- (iii) 白英海先生已獲委任為非執行董事，自於二零一六年十二月十九日生效。
- (iv) 林至穎先生已獲委任為獨立非執行董事，自二零一六年三月十五日起生效。
- (v) 黃亮先生已辭任獨立非執行董事，自二零一五年十二月十七日起生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

12. DIRECTORS', SENIOR MANAGEMENT'S AND EMPLOYEES' EMOLUMENTS (continued)

(b) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, three (2015: two) were directors of the Company whose emoluments were included in note (a) above. The emoluments of the remaining two (2015: three) individuals were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	1,888	1,863
Contribution to retirement benefits scheme	供款至退休福利計劃	36	39
Share-based payment expenses	股權基礎支出	107	-
		2,031	1,902

Their emoluments were within the following bands:

		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	1	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-

During the year, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2015: Nil).

At the end of the reporting period, there was no forfeited contribution, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contribution payable in the futures years.

12. 董事、高級管理層及僱員酬金 (續)

(b) 五名最高薪酬僱員

在本集團五名最高薪酬僱員中，三名(二零一五年：兩名)為本公司董事，其酬金資料載列於上文附註(a)。餘下兩名(二零一五年：三名)僱員之酬金如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	1,888	1,863
Contribution to retirement benefits scheme	供款至退休福利計劃	36	39
Share-based payment expenses	股權基礎支出	107	-
		2,031	1,902

彼等之酬金在以下範圍內：

		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	1	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-

本年內，本集團概無支付任何薪酬予本公司董事或五名最高薪酬人士，以作為吸引加入本集團或於加入本集團時的獎勵或作為離職的彌償(二零一五：無)。

於報告期末，並無因僱員離開退休福利計劃而產生的沒收貢獻，這可用於減少未來年度的應付供款。

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

13. INCOME TAX EXPENSE

13. 所得稅開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Income tax expense comprises	所得稅開支包括		
Current tax:	當期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	(8,126)	(6,946)
Hong Kong Profits Tax	香港利得稅	(972)	-
		(9,098)	(6,946)

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. No Hong Kong Profits Tax is payable on the profit for the year arising in Hong Kong since the assessable profit is wholly absorbed by tax losses brought forward.

According to the PRC tax law, its rules and regulations, enterprises that engage in certain qualifying agricultural business are eligible for certain tax benefits, including full Enterprise Income Tax exemption on profits derived from such business. Certain operating subsidiaries of the Group in the PRC engaged in qualifying agricultural business are entitled to full exemption of Enterprise Income Tax.

The applicable Enterprise Income Tax rate of the Group's other operating subsidiaries in the PRC is 25%.

香港利得稅乃根據兩個年度之估計應課稅溢利按稅率16.5%計算。由於應課稅溢利全額由承前稅項虧損所抵銷，因此於香港所產生的年度溢利毋須繳付應付香港利得稅。

根據中國稅法、其規則及規例，從事若干合資格農業業務的企業，可獲若干稅務優惠，包括從有關業務獲取的溢利可全數免繳企業所得稅。本集團在中國經營的若干從事合資格農業業務的附屬公司可全數免繳企業所得稅。

本集團在中國的其他經營附屬公司的適用企業所得稅稅率為25%。

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

13. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2016 二零一六年		2015 二零一五年	
		HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%
Profit before tax	除稅前溢利	56,259		49,052	
Tax at the Hong Kong Profits	按香港利得稅稅率 16.5% (二零一五年: 16.5%)				
Tax rate of 16.5% (2015: 16.5%)	計算之稅項	(9,283)	(16.5)	(8,094)	(16.5)
Tax effect of share of result of associates	攤佔聯營公司之業績之稅務影響	2,327	4.1	2,128	4.3
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	3,855	6.8	109	0.2
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣減開支之稅務影響	(2,491)	(4.4)	(1,413)	(2.9)
Tax effect of tax losses not recognised	未確認之稅務虧損之稅務影響	(1,454)	(2.6)	-	-
Tax effect of utilisation of tax losses previously not recognised	動用未確認稅項虧損之稅務影響	430	0.8	2,542	5.2
Tax effect of tax exemptions	已獲稅務豁免之稅務影響	166	0.3	-	-
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營的附屬公司不同稅率之稅務影響	(2,648)	(4.7)	(2,218)	(4.5)
Income tax expense	所得稅開支	(9,098)	(16.2)	(6,946)	(14.2)

13. 所得稅開支 (續)

本年度之所得稅開支與綜合損益及其他全面收益表之除稅前溢利對賬如下：

14. DIVIDENDS

The directors of the Company do not recommend any payments of interim and final dividend for the year (2015: Nil).

14. 股息

本公司董事不建議就本年度派付任何中期及末期股息 (二零一五年: 無)。

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

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<i>Earnings</i>	<i>盈利</i>		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	每股基本盈利之盈利 (年度本公司擁有人應佔溢利)	42,096	34,009
Effect of dilutive potential ordinary shares:	潛在普通股股份攤薄影響：		
Interest on convertible notes, net of tax	可換股票據利息(稅後淨額)	-	57
Fair value gain on the derivative component of the convertible notes	可換股票據衍生成分之公平值盈利	-	(21)
Earnings for the purpose of diluted earnings per share	每股攤薄之盈利	42,096	34,045
Number of shares ('000)	股份數目(千股)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	2,596,255	2,507,599
Effect of dilutive potential ordinary shares:	具潛在攤薄作用之普通股之影響：		
Convertible notes	可換股票據	-	725
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數	2,596,255	2,508,324

Diluted earnings per share did not assume (i) the exercise of the share options since the exercise price is higher than the average share price of the Company for the year ended 31 December 2016 nor (ii) the conversion of convertible notes since their assumed conversion had an anti-dilutive effect on earnings per share for the year ended 31 December 2016.

15. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按照下列數據計算：

每股攤薄盈利沒有假設(i)行使購股權，因購股權的行使價高於本公司截至二零一六年十二月三十一日止年度的股票平均市價；及(ii)兌換可換股票據，因其假設兌換對截至二零一六年十二月三十一日止年度的每股盈利有反攤薄影響。

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

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、機器及設備

		Leasehold improvements	Office equipment	Furniture and fixture	Computer software	Equipment under finance lease	Motor vehicle	Medical equipment	Construction in progress	Total
		租賃裝修	辦公室設備	傢俬及裝置	電腦軟件	融資租賃設備	汽車	醫療設備	在建工程	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost:	成本：									
At 1 January 2015	於二零一五年一月一日	8,368	820	849	191	33	2,035	1,505	-	13,801
Additions	增加	1,537	1,789	105	20	-	944	962	-	5,357
Exchange alignment	匯率調整	(544)	(54)	(41)	(4)	-	(28)	(185)	-	(856)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	9,361	2,555	913	207	33	2,951	2,282	-	18,302
Additions	增加	11,437	205	339	64	-	2,212	1,484	63,634	79,375
Acquisition of subsidiaries (Note 39 (a))	收購附屬公司(附註39(a))	-	-	-	-	-	-	-	139,585	139,585
Disposal of subsidiaries (Note 40)	出售附屬公司(附註40)	(1,216)	(1,627)	-	-	-	-	-	-	(2,843)
Exchange alignment	匯率調整	(965)	(156)	(66)	(7)	-	(85)	(192)	(14,367)	(15,838)
At 31 December 2016	於二零一六年十二月三十一日	18,617	977	1,186	264	33	5,078	3,574	188,852	218,581
Accumulated depreciation and impairment:	累計折舊及減值：									
At 1 January 2015	於二零一五年一月一日	111	183	98	88	14	204	77	-	775
Charge for the year	年度支出	3,632	760	192	57	7	507	159	-	5,314
Exchange alignment	匯率調整	(178)	10	10	-	-	(3)	(56)	-	(217)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	3,565	953	300	145	21	708	180	-	5,872
Charge for the year	年度支出	6,210	750	205	55	7	960	322	-	8,509
Disposal of subsidiaries (Note 40)	出售附屬公司(附註40)	(697)	(934)	-	-	-	-	-	-	(1,631)
Exchange alignment	匯率調整	(575)	(71)	(18)	(4)	-	(17)	(22)	-	(707)
At 31 December 2016	於二零一六年十二月三十一日	8,503	698	487	196	28	1,651	480	-	12,043
Carrying amounts:	賬面值：									
At 31 December 2016	於二零一六年十二月三十一日	10,114	279	699	68	5	3,427	3,094	188,852	206,538
At 31 December 2015	於二零一五年十二月三十一日	5,796	1,602	613	62	12	2,243	2,102	-	12,430

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

17. INTANGIBLE ASSET

17. 無形資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	-	-
Acquisition of a subsidiary (Note 39 (a))	收購附屬公司 (附註39(a))	130,421	-
Exchange alignment	匯率調整	(8,271)	-
At 31 December	於十二月三十一日	122,150	-

Intangible asset represented an exclusive development right on a parcel of land situated at Luofu Mountain in Guangdong Province, the PRC.

無形資產為位於中國廣東省羅浮山一幅土地的土地開發權。

The development right was acquired by the Company through the acquisition of 51% equity interests of Harvest Luck Investment Limited ("Harvest Luck") during the year. The management of the Group considered that the legal rights of the development right is capable of being renewed indefinitely at insignificant cost and it is expected to generate positive cash flows indefinitely. The development right will not be amortised until its useful life is determined to be finite upon reassessment of its useful life annually by the management. Instead, they will be tested for impairment and whenever there is an indication that it may be impaired.

開發權乃本公司於本年內收購吉盛51%股權而獲得。本集團管理層認為，開發權的合法權利可按極低成本無限期地予以重續且預期會無限期地產生正現金流。管理層於每年重新評估其可使用年期時釐定為有限時，方予以攤銷，惟開發權在有跡象顯示可能已減值時將作減值測試。

Impairment testing of intangible asset

For the purpose of impairment testing, intangible asset has been allocated to the following CGU. The carrying amount of intangible asset (net of accumulated impairment losses) at 31 December 2016 was allocated as follow:

無形資產減值測試

為進行減值測試，無形資產已分配至以下現金產生單位。於二零一六年十二月三十一日，無形資產之賬面值（扣除累計減值虧損）分配如下：

		2016 二零一六年 HK\$'000 千港元
Health industry	健康產業	122,150

For impairment testing, please refer to Note 18 for details.

為減值測試，詳情請參閱附註18。

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

18. GOODWILL**18. 商譽**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost	成本		
At 1 January and 31 December	於一月一日至十二月三十一日	53,382	53,382
Accumulated impairment losses	累計減值虧損		
At 1 January and 31 December	於一月一日至十二月三十一日	-	-
Carrying amounts	賬面值		
At 31 December	於十二月三十一日	53,382	53,382

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following CGU. The carrying amount of goodwill (net of accumulated impairment losses) at 31 December 2016 and 2015 was allocated as follow:

商譽減值測試

為進行減值測試，商譽已分配至以下現金產生單位。於二零一六年及二零一五年十二月三十一日，商譽之賬面值（扣除累計減值虧損）分配如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Health industry	健康產業	53,382	53,382

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

18. GOODWILL (continued)

Health industry

The recoverable amount of the 'health industry' segment as a CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period, and a pre-tax discount rate of 12.79% per annum (2015: 10.71%). Cash flows beyond that five-year period have been extrapolated using a steady growth rate of relevant industries. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Key assumptions included gross margin and discount rate which were determined by the directors of the Company based on past performance and its expectation for market development. The values assigned to key assumptions are based on historical experience, current market condition, approved forecasts and consistent with external information sources. The directors of the Company believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the goodwill generated from the relevant CGU exceed the aggregated its recoverable amount.

18. 商譽 (續)

健康產業

作為現金產生單位的「健康產業」的可收回金額乃按使用價值計算基準釐定。現金流量預測所採用估值乃基於本公司董事所批准的五年期財務預算，其稅前貼現率每年12.79%（二零一五年：10.71%）。超過該五年期的現金流量採用相關行業穩定增長率。該增長率乃基於相關行業增長預測及不超過相關行業的平均長期增長率。主要假設包括本公司董事基於過往表現及其對市場發展的預期所釐定的毛利率及貼現率。賦予主要假設的數值乃基於過往經驗、目前市況、經批准的預測及與外部資料來源的一致性。本公司董事相信，在計算可收回金額所依據的主要假設條件下任何合理可能變動，將不會導致相關現金產生單位的商譽的賬面價值超過其可收回金額總額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

19. INTERESTS IN ASSOCIATES

19. 於聯營公司之權益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interests in associates, included in non-current assets:	於聯營公司之權益，包括在非流動資產：		
Share of net assets	應佔聯營公司淨資產	275,073	234,811
Disposal of associates	出售聯營公司	(147,945)	–
Interests in associates	於聯營公司之權益	127,128	234,811
Loan from associates	聯營公司借款	(12,300)	–
Amount due to associates	應付聯營公司款項	–	(654)

Notes:

- (a) Loan from associates are unsecured, interest rate of 9% per annum and repayable on demand.
- (b) Amount due to associates are unsecured, interest-free and had no fixed terms of repayment.

附註：

- (a) 聯營公司借款為無抵押、年利率9%及須按要求還款。
- (b) 應付聯營公司款項為無抵押、免息及無固定償還期。

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

19. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

- (c) In March 2016, the Group, through its wholly-owned subsidiary, together with Ms. Zhu Yufei ("Ms. Zhu") and other shareholders of Shenzhen Aidigong Modern Maternity Health Management Co., Ltd., ("Aidigong") entered into an agreement with Perennial Healthcare Pte Ltd. in which (i) the Group agreed to disposal of 14.26% equity interests in Aidigong at a consideration of RMB92,690,000 (equivalent to approximately HK\$107,014,000) and the fair value of residual interest of Aidigong of approximately HK\$69,930,000; (ii) Ms. Zhu agreed to dispose 2.41% equity interests in Aidigong; and (iii) Ms. Zhu made a contribution of RMB27,080,000 (equivalent to approximately of HK\$31,265,000) to Aidigong. Upon completion of the above transactions, the Group's interests in Aidigong will be decreased from 26.22% to 11.48% and result Aidigong became an equity investment and were classified as available-for-sale financial assets of the Group. The Group then recognised a gain on disposal of an associate of approximately HK\$28,999,000 in the consolidated statement of profit or loss for the year.
- (d) On 13 June 2015, the Group acquired 26.5% equity interests in Best Hunter Limited and its subsidiaries (the "Best Hunter Group") at consideration of HK\$27,560,000. After the acquisition, the Best Hunter Group becomes associates of the Group.

* For identification purpose only

19. 於聯營公司之權益 (續)

附註：(續)

- (c) 於二零一六年三月，本集團，透過其全資附屬公司，連同朱昱霏女士（「朱女士」）及其他深圳愛帝宮現代母嬰健康管理有限公司（「愛帝宮」）股東，與 Perennial Healthcare Pte Ltd. 訂立協議，據此(i)本集團同意出售愛帝宮 14.26% 股權，作價人民幣 92,690,000 元（相等於約 107,014,000 港元）和愛帝宮剩餘權益的公平值約為 69,930,000 港元；(ii) 朱女士同意出售愛帝宮 2.41% 股權；及(iii) 朱女士以人民幣 27,080,000 元（相等於約 31,265,000 港元）注資愛帝宮。上述交易完成後，本集團原持有愛帝宮的 26.22% 股權降至 11.48%，而愛帝宮成為本集團的股權投資及分類為待售金融資產。本集團亦於本年度的綜合損益表內記帳出售聯營公司收益約 28,999,000 港元。
- (d) 於二零一五年六月十三日，本集團收購 Best Hunter Limited 及其附屬公司（「Best Hunter 集團」） 26.5% 股權，作價 27,560,000 港元。收購後，Best Hunter 集團成為本集團的聯營公司。

* 僅供識別

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

19. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates, which are held indirectly by the Company at the end of reporting period, are as follows:

19. 於聯營公司之權益 (續)

本公司間接持有之本集團聯營公司於報告期末的詳情如下：

Name of associate	Form of business and structure	Place of incorporation	Class of registered capital held	Proportion of ownership interest and voting rights interest held by the Group	Principal activities
聯營公司名稱	業務組建形式	註冊成立地點	所持註冊股本類別	本集團所持所有權權益及投票權比例	主要業務
Guangdong Fengyuan Huake Bio Tech Company Limited*	Incorporated	The PRC	Registered capital	22.72%	Research, development and manufacturing of pharmaceutical products
廣東豐源華科生物科技有限公司	註冊成立	中國	註冊股本	22.72%	研究·發展和製造製藥產品
Yangxi Fengyuan Huake Agriculture Integrated Development Company Limited*	Incorporated	The PRC	Registered capital	22.72%	Research, development and manufacturing of pharmaceutical products
陽西豐源華科農業綜合開發有限公司	註冊成立	中國	註冊股本	22.72%	研究·發展和製造製藥產品
Shanyang Fengyuan Huake Bio Tech Limited*	Incorporated	The PRC	Registered capital	22.72%	Research, development and manufacturing of pharmaceutical products
山陽豐源華科生物科技有限公司	註冊成立	中國	註冊股本	22.72%	研究·發展和製造製藥產品

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

19. INTERESTS IN ASSOCIATES (continued)

19. 於聯營公司之權益 (續)

Name of associate	Form of Business and structure	Place of incorporation	Class of registered capital held	Proportion of ownership interest and voting rights interest held by the Group	Principal activities
聯營公司名稱	業務組建形式	註冊成立地點	所持註冊股本類別	本集團所持所有權益及投票權比例	主要業務
Zhanjiang Allad Ophthalmology Centre Company Limited*	Incorporated	The PRC	Registered capital	27%	Ophthalmology centre
湛江奧理德視光學中心有限公司	註冊成立	中國	註冊股本	27%	視光學中心
Zhanjiang Allad Ophthalmology Hospital Company Limited*	Incorporated	The PRC	Registered capital	27%	Ophthalmology hospital
湛江奧理德眼科醫院有限公司	註冊成立	中國	註冊股本	27%	眼科醫院
Zhongshan Allad Ophthalmology Hospital Company Limited*	Incorporated	The PRC	Registered capital	27%	Investment holding
中山奧理德眼科醫院有限公司	註冊成立	中國	註冊股本	27%	投資控股
Zhongshan Allad Ophthalmology Hospital*	Incorporated	The PRC	Registered capital	27%	Ophthalmology hospital
中山奧理德眼科醫院	註冊成立	中國	註冊股本	27%	眼科醫院
Best Hunter Limited	Incorporated	The British Virgin Islands	Ordinary	26.5%	Investment holding
	註冊成立	英屬維爾京群島	普通股	26.5%	投資控股
JP Partners Medical Centre Limited	Incorporated	Hong Kong	Ordinary	26.5%	Provision of medical services
莊柏醫務中心有限公司	註冊成立	香港	普通股	26.5%	提供醫療服務
JP Partners Medical Limited	Incorporated	Hong Kong	Ordinary	26.5%	Provision of medical services
莊柏醫療有限公司	註冊成立	香港	普通股	26.5%	提供醫療服務

* For identification purpose only

* 僅供識別

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

19. INTERESTS IN ASSOCIATES (continued)

Material associate disclosures

The following table illustrates the summarised financial information of the material associate prepared in accordance with HKFRSs, and reconciled to the carrying amount in the consolidated financial statements:

Fengyuan Group

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	193,154	145,448
Non-current assets	非流動資產	28,430	29,358
Current liabilities	流動負債	(105,432)	(124,638)
Net assets	淨資產	116,152	50,168
Less: Non-controlling interests	減：非控股權益	(6,133)	-
Net assets attributable to shareholders of the associates	歸屬於聯營公司股東的淨資產	110,019	50,168
Reconciliation to the Group's investments in the associates			
Proportion of the Group's ownership interest in the Fengyuan Group	本公司對聯營公司的投資 本集團於豐源集團之擁有權權益比例	22.72%	28%
Group's share of net assets of the associates, excluding goodwill	本集團於聯營公司的淨資產中所佔的股權，不包括商譽	24,996	14,047
Goodwill on acquisition recognised by the Group	本集團認購的商譽	17,943	17,943
Other reconciling items	其他協調項目	42,069	2,583
Carrying amount of the Group's interests in the Fengyuan Group	本集團於豐源集團權益之賬面值	85,008	34,573

There is no commitment and contingent liabilities under the associates.

19. 於聯營公司之權益 (續)

重大聯營公司披露

下列表示了聯營公司的財務資料已根據香港財務報告準則進行編製，並與綜合財務報表中的賬面值進行了調整：

豐源集團

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	193,154	145,448
Non-current assets	非流動資產	28,430	29,358
Current liabilities	流動負債	(105,432)	(124,638)
Net assets	淨資產	116,152	50,168
Less: Non-controlling interests	減：非控股權益	(6,133)	-
Net assets attributable to shareholders of the associates	歸屬於聯營公司股東的淨資產	110,019	50,168
Reconciliation to the Group's investments in the associates			
Proportion of the Group's ownership interest in the Fengyuan Group	本公司對聯營公司的投資 本集團於豐源集團之擁有權權益比例	22.72%	28%
Group's share of net assets of the associates, excluding goodwill	本集團於聯營公司的淨資產中所佔的股權，不包括商譽	24,996	14,047
Goodwill on acquisition recognised by the Group	本集團認購的商譽	17,943	17,943
Other reconciling items	其他協調項目	42,069	2,583
Carrying amount of the Group's interests in the Fengyuan Group	本集團於豐源集團權益之賬面值	85,008	34,573

聯營公司沒有承擔及或然負債。

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

19. INTERESTS IN ASSOCIATES (continued)

Material associate disclosures (continued)

Fengyuan Group (continued)

Other disclosures

19. 於聯營公司之權益 (續)

重大聯營公司披露 (續)

豐源集團 (續)

其他披露

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	50,892	25,450
Profit for the year/period	年度／期間溢利	15,094	9,503
Profit for the year/period attributable to shareholders of the associate	歸屬於聯營公司股東的年度／期間溢利	14,615	9,503
Other comprehensive expense for the year/period	年度／期間其他綜合開支	(201)	(616)
Other comprehensive expense for the year/period attributable to shareholders of the associates	歸屬於聯營公司股東的年度／期間其他綜合開支	(163)	(172)
Share of the associates' profit for the year/period	年度／期間聯營公司股權利潤	3,429	2,660
Share of the associates' other comprehensive expense for the year/period	年度／期間聯營公司股權其他綜合開支	(46)	(172)

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

19. INTERESTS IN ASSOCIATES (continued)

Material associate disclosures (continued)

Fengyuan Group (continued)

Other disclosures (continued)

The following tables illustrate the aggregate financial information of the Group's associates that are not individually material:

19. 於聯營公司之權益 (續)

重大聯營公司披露 (續)

豐源集團 (續)

其他披露 (續)

下列表示了本集團聯營公司不屬於個別重大的財務資料：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Share of the associates' profit for the year	本年度聯營公司股權的利潤	10,676	10,239
Share of the associates' other comprehensive (expense)/income for the year	年度聯營公司股權其他綜合(開支)/收益	(158)	4
Share of net assets of the associates, excluding goodwill recognised by the Group	聯營公司股權的淨資產，不包括本集團認可商譽	12,260	46,671
Goodwill on acquisition recognised by the Group	本集團收購認可商譽	29,860	153,567

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

20. INTERESTS IN JOINT VENTURES

Details of the Group's interest are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investments in joint ventures	於合營企業投資之成本		
Unlisted outside Hong Kong	於香港境外非上市	73,235	73,235
Amounts due from joint ventures	應收合營企業款項	60,330	60,330
		133,565	133,565
Impairment loss recognised	已確認減值虧損	(133,565)	(133,565)
		-	-

20. 於合營企業之權益

本集團權益詳情如下：

Details of the Group's joint ventures, which are held indirectly by the Company at the end of reporting period, are as follows:

本公司間接持有之本集團合營企業於報告期末之詳情如下：

Name of joint venture	Form of business and structure	Place of incorporation	Class of shares held	Proportion of ownership interest and voting rights held by the Group 本集團所持所有權權益及投票權比例	Principal activities
合營企業名稱	業務組建形式	註冊成立地點	所持股份類別		主要業務
Golden Royce Investment Limited	Incorporated	Hong Kong	Ordinary	40%	Dormant
金萊斯投資有限公司	註冊成立	香港	普通股	40%	暫無營業

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

20. INTERESTS IN JOINT VENTURES (continued)

Aggregate information of joint ventures that are not individually material.

20. 於合營企業之權益 (續)

個別來看並不重要的合營企業資料。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's share of profit operation	本集團攤佔經營溢利	-	-
The Group's share of other comprehensive income	本集團攤佔其他全面收益	-	-
The Group's share of total comprehensive income	本集團攤佔全面收益總額	-	-
Unrecognised share of losses of a joint ventures			
The unrecognised share of profit/(loss) of a joint ventures	未確認所攤佔合營企業之溢利／(虧損)	32	(16)
Cumulative share of losses of a joint ventures	累計攤佔合營企業之虧損	(63,574)	(63,606)

There is no commitment and contingent liabilities under the joint venture.

合營企業沒有承擔及或然負債。

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

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

21. 待售金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted shares:	非上市股份：		
Equity securities incorporated in the PRC (notes a and b)	於中國註冊成立的股本證券 (附註(a)及(b))	71,217	2,042

Notes:

附註：

(a) Included in the Group's available-for-sale financial assets of approximately HK\$1,287,000 (2015: HK\$2,042,000) were unlisted equity investment in a private entity engaged in research and development of pharmaceuticals products. The balances were stated at cost less impairment loss at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company consider that their fair values cannot be measured reliably. During the year ended 31 December 2016, the Group identified impairment loss of approximately HK\$755,000 related to the unlisted equity securities (2015: Nil). The directors of the Company are of the opinion that as the investee was operating at a loss, the recoverable amount of the investment cost in the unlisted equity securities was less than its carrying amount.

(a) 包括在本集團之待售金融資產約1,287,000港元(二零一五年: 2,042,000港元)，為投資於一家藥物研究及開發的私人企業之非上市股權。因其合理公平值估計的範圍太大，以致本公司董事認為彼等公平值無法可靠計量，於報告期末的餘額以成本減去減值虧損列賬。截至二零一六年十二月三十一日止年度內，本集團識別有關非上市股本證券的減值虧損約755,000港元(二零一五年：無)。本公司董事認為，被投資單位虧損經營情況，非上市權益性證券投資成本可收回金額低於其賬面價值。

(b) Included in the Group's available-for-sale financial assets of approximately HK\$69,930,000 were unlisted equity investment in Aidigong. The balances were stated at cost less impairment because it did not have a quote market price in an active market and the range of reasonable fair value estimates is so significant for these investments that the directors of the Company considered the fair value cannot be measured reliably. During the year ended 31 December 2016, the Group identified no impairment loss related to these investments.

(b) 包括在本集團之待售金融資產約69,930,000港元為於愛帝宮非上市股權的投資。因其合理公平值估計的範圍太大，以致本公司董事認為彼等公平值無法可靠計量，於報告期末的餘額以成本減去減值虧損列賬。截至二零一六年十二月三十一日止年度內，本集團並無識別有關非上市股本證券的減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

22. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES 22. 按金、預付款項及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits	按金	1,220	1,848
Prepayment (note i)	預付款項 (附註(i))	37,424	24,657
Other receivables (note ii)	其他應收款 (附註(ii))	81,381	27,607
		120,025	54,112

The directors of the Company consider that carrying amounts of deposits, prepayment and other receivables approximate to their fair values.

本公司董事認為按金、預付款項及其他應收款之賬面值與公平值相若。

Notes:

(i) As at 31 December 2016, the prepayment mainly comprised of potential land acquisition and procurement of raw material and finished goods for health industry business of approximately HK\$21,066,000 and HK\$9,097,000 respectively. As at 31 December 2015, prepayments mainly represent procurement of raw material and finished goods for health industry business, which are paid to independent third parties of the Group.

(ii) The other receivables mainly comprised of temporary payments paid for potential development projects and deposit for construction works of approximately HK\$35,726,000 and HK\$33,538,000 (2015: HK\$23,813,000 and HK\$Nil) respectively.

附註：

(i) 於二零一六年十二月三十一日，預付款項主要為潛在收購土地及採購健康產業業務原材料及製成品分別約21,066,000港元及9,097,000港元。於二零一五年十二月三十一日，預付款項主要指健康產業業務向本集團獨立第三方採購物料及製成品之預付款項。

(ii) 其他應收款主要包括支付潛在發展項目暫付款及工程按金分別為35,726,000港元及33,538,000港元(二零一五年：分別為23,813,000港元及零港元)。

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

23. TRADE RECEIVABLES

The following is an aged analysis of trade receivables (net of allowance for doubtful debts), at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 to 30 days	零至三十日	8,377	12,645
31 to 60 days	三十一至六十日	167	–
181 to 365 days	一百八十一至三百六十五日	12	–
Over 365 days	三百六十五日以上	139	–
		8,695	12,645

Detail on the Group's credit policy are set out in Note 5. The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables.

Despite the fact that no collateral is held, the Group has assessed the creditworthiness, past payment history and settlement after the end of the reporting period, and considered that the amounts are still recoverable and no allowance for doubtful debts is required.

As at 31 December 2016, receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances. As at 31 December 2015, there was no receivables that was past due.

23. 應收貿易款項

應收貿易款項(扣除呆賬撥備)於報告期末之賬齡分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 to 30 days	8,377	12,645
31 to 60 days	167	–
181 to 365 days	12	–
Over 365 days	139	–
	8,695	12,645

本集團信貸政策詳情載於附註5。本集團已制訂明確之信貸政策，以評估每名交易對手之信貸質素。本集團密切監察收款情況，務求盡量減低有關該等應收貿易款項之信貸風險。

儘管本集團並無持有抵押品，本集團已就其信譽，過往還款記錄及於報告期末後之結賬作出評估，並認為該等數額仍可收回，無需作出呆賬撥備。

於二零一六年十二月三十一日，逾期但未減值之應收賬款與本集團若干過往記錄良好之獨立客戶有關。根據過往經驗，因其信貸質素並無重大變動且該等結餘仍被視為可全數收回，故本公司董事認為毋須就有關結餘作出減值。本集團並無就該等結餘持有任何抵押品或其他信貸增強品。於二零一五年十二月三十一日，概無已逾期之應收賬款。

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

24. INVENTORIES

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Finished goods	製成品	18,046	12,443

The directors of the Company have assessed the net realisable values and condition of the Group's inventories as at 31 December 2016 and have considered no write-down of obsolete inventories to be made (2015: HK\$Nil).

本公司董事已對於二零一六年十二月三十一日本集團存貨之可變現淨值及其狀況作出評估，認為沒有積壓存貨需進行降價（二零一五年：零港元）。

25. AMOUNT DUE FROM A SHAREHOLDER

Details of the amount due from a shareholder are as follows:

Name of a shareholder 股東名稱	Maximum amount outstanding during the year 年內最高未償還金額 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Champion Dynasty Limited ("Champion Dynasty")	562	256	562

The amount due from a shareholder is unsecured, interest-free and repayable on demand.

應收股東款項為無抵押、免息及須按要求的償還。

Champion Dynasty was directly owned by Mr. Cheung Wai Kuen, an executive director of the Company.

Champion Dynasty乃由一名本公司執行董事張偉權先生直接擁有。

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

26. LOAN TO A SHAREHOLDER

On 27 September 2012, the Company, as lender, entered into a loan agreement with Champion Dynasty, as borrower, and Mr. Cheung Wai Kuen, as an individual guarantor, and Guangdong Allad Commercial Development Company Limited* (廣東奧理德商業發展有限公司) (formerly known as Guangdong Allad Yiliao Touzi Company Limited* (廣東奧理德醫療投資有限公司), as a corporate guarantor, to grant a three-year revolving loan facility of up to HK\$220,000,000 to Champion Dynasty at an interest rate of HIBOR plus 2.5% per annum. The loan was carried with the term of repayable on demand clause.

On 2 October 2015, the Company, as lender, renewed the loan agreement with Champion Dynasty, as borrower, and Mr. Cheung Wai Kuen, as an individual guarantor, to grant a three-year revolving loan facility of up to HK\$200,000,000 to Champion Dynasty at an interest rate of 10% per annum. The loan was carried with the term of repayable on demand clause.

On 21 December 2016, the Company entered into a supplemental agreement to increase the interest rate of the three-year revolving facility from 10% per annum to 11% per annum.

Details of the loan were set out in the Company's announcements and circular dated 5 October 2015, 26 October 2015 and 21 December 2016 respectively.

26. 借予股東貸款

於二零一二年九月二十七日，本公司（作為貸方）與Champion Dynasty（作為借方）及張偉權先生（作為個人擔保人）及廣東奧理德商業發展有限公司（前稱為廣東奧理德醫療投資有限公司）（作為公司擔保人）訂立一份貸款協議，向Champion Dynasty提供一筆最多220,000,000港元之三年期循環貸款融資，此貸款之年利率為香港銀行同業拆息加2.5%。該筆貸款乃訂有按要求償還條款。

於二零一五年十月二日，本公司（作為貸方）與Champion Dynasty（作為借方）及張偉權先生（作為個人擔保人）重新訂立一份貸款協議，向Champion Dynasty提供一筆最多200,000,000港元之三年期循環貸款融資，此貸款之年利率為10%。該筆貸款經要求償還條款進行。

於二零一六年十二月二十一日，本公司訂立一份補充協議，以增加三年期循環貸款利息，由年利率10%增加至11%。

貸款詳情已分別載列於本公司日期為二零一五年十月五日、二零一五年十月二十六日及二零一六年十二月二十一日之公告及通函。

Name of a shareholder	Maximum amount outstanding during the year	2016	2015
股東名稱	年內最高未償還金額	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Champion Dynasty	186,600	77,291	186,600

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

27. SHORT-TERM LOANS RECEIVABLE

27. 應收短期貸款賬項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loans receivable	應收貸款		
By corporate guarantee (note (i))	由企業擔保 (附註(i))	-	40,000
With no guarantee (note (ii))	無擔保 (附註(ii))	58,200	34,200
		58,200	74,200
Carrying amount within one year (note (iii))	一年內應收賬面值 (附註(iii))	58,200	74,200

Notes:

- (i) The loans with principal amount of HK\$40,000,000 are guaranteed by corporate guarantee provided by 廣東省東莞市悅海實業投資有限公司, bear interest at 5% per annum and repayable within one year. On 29 May 2015, the Group entered into a supplemental agreement with the borrower to extend the repayment period for one additional year.
- (ii) Loans receivable are denominated in Hong Kong dollars and carried at fixed effective interest ranging from 8% to 10% per annum.
- (iii) The following is an aged analysis for the loans receivable at the end of the reporting period:

附註：

- (i) 本金額為40,000,000港元的定期貸款由廣東省東莞市悅海實業投資有限公司提供公司擔保，按年利率5%計息並於一年內到期。於二零一五年五月二十九日，本集團跟貸款人簽訂一份補充協定，還款期因此延期了一年。
- (ii) 應收貸款以港元計值，並按介乎8%至10%的固定實際年利率計息。
- (iii) 於報告期末應收貸款的賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
61 to 90 days	61至90日	17,000	-
Over 90 days	90日以上	41,200	74,200
		58,200	74,200

Total short-term loans receivable at 31 December 2016 and 2015 was not past due. The amount due are based on the scheduled repayment dates set out in the loan agreements. All loans are repayable within one year.

於二零一六年及二零一五年十二月三十一日的短期貸款總額並無逾期。到期款項乃根據貸款協議所載原定償還日期計算。所有貸款須於一年以內償還。

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

28. BANK AND CASH BALANCES

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term time deposits are denominated in HK\$ and RMB which made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

The time deposits carry interests at prevailing market deposit rates and mature within one month. The Group does not hold collateral over the balances.

At 31 December 2016, the Group's bank and cash balances denominated in RMB are approximately HK\$14,862,000 (2015: HK\$26,660,000).

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

29. TRADE PAYABLES

The following is an aged analysis of trade payables, based on the invoice date:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 to 30 days	零至三十日	-	5,077
91 to 180 days	九十一至一百八十日	-	50
181 to 365 days	一百八十一至三百六十五日	1,333	-
Over 365 days	三百六十五日以上	62	-
		1,395	5,127

The average credit period granted by suppliers ranges from 0 to 30 days.

28. 銀行及現金結餘

銀行現金按基於每日銀行存款利率的浮動利率賺取利息。短期定期存款以港元及人民幣計值，期限介乎一日至三個月，視乎本集團即時現金需求而定，並按相關短期定期存款利率賺取利息。

定期存款按當時之市場存款利率計息，並於一個月內到期。本集團並無就結餘持有抵押品。

於二零一六年十二月三十一日，本集團之銀行及現金結餘按人民幣計值，約為14,862,000港元（二零一五年：26,660,000港元）。

人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲允許透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

29. 應付貿易款項

根據票據日期計算之應付貿易款項之賬齡分析如下：

各供應商授予的平均信貸期一般介乎0至30日。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

30. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES 30. 應計款項、已收按金及其他應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Accruals	應計款項	6,203	2,912
Other payables (note)	其他應付款項 (附註)	21,483	86,262
Receipt in advance	預收款項	1,531	11,593
		29,217	100,767

Notes:

Other payables mainly comprised of:

- (i) HK\$3,354,000 consideration payable to third parties for the land acquisition;
- (ii) HK\$10,182,000 temporary received from third parties for a potential business co-operation; and
- (iii) HK\$4,036,000 interest payable for the convertible notes, guaranteed notes and bonds payable.

附註：

其他應付款項主要包括：

- (i) 收取第三方作為土地收購款3,354,000港元；
- (ii) 暫時收取第三方作為潛在業務合作款10,182,000港元；及
- (iii) 可換股票據、擔保票據及應付債券的應付利息4,036,000港元。

31. OBLIGATION UNDER A FINANCE LEASE

The Group leased an office equipment under a finance lease. The lease term is 5 years. Interest rate underlying all obligations under a finance lease is fixed at 5.98% per annum. The Group has an option to purchase the equipment for a nominal amount at the end of the lease terms. Lease is on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

31. 融資租賃責任

本集團根據融資租賃租賃其一項辦公室設備。租期為五年。融資租賃所有責任之有關利率已固定為每年5.98%。本集團可選擇於租賃期末以面值購買設備。租賃按固定還款基準，並無就或然租金付款訂立任何安排。

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

31. OBLIGATION UNDER A FINANCE LEASE 31. 融資租賃責任 (續)

(continued)

At the end of the reporting period, the total future minimum lease payments under finance lease and present value were as follows:

於報告期末，融資租賃之未來最低租賃付款總額及現值如下：

		Minimum lease payments 最低租賃付款		Present value of minimum lease payment 最低租賃付款之現值	
		31 December 2016 二零一六年 HK\$'000 千港元	31 December 2015 二零一五年 HK\$'000 千港元	31 December 2016 二零一六年 HK\$'000 千港元	31 December 2015 二零一五年 HK\$'000 千港元
Amounts payable under a finance lease within one year	根據融資租賃應付款項 一年內	6	14	6	13
Less: future finance charges	減：日後融資費用	-	(1)	-	-
Present value of lease obligation	租賃責任之現值	6	13	6	13
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於十二個月內到期清償之 款項 (呈列作流動負債)			(6)	(13)
Amount due for settlement after 12 months	於十二個月後到期清償之款項			-	-

The Group's obligation under a finance lease is secured by the lessor's charge over the leased asset with the carrying amount of approximately HK\$6,000 (2015: HK\$13,000).

本集團的融資租賃責任由出租人對所租賃資產之押記作抵押，該資產賬面值約為6,000港元(二零一五年：13,000港元)。

All obligation under a finance lease is denominated in Hong Kong dollar.

所有融資租賃責任以港元計值。

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

32. SHARE CAPITAL

32. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each Authorised: At 1 January 2015, 31 December 2015 1 January 2016 and 31 December 2016	每股面值0.01港元之普通股 法定股本： 於二零一五年一月一日、 二零一五年十二月三十一日、 二零一六年一月一日及 二零一六年十二月三十一日	80,000,000	800,000
Issued and fully paid: At 1 January 2015	已發行及繳足股本： 於二零一五年一月一日	2,428,255	24,282
Issuance of shares upon exercise of share option	已行使的股本權益 (附註)	168,000	1,680
31 December 2015, 1 January 2016 and 31 December 2016	二零一五年十二月三十一日、 二零一六年一月一日及 二零一六年十二月三十一日	2,596,255	25,962

Note:

On 29 June 2015, 2 July 2015 and 21 July 2015, the Company allotted and issued in aggregated of 48,000,000, 24,000,000 and 96,000,000 new shares of HK\$0.01 each pursuant to the exercise of share options granted to the Group's director, employees and consultants respectively. The exercise price was HK\$0.315 per share.

附註：

二零一五年六月二十九日、二零一五年七月二日及二零一五年七月二十一日，本集團配售及發行每股0.01港元新股購權股的行使授予給本集團的董事、員工和顧問分別合計48,000,000、24,000,000及96,000,000股。該行使價是每股0.315港元。

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

33. CONVERTIBLE NOTES

33. 可換股票據

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Liability component	負債部分		
Current liabilities	流動負債	15,039	-
Non-current liabilities	非流動負債	70,496	14,152
		85,535	14,152
Derivative component	衍生工具	7,006	1,582
		92,541	15,734

On 11 January 2016 and 5 August 2016, the Company issued convertible notes due on the second anniversary of the date of issuance with a principal amount of HK\$1,000,000 and USD10,000,000 and both carried at interest rate of 9% coupon rate per annum (the "2016 CBs"). The convertible notes were issued for general working capital of the Group and for the development of existing healthcare business of the Group. The convertible notes are convertible into fully paid ordinary shares with a par value of HK\$0.01 each of the Company at an initial conversion price of HK\$0.858 and HK\$0.70 respectively. The effective interest rates are ranging from 17.62% to 39.44%. The Company will redeem the convertible notes if the notes have not been converted on maturity date.

於二零一六年一月十一日及二零一六年八月五日，本公司發行兩年期本金額為1,000,000港元及10,000,000美元的可換股票據，其票面年利率均為9%（「2016年可換股票據」）。發行可換股票據為本集團一般營運資金及發展現有之健康產業之用。可換股票據按初始換股價分別為0.858港元及0.70港元兌換本公司每股面值0.01港元之全額已繳普通股股份。有效利率為17.62%至39.44%。若可換股票據於到期日仍未被兌換，本公司將贖回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

33. CONVERTIBLE NOTES (continued)

On 17 December 2015, the Company issued convertible notes due on the second anniversary of the date of issuance with a principal amount of HK\$16,000,000, which carried 9% coupon rate per annum respectively (the “2015 CB”). The convertible notes were issued for general working capital of the Group and for the development of existing healthcare business of the Group. The convertible notes are designated as fair value on initial recognition, and are convertible into fully paid ordinary shares with a par value of HK\$0.01 each of the Company at an initial conversion price of HK\$0.858. The effective interest rate is 17.37%. The Company will redeem the convertible notes if the notes have not been converted on maturity date.

On issuance of the convertible notes, the fair value of the derivative component, representing the embedded derivative of the conversion option, is determined based on the valuation performed by an independent professional valuer not connect with the Group, using the applicable option pricing model. This amount is carried as a derivative component of the liability until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The derivative component is measured at fair value on the issue date and any subsequent changes in fair value of the derivative component as at the end of the reporting date are recognised in the consolidated income statement.

33. 可換股票據 (續)

於二零一五年十二月十七日，本公司發行兩年期本金額為16,000,000港元的可換股票據，其票面年利率均為9%（「2015年可換股票據」）。發行可換股票據為本集團一般營運資金及發展現有之健康產業之用。可換股票據按公平值作為初始確認值，並可以初始換股價0.858港元兌換本公司每股面值0.01港元之金額已繳普通股股份。有效利率為17.37%。若可換股票據於到期日仍未被兌換，本公司將贖回。

在發行可換股票據，衍生工具部分的公平值，是根據與本集團並無關連的獨立專業評估師使用的期權定價模型而確定。該所得的餘額分配給負債部分，直至轉換或贖回進行的攤餘成本基礎上的責任。衍生金融工具是在發行日和衍生工具部分截至本公告日止的公平值的後續變動公平值計量，在綜合利潤表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

33. CONVERTIBLE NOTES (continued)

The convertible notes recognised in the statement of financial position were calculation as follows:

33. 可換股票據 (續)

財務狀況表中確認的可轉換票據的計算如下：

		2015 CB 2015年 可換股票據 HK\$'000 千港元	2016 CBs 2016年 可換股票據 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Liability component	負債部分			
At 1 January 2015	於二零一五年一月一日			
Issued of convertible notes	發行可換股票據	14,139	–	14,139
Interest expenses (Note 10)	利息開支 (附註10)	69	–	69
Interest paid	已付利息	(56)	–	(56)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	14,152	–	14,152
Issued of convertible notes	發行可換股票據	–	68,598	68,598
Interest expenses (Note 10)	利息開支 (附註10)	2,385	4,571	6,956
Interest paid	已付利息	(1,498)	(2,673)	(4,171)
At 31 December 2016	於二零一六年十二月三十一日	15,039	70,496	85,535
Derivative component	衍生工具			
At 1 January 2015	於二零一五年一月一日			
Issued of convertible notes	發行可換股票據	1,603	–	1,603
Fair value adjustment	公平值調整	(21)	–	(21)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	1,582	–	1,582
Issued of convertible notes	發行可換股票據	–	7,182	7,182
Fair value adjustment	公平值調整	(1,462)	(296)	(1,758)
At 31 December 2016	於二零一六年十二月三十一日	120	6,886	7,006

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

34. DEFERRED TAX LIABILITIES

The following was the major deferred tax liabilities provided (assets recognised) by the Group and movements thereon during the current and prior reporting periods:

		Property, plant and equipment	Total
		物業、 機器及設備	總額
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January 2015	於二零一五年一月一日	32	32
Credit to the consolidated statement of profit or loss and other comprehensive income	於綜合損益及其他全面收益表抵扣	-	-
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月三十一日、二零一六年一月一日及二零一六年十二月三十一日	32	32

For the purpose of the presentation in the consolidated statement of financial position, certain deferred tax liabilities and assets have been offset.

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 tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries 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.

34. 遞延稅項負債

以下為本集團於本報告期間及過往報告期間作出撥備之主要遞延稅項負債（已確認資產）及其變動：

為呈列綜合財務狀況報表，若干遞延稅項負債及資產已經對銷。

根據中國企業所得稅法，就中國附屬公司自二零零八年一月一日起所賺取溢利宣派的股息須繳納預扣稅。由於本集團可控制暫時差額撥回的時間及暫時差額於可預見未來可能不會撥回，因此並無就中國附屬公司所賺取溢利應佔的暫時差額在綜合財務報表計提遞延稅項。

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

34. DEFERRED TAX LIABILITIES (continued)

At 31 December 2016, the Group has unused tax losses of approximately HK\$666,190,000 (2015: HK\$666,190,000) available for offset against future profits. No deferred tax assets have been recognised due to the unpredictability of future profit streams. All unused tax losses may be carried forward indefinitely.

35. GUARANTEED NOTES AND BONDS PAYABLE

Guaranteed notes:

On 21 December 2016, the Company issued guaranteed notes due 15 August 2018 with an aggregate principal amount of HK\$100,000,000. As at 31 December 2016, the net proceeds of the issued guaranteed notes received by the Company were approximately HK\$99,479,000, with total issue cost amounting to approximately HK\$521,000. Guaranteed notes are interest bearing at 11% per annum.

The effective interest rate for the guaranteed notes is 11.61% per annum. Imputed interest of approximately HK\$330,000 (Note 10) was recognised in profit or loss during the year. Interest paid of approximately HK\$315,000 during the year.

The obligations of the Company under the guaranteed notes are guaranteed by (i) the shares of Sassoon Global Limited and Harvest Luck Investment Limited; and (ii) undertaking granted from Champion Dynasty and Mr. Cheung Wai Kuen. Details of the information were set out in the Company's announcements dated 15 December 2016.

34. 遞延稅項負債 (續)

於二零一六年十二月三十一日，本集團可用作對銷未來溢利但尚未動用之稅項虧損約為666,190,000港元（二零一五年：666,190,000港元）。由於未能預測日後溢利來源，故本集團並無確認遞延稅項資產。所有未動用之稅項虧損可無限期結轉。

35. 擔保票據及應付債券

擔保票據：

於二零一六年十二月二十一日，本公司發行累計金額100,000,000港元，於二零一八年八月十五日到期之擔保票據。於二零一六年十二月三十一日，本公司收取發行擔保票據的淨額約為99,479,000港元，發行成本約為521,000港元。擔保票據年利率為11%。

擔保票據的實際年利率為11.61%。估計利息約330,000港元（附註10）於本年度計入損益。於本年度已支付利息約315,000港元。

本公司於擔保票據的擔保義務以下方面 (i) Sassoon Global Limited及吉盛投資有限公司之股份；及 (ii) Champion Dynasty和張偉權先生倘若承諾。詳細資料已於本公司二零一六年十二月十五日公告上披露。

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

35. GUARANTEED NOTES AND BONDS PAYABLE 35. 擔保票據及應付債券 (續)

(continued)

Long-term and short-term bonds payable:

長期及短期應付債券：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	-	-
Initial recognition	初始確認	66,669	-
Imputed interest expenses (Note 10)	估計利息費用 (附註10)	1,531	-
Interest payable	應付利息	(1,036)	-
At 31 December	於十二月三十一日	67,164	-
Current liabilities	流動負債	5,680	-
Non-current liabilities	非流動負債	61,484	-

During the year ended 31 December 2016, the Company issued long-term bonds due between July 2018 and December 2019 with an aggregate principal amount of HK\$67,600,000. As at 31 December 2016, the net proceeds of the issued long-term bonds received by the Company were approximately HK\$60,989,000, with total issue cost amounting to approximately HK\$6,611,000. The long-term bonds are interest bearing at 6% per annum. The net proceeds are intended to be used for general capital of the Group.

The long-term bonds are subsequently measured at amortised cost. The effective interest rates are ranging from 11.75% to 12.01%. Imputed interest of approximately HK\$1,512,000 (Note 10) was recognised in profit or loss during the year.

截至二零一六年十二月三十一日止年度，本公司發行累計本金額為67,600,000港元，於二零一八年七月至二零一九年十二月到期之長期債券。於二零一六年十二月三十一日，本公司收取發行長期債券的淨額約為60,989,000港元，發行成本約為6,611,000港元。長期債券年利率為6%，其收益將為本公司的一般營運資金。

長期債券既而以攤餘成本計量。實際利率於11.75%至12.01%之間，估計利息約為1,521,000港元 (附註10) 於本年度計入損益。

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

35. GUARANTEED NOTES AND BONDS PAYABLE

(continued)

Long-term and short-term bonds payable: (continued)

On 7 December 2016, the Company issued a short-term bonds due in December 2017 with the aggregate principal amount of HK\$7,000,000. As at 31 December 2016, the net proceeds of the issued short-term bonds received by the Company were approximately HK\$5,680,000, with total issue cost amounting to approximately HK\$1,320,000. The short-term bonds are interest bearing at 4% per annum. The net proceeds are intended to be used for general capital of the Group.

The short-term bonds are subsequently measured at amortised cost. The effective interest rate are 28.54%. Imputed interest of approximately HK\$19,000 (Note 10) was recognised in profit or loss during the year.

36. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 11 October 2012.

The major terms of the Share Option Scheme are summarised as follows:

- (a) The primary purpose of the Share Option Scheme is to provide incentives or rewards to eligible participants for their contribution to the Group.
- (b) The Share Option Scheme will expire on 10 October 2022.
- (c) The eligible participants include:
 - (1) any employee (whether full time or part time, including any executive director of the Company and non-executive director of the Company) of any member of the Company, any of its subsidiaries or any entity ("Invested Entity");

35. 擔保票據及應付債券 (續)

長期及短期應付債券：(續)

於二零一六年十二月七日，本公司發行累計本金額為7,000,000港元，於二零一七年十二月到期之短期債券。於二零一六年十二月三十一日本公司收取發行短期債券的淨額約為5,680,000港元，發行成本約為1,320,000港元。短期債券年利率為4%，其收益將為本公司的一般營運資金。

短期債券既而以攤餘成本計量。實際利率為28.54%，估計利息約為19,000港元(附註10)於本年度計入損益。

36. 購股權計劃

本公司根據其於二零一二年十月十一日舉行之股東周年大會上通過之一項普通決議案採納一項購股權計劃(「購股權計劃」)。

購股權計劃之主要條款概述如下：

- (a) 購股權計劃旨在就合資格參與者向本集團所作之貢獻，向彼等提供獎勵或回報。
- (b) 購股權計劃將於二零二二年十月十日屆滿。
- (c) 合資格參與者包括：
 - (1) 本公司任何成員公司或其任何附屬公司或任何實體(「所投資公司」)之任何僱員(不論是全職或兼職，包括任何本公司執行董事及本公司非執行董事)；

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

36. SHARE OPTION SCHEME (continued)

- (c) The eligible participants include: (continued)
- (2) any independent non-executive directors of the Company of any member of the Group or any Invested Entity;
 - (3) any supplier of goods or services to any member of the Group or any Invested Entity;
 - (4) any customer of any member of the Group or any Invested Entity;
 - (5) any person or entity that provides research, development or other support (technical or otherwise) to any member of the Group or any Invested Entity;
 - (6) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
 - (7) any adviser or consultant (professional or otherwise) to any area of business or business development of any member of the Group or any Invested Entity; and
 - (8) any other group or classes of participants who have contributed or may contribute by way of joint ventures, business alliance or other business arrangement to the development and growth of the Group.

and, for the purpose of the Share Option Scheme, any grant may be made to any company controlled by one or more eligible participants.

36. 購股權計劃 (續)

- (c) 合資格參與者包括：(續)
- (2) 本集團任何成員公司或任何所投資公司之任何本公司獨立非執行董事；
 - (3) 本集團任何成員公司或任何所投資公司供應貨物或提供服務之任何供應商；
 - (4) 本集團任何成員公司或任何所投資公司之任何客戶；
 - (5) 本集團任何成員公司或任何所投資公司提供研發或其他方面的支援（不論是否屬技術性質）的任何人士或公司；
 - (6) 本集團任何成員公司或任何所投資公司之任何股東或本集團任何成員公司或任何所投資公司發行之任何證券之任何持有人；
 - (7) 本集團任何成員公司或任何所投資公司之任何業務範疇或業務發展方面之任何諮詢人或顧問（不論是否屬專業性質）；及
 - (8) 以合營企業、業務聯盟或其他業務安排的方式，將本集團之發展及成長作出（或可能作出）貢獻之任何其他組別或級別的參與者。

而就購股權計劃而言，亦可向一名或以上合資格參與者控制之任何公司授出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

36. SHARE OPTION SCHEME (continued)

- (d) Maximum number of Shares:
- (1) The overall limit on the number of share which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group must not exceed 30% of the shares in issues from time to time. The total number of shares available for issue under the Share Option Scheme as refreshed at the annual general meeting on 31 May 2016 is 259,625,500 Shares, which represent 10.0% of the total issued share capital of the Company as at the date of the report.
- (2) Subject to the above overall limit, the total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and all other share option scheme of the Group must not, in aggregate, exceed 10% of the shares in issue as at the date of approval of the Share Option Scheme (the "General Scheme Limit"). The Company may refresh the General Scheme Limit subject to approval of the shareholders in general meeting, provided that the General Scheme Limit as refreshed must not exceed 10% of the shares in issue as at the date of the approval of the refreshed limit.
- (e) A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of the grant of share options. Share options may be exercised at any time during the period to be determined and identified by the board of directors of the Company, but in any event no later than ten years from the date of grant but subject to the early termination of the Share Option Scheme.

36. 購股權計劃 (續)

- (d) 股份之最高數目：
- (1) 根據購股權計劃及本集團之任何其他購股權計劃已授出但尚待行使之任何尚未行使購股權獲行使時可發行之股份數目之整體限額，不得超過不時已發行股份之30%。於二零一六年五月三十一日股東周年大會更新後的購股權計劃可供發行股份總數為259,625,500股，即本公司截至報告日期已發行股本總額10.0%。
- (2) 根據上述整體限額，因根據購股權計劃及本集團任何其他購股權計劃將予授出之所有購股權獲行使而可能發行之股份總數，合共不得超過於購股權計劃獲通過當日已發行股份之10%（「一般計劃限額」）。本公司可於股東大會上獲股東批准之情況下更新一般計劃限額，惟經更新之一般計劃限額不得超過更新限額獲批當日之已發行股份10%。
- (e) 承授人須於接納所授購股權時支付1.00港元之不可退回象徵式代價。購股權可於本公司董事會釐定及識別之期間內隨時行使，惟於任何情況下最遲為授出日期起計十年，惟視乎購股權計劃有否提早終止而定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

36. SHARE OPTION SCHEME (continued)

- (f) The subscription prices for shares under the Share Option Scheme shall be a price determined by the board of directors of the Company, but shall not be less than the highest of:
- (1) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of offer for the grant;
 - (2) 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 offer for the grant; and
 - (3) the nominal value of the shares.
- (g) Share options granted should be accepted within 21 days from date of offer.
- (h) Share options granted vested at the date of grant.
- (i) Share options are valid for a period from 18 December 2012 to 10 October 2022 (both days inclusive) with remaining life of approximately 5.5 years as at the date of this report and can be exercisable in full or in part. The share options granted can be exercised since 18 December 2012 until they are exercised or lapsed.

On 18 December 2012, the Company granted an aggregate of 168,000,000 share options, carrying the right to subscribe for the ordinary shares at HK\$0.01 each in the share capital of the Company, under the Share Option Scheme adopted by the Company on 11 October 2012 to a director of the Company, and certain employees and consultants of the Group.

36. 購股權計劃 (續)

- (f) 購股權計劃項下之股份認購價須由本公司董事會釐定，惟不得低於以下三者其中之最高者：
- (1) 股份於授出之要約日期於聯交所每日報價表所列股份收市價；
 - (2) 股份於緊接授出之要約日期前五個營業日於聯交所刊發之每日報價表所列之平均收市價；及
 - (3) 股份之面值。
- (g) 授出之購股權須於要約日期起計21日內接納。
- (h) 所授出之購股權於授出日期歸屬。
- (i) 購股權之有效期由二零一二年十二月十八日起至二零二二年十月十日止（包括首尾兩天在內），於本報告日期餘下年期約5.5年，並可行使全部或部分。所授出購股權可由二零一二年十二月十八日起行使，直至其獲行使或失效。

於二零一二年十二月十八日，根據本公司於二零一二年十月十一日採納之購股權計劃，本公司已向一位本公司董事及本集團若干僱員及顧問授出合共168,000,000份購股權，附有認購本公司股本中每股面值0.01港元之普通股之權利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

36. SHARE OPTION SCHEME (continued)

On 5 November 2014, the Company granted an aggregate of 16,680,000 share options, carrying the right to subscribe for the ordinary share at HK\$0.01 each in the share capital of the Company, under the Share Option adopted by the Company on 11 October 2012 to directors of the Company, and certain employees and consultants of the Group.

On 5 January 2016, the Company granted an aggregate of 35,800,000 share options, carrying the right to subscribe for the ordinary share at HK\$0.01 each in the share capital of the Company, under the Share Option Scheme adopted by the Company on 11 October 2012 to directors of the Company, and certain employees and consultants of the Group.

Details of the share options were as follows:

36. 購股權計劃 (續)

於二零一四年十一月五日，根據本公司於二零一二年十月十一日採納之購股權計劃，本公司已向本公司董事及本集團若干僱員及顧問授出合共16,680,000份購股權，附有認購本公司股本中每股面值0.01港元之普通股之權利。

於二零一六年一月五日，根據本公司於二零一二年十月十一日採納之購股權計劃，本公司已向本公司董事及本集團若干僱員及顧問授出合共35,800,000份購股權，附有認購本公司股本中每股面值0.01港元之普通股之權利。

該等購股權之詳情如下：

Grant date 授出日期	Exercise period 行使期間	Exercise price 行使價	Fair value at grant date 授出日期之公平值
18 December 2012 二零一二年十二月十八日	18 December 2012 to 10 October 2022 二零一二年十二月十八日至 二零二二年十月十日	HK\$0.315 0.315港元	HK\$0.186 0.186港元
5 November 2014 二零一四年十一月五日	5 November 2014 to 4 November 2015 二零一四年十一月五日至 二零一五年十一月四日	HK\$0.750 0.750港元	HK\$0.0495 0.0495港元
5 January 2016 二零一六年一月五日	5 January 2016 to 4 January 2017 二零一六年一月五日至 二零一七年一月四日	HK\$0.750 0.750港元	HK\$0.1071 0.1071港元

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

36. SHARE OPTION SCHEME (continued)

The fair value of the share options granted on 18 December 2012, 5 November 2014 and 5 January 2016 are determined using a binomial option pricing model by an independent professional valuer. The following table lists the significant inputs to the model used at the date of grant.

Grant date		18 December 2012	5 November 2014	5 January 2016
授出日期		二零一二年 十二月十八日	二零一四年 十一月五日	二零一六年 一月五日
Grant date share price (HK\$)	授出日期股價 (港元)	0.315	0.55	0.67
Exercise price (HK\$)	行使價 (港元)	0.315	0.75	0.75
Expected volatility (%)	預期波幅 (%)	93.04	48.99	52.38
Share option life (years)	購股權年期 (年)	9.8	1.0	1.0
Dividend yield (%)	股息率 (%)	1.504	0.00	0.000
Risk-free interest rate (%)	無風險利率 (%)	0.665	0.13	0.111

Expected volatility was determined by using the historical volatility of the Company's share price over certain historical periods. The expected life used in the model has been adjusted, based on the management of the Company's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

At the end of the reporting period, the number of shares in respect of which may be issued upon exercise of share options granted and remain outstanding under the Share Option Scheme was 35,800,000 (2015: Nil), representing 1.38% (2015: 0%) of the shares of the Company in issue at that date.

36. 購股權計劃 (續)

於二零一二年十二月十八日、二零一四年十一月五日及二零一六年一月五日授出之購股權公平值乃由專業評估師按二項式期權定價模式釐定。下表載列於授出日期所用模式之重要輸入參數。

預期波幅透過採用過往一定期間本公司股價的過往波幅釐定。模式所用預期年期按本公司管理層的最佳估計就不可轉讓性、行使限制及行為考慮因素作出調整。

於報告期末，根據購股權計劃已授出及尚未行使之購股權獲行使後可能發行之股份數目為35,800,000股（二零一五年：無），相當於本公司於該日之已發行股份之1.38%（二零一五年：0%）。

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

36. SHARE OPTION SCHEME (continued)

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

2016

Name of categories of participants	Outstanding as at 1 January 2016	Granted during the year	Exercised during the year	Lapsed during the year	Expired during the year	Outstanding
						as at 31 December 2016
參與者類別名稱	於二零一六年一月一日尚未行使	年內授出	年內行使	年內失效	年內屆滿	於二零一六年十二月三十一日尚未行使
Directors	董事					
Mr. Ye Jiong Xian	葉炯賢先生	- 10,000,000	-	-	-	10,000,000
Mr. Lin Jiang	林江先生	- 1,000,000	-	-	-	1,000,000
Mr. Mai Yang Guang	麥楊光先生	- 1,000,000	-	-	-	1,000,000
Mr. Yau Chi Ming	丘志明先生	- 1,000,000	-	-	-	1,000,000
Consultants	顧問					
In aggregate	總計	- 12,700,000	-	-	-	12,700,000
Employees	僱員					
In aggregate	總計	- 10,100,000	-	-	-	10,100,000
		- 35,800,000	-	-	-	35,800,000
Exercisable at the end of the year	於年終可行使					35,800,000
Weighted average exercise price	加權平均行使價	HK\$0.75港元				HK\$0.75港元

36. 購股權計劃 (續)

本年內購股權計劃項下尚未行使之購股權如下：

二零一六年

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

36. SHARE OPTION SCHEME (continued)

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

2015

Name of categories of participants	Outstanding as at 1 January 2015	Granted during the year	Exercised during the year	Lapsed during the year	Expired during the year	Outstanding
						as at 31 December 2015
參與者類別名稱	於二零一五年一月一日尚未行使	年內授出	年內行使	年內失效	年內屆滿	於二零一五年十二月三十一日尚未行使
Directors	董事					
Mr. Cheng Hau Yan	鄭孝仁先生	24,000,000	-	(24,000,000)	-	-
Mr. Lin Jiang	林江先生	1,000,000	-	-	(1,000,000)	-
Mr. Mai Yang Guang	麥楊光先生	1,000,000	-	-	(1,000,000)	-
Mr. Yau Chi Ming	丘志明先生	1,000,000	-	-	(1,000,000)	-
Mr. Huang Liang	黃亮先生	1,000,000	-	-	(1,000,000)	-
Consultants	顧問					
In aggregate	總計	81,980,000	-	(72,000,000)	-	(9,980,000)
Employees	僱員					
In aggregate	總計	74,700,000	-	(72,000,000)	-	(2,700,000)
		184,680,000	-	(168,000,000)	-	(16,680,000)
Exercisable at the end of the year	於年終可行使					-
Weighted average exercise price	加權平均行使價	HK\$0.354港元		HK\$0.315港元		-

During the year ended 31 December 2016, no share options were exercised (2015: 168,000,000).

36. 購股權計劃 (續)

本年內購股權計劃項下尚未行使之購股權如下：(續)

二零一五年

截至二零一六年十二月三十一日年度，無購股權可予行使(二零一五年：168,000,000份)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

37. OPERATING LEASES

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises with lease terms which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內到期	7,307	4,354
In the second to fifth year inclusive	兩年至五年內到期	5,207	6,290
Over five years	五年後到期	4,879	11,622
		17,393	22,266

Rentals are fixed and no arrangement has been entered into for contingent rental payment.

38. RETIREMENT BENEFIT SCHEME

The Group operates the Mandatory Provident Fund Scheme ("MPF Scheme"). Contributions to the MPF Scheme are based on a percentage of employees' salaries ranging from 5% to 10%, depending upon the length of service of the employees. From 1 December 2000, newly joined employees are compulsorily required to join the MPF Scheme. The employer and its employees are each required to make contributions to the scheme at rates specified in the rules of the MPF Scheme.

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

37. 經營租賃

於報告期末，本集團在有關租賃物業之不可撤銷經營租賃下之未來最低租約付款承擔到期情況如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內到期	7,307	4,354
In the second to fifth year inclusive	兩年至五年內到期	5,207	6,290
Over five years	五年後到期	4,879	11,622
		17,393	22,266

租金為固定，並無就或然租金付款訂立任何安排。

38. 退休福利計劃

本集團參與強制性公積金計劃（「強積金計劃」）。本集團向強積金計劃作出僱員薪酬之5%至10%供款（視乎僱員服務年資而定）。由二零零零年十二月一日起加入本集團之新僱員均須參加強積金計劃。僱主及僱員均需為強積金計劃規則內列明之比率供款。

中國附屬公司所僱用僱員為中國政府經營的國家管理退休福利計劃的成員。中國附屬公司須按彼等工資的一定比例向退休福利計劃供款以撥付福利。本集團有關該等退休福利計劃的唯一責任為根據計劃作出規定供款。

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

38. RETIREMENT BENEFIT SCHEME (continued)

The total costs charged to the consolidated statement of profit or loss and other comprehensive income approximately HK\$483,000 (2015: HK\$530,000) represented contributions payable to these schemes by the Group for the year.

39. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Harvest Luck

In June 2016, the Group, through its wholly-owned subsidiary, entered into an agreement with Sassoon Global Limited in relation to acquisition of the entire equity interests in Harvest Luck at a consideration of RMB121,224,000 (equivalent to approximately HK\$144,697,000). Harvest Luck and its 51% non-wholly owned subsidiaries (collectively, the "Harvest Luck Group") did not operate any business prior to the acquisition and only held a parcel of land in the PRC with a land development rights of a PRC Grade 5A scenic area in Luofu Mountain, Guangdong, the PRC. The acquisition was completed on 23 June 2016.

The acquisition of Harvest Luck did not constitute a business. In accordance with HKFRS 3, such acquisition did not give rise to goodwill. Therefore, the Company recognised the intangible asset and property, plant and equipment individually at the date of acquisition.

The initial accounting for the intangible asset and property, plant and equipment arising from the acquisition of the Harvest Luck was determined at the acquisition date their fair values performed by an independent professional qualified valuer.

38. 退休福利計劃 (續)

於綜合損益及其他全面收益表扣除之總成本約為483,000港元(二零一五年: 530,000港元), 即本集團於本年度向該等計劃應付之供款。

39. 收購附屬公司

(a) 收購吉盛

於二零一六年六月, 本集團通過其全資附屬公司與Sassoon Global Limited簽訂收購協議以收購吉盛的全部已發行股本, 代價為人民幣121,224,000元(相等於約144,697,000港元)。吉盛及其51%非全資擁有的附屬公司(統稱「吉盛集團」)在收購之前並沒有業務和只是在中國持有一幅位於廣東省羅浮山5A級風景區的土地及其土地開發權。該收購已於二零一六年六月二十三日完成。

收購吉盛並不構成業務。根據香港財務報告準則第3號, 此類收購並未產生商譽。因此, 本公司於收購之日單獨確認無形資產和物業, 機器及設備。

收購吉盛所產生的無形資產, 物業, 機器及設備的初步會計處理在購買日由其獨立專業資格估值師進行的公平值確定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES (continued)

39. 收購附屬公司 (續)

(a) Acquisition of Harvest Luck (continued)

(a) 收購吉盛 (續)

		HK\$'000
		千港元
Fair value of the assets acquired and liabilities recognised at the date of acquisition	於收購日期收購的資產及確認的負債的公平值	
Bank and cash balances	銀行及現金結餘	5,076
Property, plant and equipment (Note 16)	物業、機器及設備 (附註16)	139,585
Deposits and prepayment	按金及預付款項	88,309
Intangible asset (Note 17)	無形資產 (附註17)	130,421
Other payables	其他應付款項	(79,671)
<hr/>		
Net assets acquired	所收購資產淨值	283,720
Non-controlling interests	非控股權益	(139,023)
<hr/>		
Consideration transferred	已轉讓代價	144,697
<hr/>		
Net cash outflow in respect of acquisition of subsidiaries	收購附屬公司的現金流入淨額	
Consideration paid	已付代價	144,697
Cash and cash equivalent balance acquired	所收購現金及現金等值項目結餘	(5,076)
<hr/>		
Net cash outflow	現金流出淨額	139,621
<hr/>		

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

39. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of Dongguan Ruicheng

On 9 August 2015, Guangdong Common Splendor Investment Management Ltd.* (廣東同佳投資管理有限公司) (“Common Splendor Investment Management”), an indirect wholly-owned subsidiary of the Company, entered into an agreement (“Acquisition Agreement”), with an independent third party, to acquire 100% of the issued share capital Dongguan Ruicheng Ventures Ltd. (東莞市瑞成創投有限公司) and its subsidiaries (the “Dongguan Ruicheng Group”), which principally engaged in maternity and child management services, at a consideration of RMB10,000,000 (equivalent to approximately HK\$12,462,000) for the acquisition. This acquisition was completed on 9 August 2015.

The acquisition has been accounted for using the acquisition method.

39. 收購附屬公司 (續)

(b) 收購東莞市瑞成創投有限公司

於二零一五年八月九日，廣東同佳投資管理有限公司（「同佳投資管理」），本公司間接全資附屬公司與獨立第三方達成協議（「收購協議」）透過收購東莞市瑞成創投有限公司及其附屬公司（「東莞市瑞成集團」）提供物料及兒童管理服務100%的發行股本及代價為人民幣10,000,000元（相等於約12,462,000港元）。於二零一五年八月九日完成收購。

收購使用收購法入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of Dongguan Ruicheng (continued)

Acquisition-related costs amounting to HK\$61,000 have been recognised as an expense in the period, within the “administrative expenses” line item in the consolidated statement of profit or loss and other comprehensive income.

39. 收購附屬公司 (續)

(b) 收購東莞市瑞成創投有限公司 (續)

收購相關成本61,000港元已於期內確認為開支，計入綜合損益及其他全面收益表的「行政費用」項目。

HK\$'000
千港元

Fair value of the assets acquired and liabilities recognised at the date of acquisition	於收購日期收購的資產及確認的負債的公平值	
Interests in an associate	於聯營公司之權益	12,464
Bank and cash balances	銀行及現金結餘	4
Other payables	其他應付款項	(6)
Net assets acquired	所收購資產淨值	12,462
Consideration payable	應付代價	12,462

The consideration of the acquisition was settled by cash and the consideration of HK\$12,462,000 had not been paid by the Group during the year ended 31 December 2015.

收購代價以現金結算，本集團於截至二零一五年十二月三十一日止年度悉數支付代價12,462,000港元。

HK\$'000
千港元

Net cash inflow in respect of acquisition of subsidiaries	收購附屬公司的現金流入淨額	
Cash and cash equivalent balance acquired	所收購現金及現金等值項目結餘	(4)
Net cash inflow	現金流入淨額	(4)

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

39. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of Dongguan Ruicheng (continued)

Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2015 is approximately loss of HK\$2,000 attributable to the Dongguan Ruicheng Group. Revenue for the period includes approximately HK\$Nil in respect of the Dongguan Ruicheng Group.

Had this acquisition been effected at 1 January 2015, the revenue of the Group would have been approximately HK\$530,290,000, and the profit for the year would have been approximately HK\$42,106,000. The directors of the Company consider these “pro-forma” numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

(c) Acquisition of Fengshuo Bio Medical Tech

On 23 November 2015, Common Splendor Investment Management entered into an agreement (“Fengshuo Acquisition Agreement”) with the Guangdong Fengyuan Technology Innovation Bio Tech Company Limited (廣東豐源科創生物科技股份有限公司) (the “Fengshuo Vendor”), an independent third party, in relation to acquire 100% of the issued share capital in Guangdong Fengshuo Bio Medical Tech Company Limited* (廣東豐碩生物醫藥科技有限公司) (the “Fengshuo Bio Medical Tech”) and its subsidiary and associates (collectively, the “Fengshuo Bio Medical Tech Group”), which principally engaged in trading and research and development at a consideration of RMB26,800,000 (equivalent to approximately HK\$32,407,000) for the acquisition. This acquisition was completed on 7 December 2015.

39. 收購附屬公司 (續)

(b) 收購東莞市瑞成創投有限公司 (續)

收購對本集團業績之影響

計入截至二零一五年十二月三十一日止年度的溢利為有關瑞成創投集團的虧損約2,000港元。本期內無收入包括有關瑞成創投集團。

倘該等業務合併於二零一五年一月一日生效，本集團的收入應為約530,290,000港元，本年內的溢利應為約42,106,000港元。本公司董事認為該等「備考」數字代表按年計量合併集團業績的概約指標且為未來期間提供了比較的參考點。

(c) 收購豐碩生物醫藥科技

於二零一五年十一月二十三日，同佳投資管理與獨立第三方廣東豐源科創生物科技股份有限公司（「豐碩賣方」）簽訂協議（「豐碩收購協議」），收購廣東豐碩生物醫藥科技有限公司（「豐碩生物醫藥科技」）100%已發行股本及其附屬公司（統稱「豐碩生物醫藥科技集團」），主要從事貿易及研發。收購代價為人民幣26,800,000元（相等於約32,407,000港元）。此收購於二零一五年十二月七日完成。

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

39. ACQUISITION OF SUBSIDIARIES (continued)

39. 收購附屬公司 (續)

(c) Acquisition of Fengshuo Bio Medical Tech (continued)

(c) 收購豐碩生物醫藥科技 (續)

		HK\$'000 千港元
Fair value of the assets acquired and liabilities recognised at the date of acquisition	於收購日期收購的資產及確認的負債的公平值	
Interests in associates	於聯營公司之權益	32,396
Bank and cash balances	銀行及現金結餘	13
Accrued expenses	應付費用	(2)
Net assets acquired	所收購資產淨值	32,407
Consideration transferred	已轉讓代價	32,407

Acquisition-related costs amounting to approximately HK\$34,000 have been recognised as an expense in the period, within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

收購相關成本約34,000港元已於本期內確認為開支，計入綜合損益及其他全面收益表的「行政費用」項目。

		HK\$'000 千港元
Net cash outflow in respect of acquisition of subsidiaries	收購附屬公司的現金流入淨額	
Consideration paid in cash	已付現金代價	32,407
Cash and cash equivalent balance acquired	所收購現金及現金等值項目	(13)
Net cash outflow	現金流出淨額	32,394

Included in the profit for the year ended 31 December 2015 is approximately profit HK\$2,660,000 attributable to the Fengshuo Bio Medical Tech Group. Revenue for the period includes approximately HK\$nil in respect of the Fengshuo Bio Medical Tech Group.

計入截至二零一五年十二月三十一日止年度的溢利約2,660,000港元為有關豐碩生物醫藥科技集團所產生業務。本期內無收入包括有關豐碩生物醫藥科技集團。

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

39. ACQUISITION OF SUBSIDIARIES (continued)

(c) Acquisition of Fengshuo Bio Medical Tech (continued)

Had this acquisition been effected at 1 January 2015, the revenue of the Group would have been approximately HK\$530,290,000, and the profit for the year would have been approximately HK\$42,106,000. The directors of the Company consider these “pro-forma” numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

40. DISPOSAL OF SUBSIDIARIES

Disposal of 同佳（北京）少兒健康科技有限公司

On 24 November 2016, the Group disposed of 80% equity interests in 同佳（北京）少兒健康科技有限公司 and its subsidiaries (the “Disposal Group”), which carried out advantage growth for children and teenagers business, at a consideration of HK\$3,000,000. Summary of the effect of the disposal of the subsidiaries is as follows:

		HK\$'000 千港元
Consideration:	代價	
Cash received	已收現金	3,000
Analysis of assets and liabilities over which control was lost:	喪失控制權的資產及負債分析：	
Property, plant and equipment (Note 16)	物業、機器及設備 (附註16)	1,212
Trade and other receivables	應收貿易及其他款項	1,035
Bank and cash balances	銀行及現金結餘	1
Trade and other payables	應付貿易及其他款項	(1,967)
Net assets disposed of	所出售資產淨額	281

39. 收購附屬公司 (續)

(c) 收購豐碩生物醫藥科技 (續)

倘該等業務合併於二零一五年一月一日生效，本集團的收入應為約530,290,000港元，本年內溢利應為約42,106,000港元。本公司董事認為該等「備考」數字代表按年計量合併集團業績的概約指標且為未來期間提供了比較的參考點。

40. 出售附屬公司

出售同佳（北京）少兒健康科技有限公司

於二零一六年十一月二十四日，本集團出售從事少兒優勢成長業務的同佳（北京）少兒健康科技有限公司及其附屬公司80%權益（「出售集團」），代價為3,000,000港元。出售附屬公司之影響概述如下：

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

40. DISPOSAL OF SUBSIDIARIES (continued)

Disposal of 同佳（北京）少兒健康科技有限公司 (continued)

40. 出售附屬公司（續）

出售同佳（北京）少兒健康科技有限公司
(續)

HK\$'000
千港元

Gain on disposal:	出售溢利	
Consideration	代價	3,000
Net assets disposed of	所出售資產淨額	(281)
Non-controlling interests	非控股權益	56
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of the subsidiaries	關於附屬公司累計匯兌差額的淨資產重新分配權益損失控制下的附屬公司損益	(455)
Gain on disposal of subsidiaries	出售附屬公司之溢利	2,320
Net cash inflow arising on disposal:	出售之產生現金流入淨額	
Cash consideration received	已收現金代價	3,000
Less: bank balances and cash disposed of	減：所出售銀行及現金結餘項目	(1)
		2,999

41. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 21 June 2016, the Company acquired an additional 37.8% of the issued capital of Common Splendor International Life Health Science Group Limited ("Life Health Science") and its subsidiaries for an aggregate purchase consideration of approximately HK\$77,780,000. The carrying amount of the non-controlling interests in Life Health Science was approximately HK\$17,998,000. Upon completion of the acquisition, the Group owned 99.5% equity interest in Life Health Science Group and a decrease in equity attributable to owners of the Company of approximately HK\$59,782,000.

During the year, the Company disposed 44% of the issued capital of 東莞同佳投資管理合夥企業有限公司 for an aggregate sell consideration of approximately HK\$49,189,000. The carrying amount of the non-controlling interests in 東莞同佳投資管理合夥企業有限公司 was approximately HK\$49,170,000. Upon completion of the disposal, the Group owned 56% equity interest in 東莞同佳投資管理合夥企業有限公司 and an increase in equity attributable to owners of the Company of approximately HK\$19,000.

41. 非控股權益交易

於二零一六年六月二十一日，本公司收購同佳國際生命健康科技集團有限公司（「生命健康科技」）及其附屬公司之總額約77,780,000港元之全部已發行股本之37.8%。生命健康科技的非控股股東權益賬面值約為17,998,000港元。收購事項完成後，本集團擁有生命健康科技集團99.5%股權，歸屬於本公司擁有人應佔股本權益減少約59,782,000港元。

於本年度，本公司出售東莞同佳投資管理合夥企業有限公司之總額約49,189,000港元之全部已發行股本之44%。東莞同佳投資管理合夥企業有限公司的非控股股東權益賬面值約為49,170,000港元。出售事項完成後，本集團擁有東莞同佳投資管理合夥企業有限公司56%股權，歸屬於本公司擁有人應佔股本權益減少約19,000港元。

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

42. MATERIAL RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the consolidated financial statements, the Group and the Company had the following material transactions with related parties during the year:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest income on loan to a shareholder (note)	借予股東貸款之利息收入 (附註)	13,260	7,141
Salaries and other allowances paid to a spouse of a director of the Company	向一名本公司董事配偶支付之薪金及其他津貼	866	884
Contributions to retirement benefit scheme paid to a spouse of a director of the Company	向一名本公司董事配偶作出供款至退休福利計劃	18	18

Note:

At 31 December 2016 and 2015, the Group lent to Champion Dynasty with the sum of HK\$77,291,000 and HK\$186,600,000 which bearing interest rate at 11% and 10% per annum respectively. Details are set out in Note 26.

Pursuant to Rules 14A.25 and 14A.31 of the Listing Rules, the loan to a shareholder constitutes financial assistance and a continuing connected transaction of the Company. An ordinary resolution was passed at the special general meeting of the Company held on 19 November 2015 to approve the renewal of the loan and the annual cap amounts.

Balances with related parties:

Details of the balances with related parties at the end of reporting period are set out in Notes 19, 25 and 26.

Key management personnel emoluments

Remuneration for key management personnel is disclosed in Note 12.

42. 重大關連人士交易

除財務報表其他部分所詳述交易及結餘外，本集團及本公司於本年度與關連人士進行以下重大交易：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest income on loan to a shareholder (note)	借予股東貸款之利息收入 (附註)	13,260	7,141
Salaries and other allowances paid to a spouse of a director of the Company	向一名本公司董事配偶支付之薪金及其他津貼	866	884
Contributions to retirement benefit scheme paid to a spouse of a director of the Company	向一名本公司董事配偶作出供款至退休福利計劃	18	18

附註：

於二零一六年至二零一五年十二月三十一日，本集團借予Champion Dynasty一筆分別為77,291,000港元及186,600,000港元貸款，該筆貸款按年利率分別為11%及10%計息。詳情載於附註26。

根據規則14A.25條及14A.31上市規則，借予股東貸款構成財政援助和一項持續關連該公司的交易。本公司於二零一五年十一月十九日召開股東大會批准貸款及年度上限金額的續約。

與關連人士之交易結餘：

於報告期末，與關連人士之交易結餘詳情載於附註19、25及26。

主要管理人員酬金：

主要管理人員酬金於附註12內披露。

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

43. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY 43. 本公司財務狀況報表之資料

The Company's statement of financial position at 31 December 2016 and 2015 are as follows:

本公司於二零一六年及二零一五年十二月三十一日之財務狀況報表如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current asset	非流動資產		
Interests in subsidiaries	於附屬公司之權益	530,457	233,381
Current assets	流動資產		
Deposits, prepayment and other receivables	按金、預付款項及其他應收款項	2,604	2,641
Amount due from a shareholder	應收股東款項	256	562
Loan to a shareholder	借予股東貸款	77,291	186,600
Bank and cash balances	銀行及現金結餘	64,510	2,065
		144,661	191,868
Current liabilities	流動負債		
Accruals, deposits received and other payables	應計款項、已收按金及其他應付款項	5,956	943
Convertible notes	可換股票據	15,039	–
Derivative financial liabilities	衍生金融負債	7,006	1,582
Loan from associates	聯營公司借款	12,300	–
Bonds payable	應付債券	5,680	–
		45,981	2,525
Net current assets	流動資產淨值	98,680	189,343
Total assets less current liabilities	資產總額減流動負債	629,137	422,724
Capital and reserves	資本及儲備		
Share capital	股本	25,962	25,962
Reserves	儲備	361,270	359,745
Total equity	股本權益總額	387,232	385,707

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

43. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

43. 本公司財務狀況報表之資料 (續)

(continued)

The Company's statement of financial position at 31 December 2016 and 2015 are as follows:

本公司於二零一六年及二零一五年十二月三十一日之財務狀況報表如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current liabilities	非流動負債		
Amount due to subsidiaries	應付附屬公司款項	10,431	22,865
Convertible notes	可換股票據	70,496	14,152
Guaranteed notes and bonds payable	擔保票據及應付債券	160,978	-
		241,905	37,017
		629,137	422,724

The financial statement were approved and authorised for issue by the board of directors of the Company on 31 March 2017 and signed on its behalf by:

財務報表已本公司董事會於二零一七年三月三十一日批准及授權發佈，並由下列代表簽署：

Cheung Wai Kuen

張偉權

Director

董事

Cheng Hau Yan

鄭孝仁

Director

董事

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

44. RESERVES OF THE COMPANY

44. 公司儲備

		Share capital	Share premium	Share options reserve	Accumulated losses	Total equity
		股本資本	股本額外費用	購股權儲備	累積損失	股本權益 總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	24,282	351,638	32,074	(77,723)	330,271
Profit for the year	年度溢利	-	-	-	2,516	2,516
Total comprehensive income for the year	綜合全年收益總額	-	-	-	2,516	2,516
Issue of ordinary shares upon exercise of share option	行使購股權發行普通股	1,680	73,560	(22,320)	-	52,920
Transfer upon expiry of share option	轉讓股票期權期滿	-	-	(9,754)	9,754	-
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	25,962	425,198	-	(65,453)	385,707
Loss for the year	本年度虧損	-	-	-	(2,311)	(2,311)
Total comprehensive income for the year	綜合全年收益總額	-	-	-	(2,311)	(2,311)
Issue of share option	發行購股權	-	-	3,836	-	3,836
At 31 December 2016	於二零一六年 十二月三十一日	25,962	425,198	3,836	(67,764)	387,232

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

45. PARTICULARS OF SUBSIDIARIES

Details of the Group's major subsidiaries at the end of the reporting period are as follows.

45. 於附屬公司之詳情

有關本集團於報告期末之重大附屬公司之詳情載列如下。

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Class of shares/ registered capital held 所持股份/ 註冊資本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊資本	Proportion of nominal value of paid capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊資本面值之百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
G-Prop Services Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Investment and finance 投資及融資
Golden Circle Investment Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Provision of management services 提供管理服務
Guangdong Common Splendor Supply Chain Management Limited*	The PRC 中國	Registered as limited liability company 註冊為有限責任公司	HK\$187,282,375/ HK\$300,000,000 187,282,375港元/ 300,000,000港元	–	100%	Investment holding 投資控股
Guangdong Fengshuo Bio Medical Tech Company Limited*	The PRC 中國	Registered as limited liability company 註冊為有限責任公司	RMB75,000,000/ RMB75,000,000 75,000,000人民幣/ 75,000,000人民幣	–	100%	Bio-medical technology 生物醫藥科技
Guangdong Weijingfang Food Limited* ("Guangdong Weijingfang")	The PRC 中國	Registered as limited liability company 註冊為有限責任公司	RMB15,000,000/ RMB30,000,000 15,000,000人民幣/ 30,000,000人民幣	–	51%	Natural health food trading 天然健康食品貿易

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

45. PARTICULARS OF SUBSIDIARIES (continued)

45. 於附屬公司之詳情 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Class of shares/ registered capital held 所持股份/ 註冊資本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊資本	Proportion of nominal value of paid capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊資本面值之百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Shenzhen Weijingfang Supply Chain Management Limited*	The PRC	Registered as limited liability company	N/A/ RMB10,000,000	–	51%	Natural health food trading
深圳維菁坊供應鏈管理有限公司	中國	註冊為有限責任公司	不適用/ 10,000,000人民幣	–	51%	天然健康食品貿易
Common Splendor Life Health Science Group (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	99.5%	Investment holding
同佳生命健康科技集團(香港)有限公司	香港	普通股	2港元	–	99.5%	投資控股
廣州同佳醫療科技有限公司	The PRC	Registered as limited liability company	HK\$7,734,289/ HK\$30,000,000	–	99.5%	Life anti-aging services
廣州同佳醫療科技有限公司	中國	註冊為有限責任公司	7,734,289港元/ 30,000,000港元	–	99.5%	生命抗衰老服務
Guangzhou Common Splendor Out-patient Clinic Limited*	The PRC	Registered as limited liability company	RMB7,900,000/ RMB10,000,000	–	99.5%	Life anti-aging services
廣州同佳健康醫療科技有限公司	中國	註冊為有限責任公司	7,900,000人民幣/ 10,000,000人民幣	–	99.5%	生命抗衰老服務
Guangdong Common Splendor Zhongliang Healthcare Industry Limited*	The PRC	Registered as limited liability company	RMB61,224,490/ RMB61,224,490	–	51%	Life anti-aging services
廣東同佳中量健康產業有限公司	中國	註冊為有限責任公司	61,224,490人民幣/ 61,224,490人民幣	–	51%	生命抗衰老服務

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

45. PARTICULARS OF SUBSIDIARIES (continued)

45. 於附屬公司之詳情 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Class of shares/ registered capital held 所持股份/ 註冊資本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊資本	Proportion of nominal value of paid capital/ registered capital held by the Company		Principal activities 主要業務
				本公司所持繳足股本/ 註冊資本面值之百分比		
				Directly 直接	Indirectly 間接	
Zhaolong International Medical Investment Management Group Limited	Hong Kong	Ordinary	HK\$10,000/ HK\$10,000	–	70%	Healthcare investment management business
兆龍國際醫療投資管理集團有限公司	香港	普通股	10,000港元/ 10,000港元	–	70%	醫療投資 管理業務
Shenzhen Gold Zhao Long Supply Chain Management Limited*	The PRC	Registered as limited liability company	HK\$16,990,976/ HK\$18,000,000	–	70%	Healthcare investment management Business
深圳金兆龍供應鏈管理有限公司	中國	註冊為有限 責任公司	16,990,976港元/ 18,000,000港元	–	70%	醫療投資 管理業務
Huizhou Chuangxing Zhangliang Property Limited*	The PRC	Registered as limited liability company	RMB1,000,000/ RMB1,000,000	–	100%	Life anti-aging services
惠州市創興中量置業有限公司	中國	註冊為有限 責任公司	1,000,000人民幣/ 1,000,000人民幣	–	100%	生命抗衰老服務
Huizhou Eastern Zhongliang Investment Limited*	The PRC	Registered as limited liability company	RMB10,000,000/ RMB10,000,000	–	100%	Life anti-aging services
惠州市東方中量投資有限公司	中國	註冊為有限 責任公司	10,000,000人民幣/ 10,000,000人民幣	–	100%	生命抗衰老服務
Huizhou Zhangliang Health Services Limited*	The PRC	Registered as limited liability company	N/A/ RMB10,000,000	–	100%	Life anti-aging services
惠州市中量健康服務有限公司	中國	註冊為有限 責任公司	不適用/ 10,000,000人民幣	–	100%	生命抗衰老服務

* For identification purpose only

* 僅供識別

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

45. PARTICULARS OF SUBSIDIARIES (continued)

None of the subsidiaries had issued any debt securities subsisting at the end of the reporting period or at any time during the reporting period.

The above table lists the subsidiaries of the Group 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.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

45. 於附屬公司之詳情 (續)

於報告期末或於報告期內任何時間，並無附屬公司發行任何仍然有效之債務證券。

上表載列本公司董事認為主要影響本集團業績或資產的附屬公司。本公司董事認為，提供其他附屬公司詳情將導致篇幅過於冗長。

下表列示持有重大非控股權益的本集團非全資附屬公司的詳情：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持 所有權權益及投票權比例		Profit/(loss) allocated to non-controlling interests 分配至非控股權益的溢利/ (虧損)		Accumulated non-controlling interests 累計非控股權益	
		2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		Guangdong Weijingfang 廣東維青坊	Registered as limited liability company in the PRC 為於中國註冊成立的有限責任公司	49.00	49.00	549	589
Guangdong Common Splendor Zhongliang Healthcare Industry Limited 廣東同佳中量健康產業有限公司	Registered as limited liability company in the PRC 為於中國註冊成立的有限責任公司	49.00	–	(831)	–	129,401	–
Individually immaterial subsidiaries with non-controlling interests 擁有非控制性權益之個別非重大附屬公司				5,347	7,508	64,629	24,426
				5,065	8,097	203,634	37,265

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

45. PARTICULARS OF SUBSIDIARIES (continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

45. 於附屬公司之詳情 (續)

有關持有重大非控股權益之本集團各附屬公司的概要財務資料如下。下文的概要財務資料指本集團內公司間抵銷前的數額。

		Guangdong Common Splendor Zhongliang Healthcare Industry	廣東同佳中量 健康產業
		Guangdong Weijingfang	
		廣東維菁坊	
		HK\$'000	HK\$'000
At 31 December 2016	於二零一六年十二月三十一日	千港元	千港元
Current assets	流動資產	31,540	94,907
Non-current assets	非流動資產	82	311,050
Current liabilities	流動負債	(12,022)	(141,873)
Non-current liabilities	非流動負債	-	-
Equity attributable to owners of the Company	本公司擁有人應佔權益	9,996	134,683
Non-controlling interest	非控股股東權益	9,604	129,401

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

45. PARTICULARS OF SUBSIDIARIES (continued) 45. 於附屬公司之詳情 (續)

		Guangdong Common Splendor Zhongliang Healthcare Industry 廣東同佳中量 健康產業	
		Guangdong Weijingfang 廣東維菁坊 HK\$'000 千港元	HK\$'000 千港元
For the year ended 31 December 2016		截至二零一六年十二月 三十一日止年度	
Revenue	收入	213,946	3
Expenses	開支	(219,948)	(1,699)
Loss for the year	年度虧損	(6,002)	(1,696)
Loss attributable to the owners of the Company	本公司擁有人應佔虧損	(3,061)	(865)
Loss attributable to non-controlling interest	非控股股東權益應佔虧損	(2,941)	(831)
Loss for the year	本年度虧損	(6,002)	(1,696)
Other comprehensive expense attributable to the owners of the Company	本公司擁有人應佔其他全面開支	(306)	(2)
Other comprehensive expense attributable to non-controlling interest	非控股股東權益應佔其他全面開支	(294)	(2)
Other comprehensive expense	其他全面開支	(600)	(4)
Total comprehensive expense attributable to the owners of the Company	本公司擁有人應佔全面開支總額	(3,367)	(867)
Total comprehensive expense attributable to non-controlling interest	非控股股東權益應佔全面開支總額	(3,235)	(833)
Total comprehensive expense	全面開支總額	(6,602)	(1,700)
Net cash inflow from operating activities	經營業務之現金流入淨額	1,737	103,787
Net cash outflow from investing activities	投資業務之現金流出淨額	-	(176,192)
Net cash inflow from financing activities	融資業務之現金流入淨額	-	68,445
Net cash inflow/(outflow)	現金流入/(流出)淨額	1,737	(3,960)

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

46. EVENTS AFTER REPORTING PERIOD

The Group had the following transaction after the end of the reporting period:

(a) Proposed fourth tranche placing

On 13 March 2017, the Company, as issuer, and Convoy Investment Services Limited, the placing agent, entered into the fourth placing agreement, pursuant to which the Company agreed to appoint the placing agent to arrange, on a best effort basis, the placees to subscribe for the fourth tranche bonds of up to an aggregate principal amount of HK\$30,000,000 during the fourth placing period. Details of the transaction were disclosed in the Company's announcement dated 13 March 2017.

47. NON-CASH TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, there was no non-cash transaction relating to investing and financing activities.

48. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

49. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2017.

46. 報告期後事項

本集團於報告期末後有以下交易：

(a) 建議第四批配售

於二零一七年三月十三日，本公司作為發行人及康宏證券投資服務有限公司（配售代理人）訂立第四份配售協議，據此，本公司同意委任配售代理人盡力安排承配人認購第四批配售債券本金總額為30,000,000港元。交易詳情已於本公司二零一七年三月十三日公告披露。

47. 非現金交易

除本綜合財務報表及其他部分所披露者外，沒有有關投資及融資活動的非現金交易。

48. 比較數字

若干比較數字已重新分類以符合本年度的呈列。

49. 授權刊發綜合財務報表

本公司董事會已於二零一七年三月三十一日批准及授權刊發綜合財務報表。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

Summary of the results, assets and liabilities of the Group for the last five years are as follows: 本集團過去五年之業績、資產與負債概要如下：

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元 (restated) (經重列) (note (a)) (附註(a))	2012 二零一二年 HK\$'000 千港元
Continuing operations	持續經營業務					
Revenue	收入	554,962	530,290	359,818	8,527	8,370
Profit/(loss) before tax	除稅前溢利／(虧損)	56,259	49,052	32,957	(3,334)	(11,625)
Income tax (expense)/credit	所得稅(開支)／抵扣	(9,098)	(6,946)	(7,627)	21	40
Profit/(loss) for the year from continuing operations	年度來自持續經營業務之溢利／(虧損)	47,161	42,106	25,330	(3,313)	(11,585)
Discontinued operation	已終止經營業務					
Profit for the year from discontinued operations	年度來自已終止經營業務之溢利	-	-	7,063	12,365	-
Profit/(loss) for the year	年度溢利／(虧損)	47,161	42,106	32,393	9,052	(11,585)
Profit/(loss) for the year attributable to:	應佔年度溢利／(虧損)：					
Owners of the Company	本公司擁有人	42,096	34,009	27,505	9,052	(11,585)
Non-controlling interest	非控股股東權益	5,065	8,097	4,888	-	-
		47,161	42,106	32,393	9,052	(11,585)
Earning/(loss) per share (HK cents)	每股盈利／(虧損)(港仙)					
Basic	基本	1.62	1.36	1.13	0.37	(0.48)
Diluted	攤薄	1.62	1.36	1.06	0.36	(0.48)
Final and interim dividend per share (HK cents)	每股末期及中期股息(港仙)	-	-	-	-	0.1
Special dividend per share (HK cents)	每股特別股息(港仙)	-	-	-	-	4

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於十二月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Total assets	資產總額	972,649	672,631	559,257	409,243	399,993
Total liabilities	負債總額	(305,099)	(126,276)	(101,468)	(1,784)	(1,547)
		667,550	546,355	457,789	407,459	398,446
Net assets value per share attributable to owners of the Company (HK\$)	本公司擁有人應佔 每股資產淨值 (港元)	0.26	0.21	0.18	0.17	0.16
Number of share issued	已發行股份數目	2,596,255,008	2,596,255,008	2,428,255,008	2,428,255,008	2,428,255,008

Note:

附註：

(a) Figures for the year 2013 have been reclassified in conform with the presentation of discontinued operation in 2014.

(a) 二零一三年之數據重列，以反映二零一四年所呈報之已終止經營業務。



同佳健康

CS Health

全球整合 · 布局全球

www.cs-ih.com