



ANNUAL REPORT 年報 2015

KINGDOM
KINGDOM HOLDINGS LIMITED
金達控股有限公司

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
(Stock code 股份代號 : 528)



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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Ren Weiming (*Chairman*)
Mr. Shen Yueming
Mr. Zhang Hongwen
Ms. Shen Hong (appointed on 18 March 2016 and
appointment became effective on 22 March 2016)

Non-executive Directors:

Mr. Ngan Kam Wai Albert
Mr. Tse Mark Chau Shing
(tendered resignation on 18 March 2016
and resignation to take effect on 30 June 2016)

Independent non-executive Directors:

Mr. Yang Donghui
Mr. Lau Ying Kit
Mr. Lo Kwong Shun Wilson

AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Mr. Yang Donghui
Mr. Lo Kwong Shun Wilson

REMUNERATION COMMITTEE

Mr. Yang Donghui (*Chairman*)
Mr. Zhang Hongwen
Mr. Lo Kwong Shun Wilson

NOMINATION COMMITTEE

Mr. Lo Kwong Shun Wilson (*Chairman*)
Mr. Lau Ying Kit
Mr. Shen Yueming

COMPANY SECRETARY

Mr. Chan Yan Kwan Andy

LEGAL ADVISERS TO THE COMPANY

Sidley Austin

AUDITORS

Ernst & Young

AUTHORISED REPRESENTATIVES

Mr. Ren Weiming
Mr. Chan Yan Kwan Andy

董事會

執行董事：

任維明先生 (主席)
沈躍明先生
張鴻文先生
沈鴻女士 (於二零一六年三月十八日獲委任
並於二零一六年三月二十二日生效)

非執行董事：

顏金煒先生
謝宙勝先生
(於二零一六年三月十八日提呈辭任
並將於二零一六年六月三十日生效)

獨立非執行董事：

楊東輝先生
劉英傑先生
羅廣信先生

審核委員會

劉英傑先生 (主席)
楊東輝先生
羅廣信先生

薪酬委員會

楊東輝先生 (主席)
張鴻文先生
羅廣信先生

提名委員會

羅廣信先生 (主席)
劉英傑先生
沈躍明先生

公司秘書

陳仁君先生

本公司法律顧問

盛德律師事務所

核數師

安永會計師事務所

授權代表

任維明先生
陳仁君先生

Corporate Information 公司資料

REGISTERED OFFICE

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

HEADQUARTERS IN CHINA

Henggang Town
Haiyan County
Zhejiang Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of China, Rugao Branch
Bank of China, Haiyan Branch

STOCK CODE

00528

COMPANY WEBSITE ADDRESS

<http://www.kingdom-china.com>

INVESTOR RELATIONS CONTACT

Email: ir@kingdom-china.com

註冊辦事處

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

中國總辦事處

中國
浙江省
海鹽縣
橫港鎮

香港主要營業地點

香港
皇后大道東183號
合和中心
54樓

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港皇后大道東183號
合和中心22樓

主要往來銀行

中國銀行如皋支行
中國銀行海鹽支行

股份代號

00528

公司網址

<http://www.kingdom-china.com>

投資者聯繫方式

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Chairman's Statement 主席報告書

I am pleased to present the annual report of Kingdom Holdings Limited (“Kingdom” or the “Company”) and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2015 (the “Year”).

In 2015, the global economic trend was complicated. The performance of the United States was among the best, the European Union was recovering modestly while Japan and emerging economies encountered grave challenges. Commodity prices continued to fall. The growth rate of the gross domestic product (“GDP”) in the People’s Republic of China (the “PRC” or “China”) for the year 2015 was 6.9%, which was the slowest for the past 25 years. China entered a “New Normal” of “maintaining growth momentum while transforming economic structure”. The rise in labour and production costs and the continuous decline in cotton prices during the Year have posed some challenges to the Chinese linen textile industry. Nevertheless, linen as an up-and-coming product, with its natural and comfortable characteristics, continues to be welcomed by consumers. According to the statistics of the General Administration of Customs of the PRC, total value of all yarns and textile products exports dropped by approximately 1.3% in 2015 as compared with 2014, however, total volume of linen yarn exports of China for 2015 increased by approximately 6.7% year-on-year, demonstrating the relative faster growth of the linen yarn industry. In view of the complicated global economy, Kingdom adopted a cautiously optimistic approach. The Group has enhanced its internal management and lowered production costs while expanding its market. In addition, the construction of the production base in Ethiopia will satisfy the rising demand for linen yarn in the future.

The European Union market remained stable in 2015, and the Group tapped into emerging markets such as India and Korea as well as the PRC to drive its business growth. The Group recorded total exports of 10,379 tonnes of linen yarn, representing an increase of 13.9% as compared with that of last year. For the Year, the total revenue reached its historical high and increased by 12.2% year-on-year to approximately RMB1.03 billion. Profit attributable to the owners of the parent amounted to approximately RMB120 million, representing a stable growth of 9.0% from approximately RMB110 million in 2014. To show the Group’s appreciation to its shareholders for their trust and support while reserving resources for future expansion, the board of directors (the “Board”) of the Company has recommended the payment of a final dividend for the Year of HK8.0 cents per ordinary share.

本人欣然提呈金達控股有限公司（「金達」或「本公司」）及其附屬公司（統稱「本集團」）截至二零一五年十二月三十一日止年度（「年內」）的年度報告。

二零一五年，全球宏觀經濟形勢較為複雜，美國一枝獨秀，歐盟經濟溫和復蘇，日本和新興市場國家經濟面臨嚴峻挑戰，大宗商品價格持續走低。二零一五年中國的國內生產總值增長率為6.9%，為過去25年最低。中國步入「穩增長、調結構」的經濟新常態。年內，勞動力、生產成本的上升和棉花價格的持續下降，使中國麻紡織行業承受了一定的壓力，但亞麻作為新興的消費品，以其自然舒適的特性，繼續受到消費者的青睞。據中國海關總署數據顯示，二零一五年全國紗線及紡織品出口總值較二零一四年下跌約1.3%，惟二零一五年全國亞麻紗總出口量同比上升約6.7%。亞麻紗行業繼續保持較快速度發展。面對全球複雜的經濟形勢，金達採取審慎樂觀的策略，大力開拓市場的同時提升內部管理效率，降低生產成本，並繼續推動埃塞俄比亞生產基地的建設，以應對未來持續提升的亞麻需求。

二零一五年，歐盟市場穩固，在印度和韓國等新興市場和中國市場的帶動下，本集團的業務發展較快，集團的亞麻紗出口量達10,379噸，較去年同期增加了13.9%。年內，整體收入創歷史新高，突破人民幣10億元，同比上升12.2%至約人民幣10.3億元。母公司擁有人應佔溢利達約人民幣1.20億元，較二零一四年的約人民幣1.10億元穩定增長9.0%。為回報股東對本集團的信任及支持，並同時預留發展資源，本公司董事會（「董事會」）建議派發年內末期股息為每股普通股8.0港仙。

Chairman's Statement 主席報告書

The linen industry grew relatively faster, which benefited linen market players. As an industry leader, the Group is proactively capitalising on the unprecedented opportunity brought by such market growth. It has been enhancing its production technologies while expanding its productivity. The production technology, energy conservation and reduction of emissions of the third production base in Haiyan constructed by the Group in 2014 are unparalleled in the industry. Furthermore, the Group is establishing a new world-class production base in Ethiopia. The first phase of this production base will have a planned annual production capacity of 5,000 tonnes of linen yarn. This project represents a model for international production cooperation and enjoys various favourable policy supports. The Group continues to facilitate the construction of the Ethiopian production base, which is expected to commence production by the end of 2017.

Thanks to the concerted efforts of Kingdom and its peers, the Chinese linen yarn industry maintained a stable and relative faster growth. In September 2015, Kingdom organised the "Linen (Shanghai) Forum", in which representatives and leaders of various industry associations, government officials and leading linen enterprises at home and abroad were brought together to discuss and explore the development of the linen industry. Looking forward, Kingdom will continue to take the lead to foster the sustainable development of the linen yarn industry with its pursuit of innovation and perfection.

The Company believes that its leading position in respect of markets, technologies, branding and resources, as well as the competitive edges of the Group's Ethiopian project in terms of labour and other key production costs, will lay the foundation for the Group's sustainable stable growth in the future.

Last but not least, on behalf of the Board, I would like to thank every staff for their devotion and contributions in the past year. I would also like to express my sincere gratitude to the shareholders and business partners for their continuous support.

Ren Weiming
Chairman

Haiyan County, Zhejiang Province, the PRC, 18 March 2016

亞麻行業較快的發展，給亞麻同業帶來了紅利。作為行業龍頭，本集團正積極把握市場發展帶來的歷史機遇，優化生產技術的同時提升集團的產能。二零一四年集團建設在海鹽的第三個生產基地，其生產技術和節能減耗均達到同行業領先水準。此外，本集團已經在埃塞俄比亞佈局新的世界級產能基地，計劃第一期年產能達5000噸亞麻紗，該專案作為國際產能合作示範性專案享受諸多政策紅利。本集團繼續推進埃塞俄比亞產能基地的建設，預計將在二零一七年底投產。

中國亞麻紗行業保持平穩較快增長，離不開金達與亞麻同業的共同努力。二零一五年九月，金達承辦了亞麻（上海）論壇，邀請了眾多行業協會、政府領導以及國內外知名亞麻企業出席，共同探討亞麻行業的發展趨勢。未來，金達還將繼續發揮自身效應，力求創新和極致的理念，推動整個亞麻紗行業的可持續發展。

本公司相信，憑藉企業現有市場、技術、品牌、資源等方面的顯著優勢及本集團埃塞俄比亞項目在人力成本、要素成本等方面的競爭優勢，將為集團未來經營持續穩定的發展創造條件。

最後，本人謹此代表董事會，感謝本集團全體員工過去一年所作出的努力和貢獻。同時，對各位股東及業務夥伴的長期支持衷心致意。

主席
任維明

中國浙江省海鹽縣，二零一六年三月十八日





Five Year Financial Summary 五年財務摘要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

本集團最近五個財政年度的業績以及資產及負債摘要（摘錄自己刊發經審核財務報表）載列如下。

		Year ended 31 December 截至十二月三十一日止年度				
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
REVENUE	收入	1,025,403	914,279	761,915	718,912	710,960
Cost of sales	銷售成本	(761,358)	(669,278)	(555,032)	(509,612)	(482,957)
Gross profit	毛利	264,045	245,001	206,883	209,300	228,003
Other income and gains	其他收益及得益	12,274	14,309	32,056	8,320	9,403
Selling and distribution costs	銷售及分銷成本	(38,687)	(37,870)	(32,617)	(34,358)	(30,268)
Administrative expenses	行政開支	(55,628)	(48,168)	(41,042)	(39,821)	(39,191)
Other expenses	其他開支	(4,432)	(12,931)	(14,587)	(3,544)	(8,165)
Finance costs	財務成本	(13,236)	(10,751)	(9,551)	(12,848)	(14,720)
Share of profits and losses of an associate	應佔一間聯營公司溢利及虧損	(28)	36	99	(285)	17
PROFIT BEFORE TAX	除稅前溢利	164,308	149,626	141,241	126,764	145,079
Income tax expense	所得稅開支	(43,939)	(39,149)	(40,803)	(32,584)	(41,940)
PROFIT FOR THE YEAR	年內溢利	120,369	110,477	100,438	94,180	103,139
Attributable to:	應佔：					
Owners of the parent	母公司擁有人	120,369	110,477	100,438	94,180	103,139

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
TOTAL ASSETS	資產總值	1,599,847	1,490,055	1,314,794	1,149,187	1,046,094
TOTAL LIABILITIES	負債總額	(555,869)	(528,393)	(424,819)	(326,308)	(284,231)
NET ASSETS	資產淨值	1,043,978	961,662	889,975	822,879	761,863

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

According to the National Bureau of Statistics of the People's Republic of China (the "PRC" or "China"), the GDP growth rate in China for the year 2015 was 6.9%, the slowest GDP growth rate for the past 25 years. At the same time, the overall textile industry in China recorded negative growth in export, the trend of rising labour and production costs and the continuous drop in cotton prices in 2015 also posed some challenges to the textile industry. Conversely, the linen textile industry, in general, was able to maintain a relatively fast growth in 2015 as consumers were more receptive to natural products, as evidenced with more pure linen or linen blended garments available in the market. Together with the recent improvements in linen fabric weaving technologies, the domestic market was gradually expanding under bolstered marketing efforts. According to the statistics of the General Administration of Customs of the PRC, total value of all yarns and textile products exports dropped by approximately 1.3% in 2015 as compared with 2014, however, the total volume of linen yarn exports of China for 2015 increased by approximately 6.7% year-on-year. For years, the Group has been focusing on upholding excellent quality and offering tailored customer services. As such, the Group has always been a key partner of major overseas linen fabric and garment manufacturers. In 2015, the Group's linen yarn exports amounted to 10,379 tonnes (2014: 9,112 tonnes), representing a year-on-year increase of approximately 13.9%, accounting for approximately 32% of the total linen yarn export from China in 2015, which reinforced the Group's leading position as the largest linen yarn exporter in China for 13 consecutive years.

業務回顧

根據中華人民共和國（「中國」）國家統計局的數字，二零一五年中國的國內生產總值增長率為6.9%，為過去25年最低。與此同時，於二零一五年，中國紡織業整體錄得出口負增長、勞動及生產成本升勢持續及棉花價格不斷下跌，亦令紡織業面對重重挑戰。相反，受惠於消費者回歸自然等消費理念轉變，市場上出售的純麻或混麻成衣愈來愈多，亞麻紡織業在二零一五年繼續保持較快的整體發展。另外，隨著亞麻面料紡織技術近年來得到提升，加上推廣力度加大，內銷市場逐步開拓。據中國海關總署數據顯示，二零一五年全國紗線及紡織品出口總值較二零一四年下跌約1.3%，惟二零一五年全國亞麻紗總出口量同比上升約6.7%。憑藉多年來對優良品質的專注及全面貼身的服務，本集團一直以來都是海外主要亞麻紡織面料和服裝生產企業的重要夥伴。二零一五年本集團亞麻紗出口量達到10,379噸（二零一四年：9,112噸），同比上升約13.9%，佔二零一五年中國亞麻紗總出口量約32%，第十三年蟬聯中國最大的亞麻紗出口商的龍頭地位。

Management Discussion and Analysis 管理層討論及分析

The production base in Haiyan County, Zhejiang Province (2nd phase of the Haiyan plant) of the Group commenced formal production in June 2014, adding an annual production capacity of 5,000 tonnes of linen yarn to the Group and alleviating the shortage of capacity to some extent. Benefiting from the enhancement of the Group's overall production capacity, revenue of the Group for the year 2015 increased by approximately 12.2% year on-year as compared with last year to RMB1,025,403,000 (2014: RMB914,279,000). Gross profit rose by approximately 7.8% year-on-year to RMB264,045,000 (2014: RMB245,001,000). As a result of the offset between the rise in raw material costs and savings on labour and energy costs through better operating efficiency relating to the Group's continuous improvement projects, gross profit margin stood at 25.8% (2014: 26.8%). Profit attributable to owners of the parent reached RMB120,369,000, representing an increase of approximately 9.0% from RMB110,477,000 in 2014. Net profit margin decreased slightly to 11.7% (2014: 12.1%) but the basic earnings per share increased to RMB0.19 (2014: RMB0.17). To reciprocate the shareholders for their continuous support for the Group while reserving resources for further expansions, the Board has recommended the payment of a final dividend of HK8.0 cents per ordinary share for the Year (2014: HK7.5 cents per ordinary share).

Major Markets and Customers

Being the largest linen yarn exporter in China, the Group has a sales network covering over 20 countries and regions around the world. In order to seize market opportunity rapidly, keep abreast of market trends and deliver comprehensive and efficient services, the Group has established footprints in major overseas linen textile and consumer markets. The Group currently has one subsidiary in Italy and five agencies in Turkey, Portugal, India and Korea. The Group's subsidiary in Italy keeps its own stocks so that it can serve the immediate needs and tighten the co-operation with high-end clients in Europe. In 2015, overseas sales amounted to RMB666,473,000 and accounted for approximately 65.0% of the Group's overall revenue. In particular, revenue from European Union countries amounted to approximately RMB258,824,000, accounting for approximately 25.2% of the Group's total revenue, while revenue from non-European Union countries amounted to approximately RMB407,649,000, accounting for approximately 39.8% of the Group's total revenue. During the year under review, Italy remained the largest export market of the Group and accounted for approximately 27.6% of its total export revenue, followed by, in descending order, India, Korea, Turkey, Portugal and Japan.

本集團位於浙江省海鹽縣的生產基地(海鹽二期)於二零一四年六月順利投產,新增了每年5,000噸亞麻紗的產能,部分緩解了產能緊張的問題。受到本集團整體產能提升所帶動,本集團二零一五年的收入較去年同比上升約12.2%,達到人民幣1,025,403,000元(二零一四年:人民幣914,279,000元)。毛利同比上升約7.8%至人民幣264,045,000元(二零一四年:人民幣245,001,000元)。原材料成本上漲,惟本集團推行持續改善項目令營運效益提高,從而節省勞動及能源成本,兩者的影響互相抵銷,毛利率維持於25.8%(二零一四年:26.8%)。母公司擁有人應佔溢利達到人民幣120,369,000元,較二零一四年的人民幣110,477,000元增加約9.0%。純利率輕微下降至11.7%(二零一四年:12.1%),惟每股基本盈利增加至人民幣0.19元(二零一四年:人民幣0.17元)。為答謝股東一直以來支持本集團及預留資源作未來擴展,董事會建議派發年內末期股息每股普通股8.0港仙(二零一四年:每股普通股7.5港仙)。

主要市場及客戶

作為中國最大的亞麻紗出口企業,本集團的業務廣佈全球20多個國家與地區。為能迅速捕捉市場機遇、掌握市場脈搏及提供更全面快捷的服務,本集團已於在海外主要的亞麻紡織和消費市場建立立足點。目前,本集團已在意大利設立一家附屬公司,並在土耳其、葡萄牙、印度及韓國共設立五個代理。其中,本集團的意大利附屬公司備有存貨,方便即時發貨,深化與歐洲高端客戶的合作關係。於二零一五年,海外銷售佔本集團整體收入約65.0%,達人民幣666,473,000元。其中,歐盟國家貢獻收入約人民幣258,824,000元,佔本集團整體收入約25.2%,而非歐盟國家則合共貢獻收入約人民幣407,649,000元,佔本集團整體收入約39.8%。於回顧年度內,意大利仍為本集團最大的出口市場,佔本集團總出口收入約27.6%,其後依次為印度、韓國、土耳其、葡萄牙和日本。

Management Discussion and Analysis 管理層討論及分析

While the overseas markets are developing steadily, the domestic linen textile market has remained robust in recent years. Domestic sales increased by approximately 8.6% during the Year to RMB358,930,000, accounting for approximately 35.0% of the Group's total revenue. In light of the increasing income level, there have been fundamental changes in the consumption patterns of the general public in China. Consumers' concerns have shifted from pure practicality to quality and the ability to reflect their personal taste. Linen textiles are not only anti-bacterial and comfortable, but also highly environment-friendly in their production process. Therefore, linen textiles perfectly suit the taste of new-generation consumers who look for environment-friendly and sustainable products. Many leading domestic and overseas trend-setting brands and fast-moving fashion brands have now embarked on their own linen selections. For example, a famous Japanese brand has not only launched a linen garment line, but also introduced a tracking system for the use of its raw materials to monitor their quality and environmental friendliness together with its consumers.

Sales Analysis by Domestic and Overseas Markets

		FY2015		FY2014		Year-on-year change in revenue	Year-on-year change in revenue
		二零一五年財政年度		二零一四年財政年度		按年變動	按年變動
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%	人民幣千元	%
China	中國	358,930	35.0%	330,403	36.1%	28,527	8.6%
European Union	歐盟	258,824	25.2%	251,538	27.5%	7,286	2.9%
Non-European Union	非歐盟	407,649	39.8%	332,338	36.4%	75,311	22.7%
Total Revenue	總收入	1,025,403	100.0%	914,279	100.0%	111,124	12.2%

Raw Material Procurement and Related Strategies

During the year ended 31 December 2015, prices of fibre flax, the major raw material of linen yarn, maintained a steady growth. The Group mainly sources its fibre flax from well-established origins such as France, Belgium and the Netherlands. Being one of the largest buyers in these regions, the Group enjoys strong bargaining power when dealing with suppliers. Furthermore, the Group has formulated systematic procurement strategies under which the Group will procure according to the level of fibre flax harvest, the Group's inventory level and the market prices of fibre flax so as to stabilise its raw material costs, overall market demand and supply as well as the price fluctuations of raw materials.

在海外市場穩步發展的同時，國內亞麻紡織市場近年繼續蓬勃增長。國內銷售於年內上升約8.6%至人民幣358,930,000元，佔本集團總收入約35.0%。隨着中國普羅大眾收入水平上升，消費模式發生了根本的轉變。消費者從過去僅關注實用面的消費理念逐步升級至注重品質優良、能彰顯個性理念的產品。亞麻紡織品不僅抗菌舒適，其生產過程也非常環保，因此十分符合新一代消費者注重環保和可持續發展的喜好。目前，國內外許多大型流行品牌、快速時尚品牌均已開拓亞麻服飾系列。例如，一個著名日本品牌不僅開展了亞麻系列服飾，同時亦引入了原材料追蹤機制，從而與消費者一同監督原材料的品質和環保要求。

海內外市場銷售分析

原材料採購及相關策略

於截至二零一五年十二月三十一日止年度內，亞麻紗主要原材料亞麻纖維價格保持平穩略升的趨勢。本集團的亞麻纖維主要從法國、比利時和荷蘭等優質亞麻產地進口。本集團是以上產地最大的採購商之一，因此具有較強議價能力。本集團有系統地按照亞麻收成狀況、存儲水平及亞麻纖維市場價格等因素，制定採購策略，從根本上控制原材料成本，維持市場整體供需及價格平穩浮動。

Management Discussion and Analysis 管理層討論及分析

Apart from sourcing raw materials abroad, the Group also has a raw material production base in Yili, Xinjiang mainly for the production of organic flax. It currently has an annual production capacity of approximately 400 tonnes. Going forward, the Group will continue to look for other suitable flax cultivation bases in other regions with the aim of further stabilising the price fluctuations and supply of raw materials.

Production Bases and Productivity

As at 31 December 2015, the Group had three production bases in China. The one in Rugao City, Jiangsu Province has an annual production capacity of 6,000 tonnes, and its utilisation rate for the Year was 100%. The other two bases are located in Haiyan County, Zhejiang Province, among which the second phase of the Haiyan plant commenced production in June 2014, contributing an additional annual production capacity of 5,000 tonnes to the Group. Together with 7,000 tonnes capacity of the first Haiyan plant, the current designed annual linen yarn production capacity of the Group amounts to 18,000 tonnes.

The production base in the second phase of the Haiyan plant is equipped with the latest management systems, technologies and equipment, the combination of which has brought about a smooth operation and has reduced unnecessary procedures and wastage of raw materials, thus improved overall production efficiency. Compared with the previous two production bases, the new one is also further equipped with an energy conservation system. Since wet spinning processes are used in linen yarn spinning, water management is the key to costs reduction. The energy conservation system can collect condensed waste water produced during the linen yarn production processes while recovering waste heat from the boilers. The new production base also utilises an efficient electric motor power saving system provided by a well-known German Company. These systems have not only reduced the production costs of the Group, but also laid a solid foundation of profit growth for the Group in the long run. For further details about the measures taken by the Group in relation to environmental protection, please refer to the separate Environmental, Social and Governance Report of the Group for the Year.

除了在海外採購原材料，本集團亦在新疆伊犁設立原材料生產基地，主要生產有機亞麻，目前年產能約400噸。展望將來，本集團將繼續在其他地區物色其他適合的亞麻種植基地，以進一步穩定原材料的價格波動和供應。

生產基地及產能

於二零一五年十二月三十一日，本集團在中國共設立三個生產基地，一個位於江蘇省如皋市，年產能為6,000噸，產能利用率在年內達到100%；另外兩個均設於浙江省海鹽縣。其中，海鹽二期於二零一四年六月投產，為本集團新貢獻年產能5,000噸。連同海鹽一期廠房的7,000噸產能，目前本集團的亞麻紗設計年產能合共達到18,000噸。

海鹽二期的生產基地配置最新的管理系統及技術設備，生產流程更為流暢，減少了不必要的工序及原材料的浪費，因此整體生產效率得到提升。相比於此前的兩個生產基地，新基地亦進一步引入能源循環系統。亞麻紗紡織採用濕紡工藝，因此水資源管理成為成本節約的一大環節，能源循環系統回收生產亞麻紗過程中產生的冷凝水及鍋爐餘熱。新生產基地亦採用一家著名德國公司的技術，使用高效能電機節電。這些系統不僅減低了本集團的生產成本，更為本集團從長遠上提升溢利奠定穩固基礎。有關本集團採取的環保措施的進一步詳情，請參閱另行刊發年內的本集團環境、社會及管治報告。

Management Discussion and Analysis 管理層討論及分析

In addition to the aforesaid, the Group is also committed to investing in Ethiopia for new production facilities and secured 300,000 square meters of land in Adama Industrial Park, Adama, Ethiopia. The phase one development will further boost 5,000 tonnes of annual production capacity to the Group. The Board believes that the federal government of Ethiopia is keen to develop the Kingdom Linen Yarn Factories project into one of the model projects of the “One Belt, One Road” initiative in Ethiopia. The Chinese government also encouraged manufacturers to expand overseas by facilitating political risk insurance coverage by state insurance company. It is expected to generate savings on land lease, labour, energy and tax for the Ethiopia project and possible exemption of quota and custom duty to almost every country in the world when exporting linen yarn manufactured in Ethiopia. The Ethiopia production facility is expected to be put in operation around end of 2017.

除上述者外，本集團亦致力於埃塞俄比亞投資興建新生產設施，並已於埃塞俄比亞阿達瑪的阿達瑪工業園取得300,000平方米的土地。第一期發展項目將令本集團的年產能提高5,000噸。董事會相信，埃塞俄比亞聯邦政府積極將金達亞麻紗工廠項目發展成為「一帶一路」在埃塞俄比亞的示範項目之一。中國政府亦安排國營保險公司提供政治風險保障，鼓勵製造商拓展海外市場。當日後出口於埃塞俄比亞製造的亞麻紗，預期埃塞俄比亞項目有望減省土地租賃、勞動、能源及稅項的費用，並可能獲全球幾乎每個國家豁免配額及關稅。埃塞俄比亞生產設施預期於二零一七年底前後投入運作。

Existing production bases	現有生產基地	Main products 主要產品	Annual production capacity 年產能 (Tonnes) (噸)	Utilisation rate 產能利用率
1st phase of the Haiyan Plant, Zhejiang Province	浙江省海鹽廠房一期	Linen yarn/ dope-dyed fibre 亞麻紗／色紡紗	7,000	100%
Rugao City, Jiangsu Province	江蘇省如皋市	Linen yarn 亞麻紗	6,000	100%
2nd phase of the Haiyan Plant, Zhejiang Province (commenced production in June 2014)	浙江省海鹽廠房二期 (二零一四年六月投產)	Linen yarn 亞麻紗	5,000	100%
Total	合共		<u>18,000</u>	<u>100%</u>

Management Discussion and Analysis

管理層討論及分析

Patents, Awards and Recognition

The Group continued to invest in technology and innovation and as at 31 December 2015, the Group owned 49 registered patents and there were another 14 patents applications pending formal approval by relevant authorities.

Further, "KINGDOM" was also awarded "Zhejiang Top Export Brand" by the Department of Commerce of Zhejiang Province, as a result of the Group's strategy of building the brand image and enhancing brand value. In addition, the Group was awarded Technological Innovation Team of Key Enterprises in Jiaxing City and National Leading Enterprise for Expanding Domestic Demand in Linen Industry.

FINANCIAL REVIEW

Revenue

For the Year, the Group's revenue exceeded RMB1 billion in Company's history and increased to approximately RMB1,025,403,000, representing an increase of approximately 12.2% year-on-year (2014: RMB914,279,000). The increase was mainly due to the expansion of the Group's production capacity after commencement of the production of the second phase of the Haiyan plant in June 2014.

Gross Profit and Gross Profit Margin

For the Year, the Group's gross profit increased to RMB264,045,000, representing an increase of approximately 7.8% year-on-year (2014: RMB245,001,000). Gross profit margin for the Year stood at 25.8% (2014: 26.8%) as a result of the offset between the increase in raw material costs and savings on energy and direct labour costs through improvement in operation efficiency projects.

Other Income and Gains

For the Year, other income and gains are mainly represented by various government grants which amounted to RMB6,695,000 (2014: RMB10,211,000), interest income of RMB2,912,000 (2014: RMB946,000) and net exchange gain of RMB2,270,000 (2014: Nil).

專利、獎頂及殊榮

本集團繼續投資於技術創新，而於二零一五年十二月三十一日，本集團擁有49項註冊專利，另有14項專利申請，有待相關機關正式審批。

再者，「KINGDOM」亦獲浙江省商務廳頒發「浙江出口名牌」殊榮，肯定本集團在建立品牌形象及提高品牌價值的策略。同時，本集團亦被評為嘉興市重點企業技術創新團隊及榮獲中國麻紡織行業開拓擴大內需市場先進企業。

財務回顧

收入

年內，本集團的收入按年上升約12.2%至約人民幣1,025,403,000元（二零一四年：人民幣914,279,000元），突破人民幣十億元的本公司里程碑。收入上升的主要原因為海鹽廠房二期於二零一四年六月開始投產後本集團產能擴張所致。

毛利及毛利率

年內，本集團毛利按年上升約7.8%至人民幣264,045,000元（二零一四年：人民幣245,001,000元）。年內，毛利率維持於25.8%（二零一四年：26.8%），乃由於原材料成本上漲，惟本集團推行營運效益提升項目，從而節省能源及直接勞動成本，兩者的影響互相抵銷。

其他收益及得益

年內，其他收益及得益主要指多筆政府補助人民幣6,695,000元（二零一四年：人民幣10,211,000元）、利息收入人民幣2,912,000元（二零一四年：人民幣946,000元）及匯兌得益淨額人民幣2,270,000元（二零一四年：無）。

Management Discussion and Analysis

管理層討論及分析

Selling and Distribution Expenses

For the Year, the Group's selling and distribution expenses amounted to approximately RMB38,687,000 (2014: RMB37,870,000), which accounted for approximately 3.8% (2014: 4.1%) of the Group's revenue. The decrease in selling costs as a percentage of revenue in 2015 was mainly due to a decrease in transportation costs as a result of the increase in products being sold to non-European countries like Korea and India with shorter distance and shipped from a closer port in Zhejiang Province where the Group's factories are located instead of shipping out from Shanghai.

Administrative Expenses

For the Year, the Group's administrative expenses amounted to approximately RMB55,628,000 (2014: RMB48,168,000), representing an increase of approximately 15.5% as compared to the year ended 31 December 2014. The increase of administrative expenses was mainly due to the increases in personnel costs of RMB1,135,000, research and development costs of RMB462,000, office expenses of RMB860,000, entertainment expenses of RMB447,000, bad debts of RMB1,166,000 and equity-settled share option expenses of RMB1,636,000.

Other Expenses

Other expenses of the Group mainly represent the loss on derivative financial instrument, principally includes forward currency contracts entered into by the Group to manage foreign currency exposures, of RMB2,258,000 (2014: Nil) and a loss on disposal of fixed assets of RMB771,000 (2014: RMB941,000).

Finance Costs

For the Year, finance costs amounted to approximately RMB13,236,000 (2014: RMB10,751,000), representing an increase of approximately 23.1%. The increase in finance costs was mainly due to the increase in average outstanding loan balance during the year under review and less interest costs capitalised in 2015. More interest costs were capitalised for the construction of the second phase of Haiyan Plant in 2014.

銷售及分銷開支

年內，本集團銷售及分銷開支約為人民幣38,687,000元（二零一四年：人民幣37,870,000元），佔本集團收入約3.8%（二零一四年：4.1%）。二零一五年銷售成本佔收入百分比減少，主要由於外銷往路程較短的非歐盟國家如韓國及印度的產品相對增加，及大部份貨品直接從浙江省工廠當地的口岸而非從上海出貨，所以運輸成本相對減少。

行政開支

年內，本集團行政開支約為人民幣55,628,000元（二零一四年：人民幣48,168,000元），較截至二零一四年十二月三十一日止年度上升約15.5%。行政開支上升主要是由於員工成本上升人民幣1,135,000元、研究及開發成本上升人民幣462,000元、辦公室開支上升人民幣860,000元、差旅開支上升人民幣447,000元、壞賬上升人民幣1,166,000元及以權益結算購股權開支上升人民幣1,636,000元。

其他開支

本集團的其他開支主要指衍生金融工具（主要包括本集團為管理外幣風險訂立的遠期貨幣合約）損失人民幣2,258,000元（二零一四年：無）及出售固定資產的虧損人民幣771,000元（二零一四年：人民幣941,000元）。

財務成本

年內，財務成本約為人民幣13,236,000元（二零一四年：人民幣10,751,000元），上升約23.1%。財務成本上升主要由於回顧年度內的平均未償還貸款結餘上升及二零一五年內撥充資本的利息成本減少所致。於二零一四年，本集團將海鹽工廠二期在建工程的更多利息成本撥充資本。

Management Discussion and Analysis

管理層討論及分析

Share of Profits and Losses of an Associate

For the Year, share of loss of Huaning Flax Electronic Business (Zhejiang) Co., Ltd. (浙江華凝亞麻電子商務有限公司) (“Huaning Flax”), an associate established on 28 December 2009 in China principally engaging in sale of linen raw material products and provision of transaction services, up to the date of disposal on 30 June 2015, was approximately RMB28,000 (2014: profit of RMB36,000).

Due to the tightening up of the relevant regulation of online trading by the competent authorities, Huaning Flax had been dormant and as a result, the investment in Huaning Flax had been disposed of during the Year.

Profit Attributable to Owners of the Parent

During the Year, the Group recorded a profit attributable to owners of the parent of approximately RMB120,369,000 (2014: RMB110,477,000), representing an increase of approximately 9.0% as compared with the corresponding period of last year.

Intangible Assets

As at 31 December 2015, the Group's intangible assets were mainly sewage rights granted in 2012 for a term of 20 years, which amounted to RMB9,083,000 (2014: RMB9,606,000). Intangible assets are subject to amortisation based on their useful lives. For the Year, amortisation of intangible assets was approximately RMB606,000 (2014: RMB606,000).

Trade and Notes Receivables

As at 31 December 2015, trade and notes receivables of the Group increased by approximately 31.7% to RMB306,821,000 (2014: RMB232,922,000), the average accounts receivable turnover days increased from 79 days as at 31 December 2014 to 96 days as at 31 December 2015 due to increase in sales volume for the month of December 2015.

Trade and Notes Payables

As at 31 December 2015, trade and notes payables of the Group reduced significantly by approximately 35.2% to approximately RMB98,048,000 (2014: RMB151,200,000). There were additional purchases of raw materials in December 2014 to ensure stable supply. The average accounts payable turnover days decreased from 73 days as at 31 December 2014 to 60 days as at 31 December 2015.

應佔一間聯營公司溢利及虧損

年內，應佔聯營公司浙江華凝亞麻電子商務有限公司（「華凝亞麻」）虧損約為人民幣28,000元（二零一四年：盈利人民幣36,000元）。該聯營公司於二零零九年十二月二十八日於中國成立，截至出售日期（即二零一五年六月三十日）的主要業務為銷售亞麻原料產品及提供交易服務。

由於主管機關收緊網上貿易的相關規例，故華凝亞麻暫無營業，而於華凝亞麻的投資已於年內出售。

母公司擁有人應佔溢利

年內，本集團的母公司擁有人應佔溢利較去年同期增長約9.0%至約人民幣120,369,000元（二零一四年：人民幣110,477,000元）。

無形資產

於二零一五年十二月三十一日，本集團的無形資產主要為於二零一二年獲取為期20年的排污權，金額為人民幣9,083,000元（二零一四年：人民幣9,606,000元）。無形資產按其可使用年期攤銷。年內，無形資產攤銷約為人民幣606,000元（二零一四年：人民幣606,000元）。

應收貿易賬款及應收票據

於二零一五年十二月三十一日，本集團的應收貿易賬款及應收票據增加約31.7%至人民幣306,821,000元（二零一四年：人民幣232,922,000元），而鑑於二零一五年十二月的銷量上升，應收賬款平均週轉日數由二零一四年十二月三十一日的79日增加至二零一五年十二月三十一日的96日。

應付貿易賬款及應付票據

於二零一五年十二月三十一日，本集團的應付貿易賬款及應付票據大幅減少約35.2%至約人民幣98,048,000元（二零一四年：人民幣151,200,000元）。本集團於二零一四年十二月增加採購原材料，以確保穩定供應。應付賬款平均週轉日數由二零一四年十二月三十一日的73日減少至二零一五年十二月三十一日的60日。

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Interest-bearing Bank Loans

As at 31 December 2015, the Group's interest-bearing bank loans amounted to approximately RMB368,033,000 (2014: RMB280,875,000), representing an increase of approximately 31.0%, mainly due to the additional working capital requirement of the Group and the need for additional capital resources for production facilities expansion purposes.

Liquidity and Financial Resources

As at 31 December 2015, the Group has net current assets of approximately RMB429,833,000 (2014: RMB399,561,000). The Group financed its operations with internally generated resources and bank loans during the year ended 31 December 2015. As at 31 December 2015, the Group had cash and cash equivalents of approximately RMB237,214,000 (2014: RMB217,185,000).

The liquidity ratio of the Group as at 31 December 2015 was approximately 179.1% (2014: 186.1%). Shareholders' fund of the Group as at 31 December 2015 was approximately RMB1,043,978,000 (2014: RMB961,662,000).

As at 31 December 2015, the Group had bank loans repayable within 12 months from the statement of financial position date of approximately RMB368,033,000 (2014: RMB230,875,000) and did not have any long-term loans (2014: RMB50,000,000). Together they represented a gross debt gearing (i.e. total borrowings/shareholders' funds) of approximately 35.3% (2014: 29.2%).

CAPITAL COMMITMENTS

As at 31 December 2015, outstanding contractual capital commitments of the Group in respect of purchase of property, plant and equipment not provided for in the annual financial statements amounted to approximately RMB97,230,000 (2014: RMB32,832,000). There was no capital commitment authorized but not contracted for as at 31 December 2015 (2014: RMB70,000,000).

CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any contingent liabilities (2014: Nil).

計息銀行貸款

於二零一五年十二月三十一日，本集團的計息銀行貸款增加約31.0%至約人民幣368,033,000元（二零一四年：人民幣280,875,000元），主要反映本集團的額外營運資金所需及擴充生產設施所需的額外資本資源。

流動資金及財務資源

於二零一五年十二月三十一日，本集團的流動資產淨值約為人民幣429,833,000元（二零一四年：人民幣399,561,000元）。本集團於截至二零一五年十二月三十一日止年度以內部資源及銀行貸款為其營運提供資金。於二零一五年十二月三十一日，本集團的現金及現金等價物約為人民幣237,214,000元（二零一四年：人民幣217,185,000元）。

本集團於二零一五年十二月三十一日的流動比率約為179.1%（二零一四年：186.1%）。本集團於二零一五年十二月三十一日的股東資金約為人民幣1,043,978,000元（二零一四年：人民幣961,662,000元）。

於二零一五年十二月三十一日，本集團須於結算日起計十二個月內償還的銀行貸款約為人民幣368,033,000元（二零一四年：人民幣230,875,000元），並無長期貸款（二零一四年：人民幣50,000,000元）。兩者反映的總資本負債率（即總借貸／股東資金）約為35.3%（二零一四年：29.2%）。

資本承擔

於二零一五年十二月三十一日，本集團就購買物業、廠房及設備未在全年財務報表內計提的未償還合約資本承擔約為人民幣97,230,000元（二零一四年：人民幣32,832,000元）。於二零一五年十二月三十一日，本集團並無已授權但尚未訂約的資本承擔（二零一四年：人民幣70,000,000元）。

或有負債

於二零一五年十二月三十一日，本集團並無任何或有負債（二零一四年：無）。

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CHARGE OF ASSETS

As at 31 December 2015, the interest-bearing bank loans were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of RMB70,282,000 (2014: RMB107,437,000), RMB28,598,000 (2014: RMB29,248,000), RMB40,000,000 (2014: RMB40,000,000) and RMB41,511,000 (2014: RMB29,751,000), respectively. In addition, pledged deposits with a net carrying amount of approximately RMB10,300,000 (2014: RMB13,795,000) was pledged to secure notes payable and the rest of RMB8,540,000 (2014: RMB25,640,000) was pledged to secure forward contracts.

FOREIGN CURRENCY RISK

The Group's transactions are mainly denominated in RMB, United States Dollars, Euro and Hong Kong Dollars. The exchange rate changes of such currencies were monitored regularly and managed appropriately. Currently, the Company also has certain foreign currency forward contracts entered into by utilising its credit line, and derivative financial instruments of approximately RMB2,258,000 was recognised by the Group as a current liability as at 31 December 2015 (2014: current asset of RMB2,244,000).

REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 December 2015, the Group had a total of 2,598 employees (2014: 2,538 employees). Total staff costs incurred for the Year increased by approximately 17.1% to RMB164,491,000 (2014: RMB140,494,000), which was mainly due to salary increment and additional headcounts for the new factory which commenced operation in June 2014.

The Group offers comprehensive and competitive remuneration, retirement scheme and benefit packages to its employees. The Group is required to make contributions to a social security scheme in China. Moreover, the Group and its employees in China are each required to make contributions to fund pension insurance and unemployment insurance at rates specified in the relevant laws and regulations in China.

資產抵押

於二零一五年十二月三十一日，計息銀行貸款以本集團賬面金額分別為人民幣70,282,000元（二零一四年：人民幣107,437,000元）、人民幣28,598,000元（二零一四年：人民幣29,248,000元）、人民幣40,000,000元（二零一四年：人民幣40,000,000元）及人民幣41,511,000元（二零一四年：人民幣29,751,000元）的若干物業、廠房及設備、土地租賃預付款項、存貨以及已抵押存款作抵押。此外，賬面淨額約人民幣10,300,000元（二零一四年：人民幣13,795,000元）的已抵押存款已就擔保應付票據作抵押，而其餘人民幣8,540,000元（二零一四年：人民幣25,640,000元）已就擔保遠期合約作抵押。

外幣風險

本集團的交易主要以人民幣、美元、歐元及港元為單位。本集團定期監察該等貨幣之間的匯率變動，並作出妥善管理。目前，本公司亦運用信貸額訂立了若干外匯遠期合約，而於二零一五年十二月三十一日，本集團已確認約人民幣2,258,000元衍生金融工具為流動負債（二零一四年：流動資產人民幣2,244,000元）。

薪酬政策及購股權計劃

於二零一五年十二月三十一日，本集團合共聘有2,598名僱員（二零一四年：2,538名僱員）。年內產生的員工總成本上升約17.1%至人民幣164,491,000元（二零一四年：人民幣140,494,000元），主要原因為薪金調整及新廠房於二零一四年六月投產，令僱員人數有所上升所致。

本集團為其僱員提供全面及具競爭力的薪酬、退休計劃及福利待遇。本集團須向中國社會保障計劃供款。此外，本集團及其中國僱員須各自按有關中國法律及法規訂明的水平向養老保險及失業保險作出供款。

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The remuneration policy for the employees of the Group is formulated by the Board with reference to the employee's respective qualification, experience, responsibilities and contributions to the Group, as well as the prevailing market rate of remuneration for a similar position. The remunerations of the Directors are determined by the Board and the remuneration committee of the Company with the mandate given by the shareholders at the annual general meeting having regard to the Group's operating results, individual performance and comparable market statistics. The Group also provides both internal and external training programmes for its employees from time to time.

The Group has also adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations. During the Year, 22,250,000 options were granted under the Scheme. Please refer to the announcement of the Company dated 24 August 2015 for details.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group is principally engaged in the manufacturing of linen yarn and selling the products to over 20 countries. Overseas sales are invoiced in United States Dollars, except sales by our subsidiary in Italy which are invoiced in Euro. Domestic sales in China are invoiced in Renminbi. Raw materials (fiber flax) are imported from Europe. The principal risks and uncertainties facing the Group include the demand for linen yarn, stable supplies of raw materials, continuous decline in cotton price, depreciation of United States Dollars against Renminbi, and the execution risk of the new expansion project in Ethiopia.

OUTLOOK AND PLANS

Attributable to a wide range of characteristics such as breathable, comfortable, environmental-friendly and fashionable, linen textiles are more recognised and welcomed by consumers.

According to a research report in France titled "The Linen Shirt Eco-Profile" based on the Life Cycle Assessment of a linen shirt compared to the same in cotton, linen shirt consumed only 1/4 of the water used for its life cycle compared with that of a cotton shirt. Furthermore, cotton shirt posed 6 times more toxic risk towards aquatic ecosystems than a linen shirt did. With the increasing awareness of corporate social responsibilities and sustainable products, demands from leading fashion brands for environmental friendly and sustainable products, like linen textile products, will continue to grow and remain robust in future. Driven by rising demand for linen yarns from international leading fashion brands and expansion in domestic consumption, the relatively fast growth of the linen market has provided unprecedented opportunities to the Group.

本集團僱員的薪酬政策由董事會參照各僱員的資歷、經驗、所承擔責任、對本集團的貢獻及類似職位的現行市場薪酬水平而釐定。董事會及本公司薪酬委員會獲股東於股東週年大會上授權，根據本集團經營業績、董事個別表現及可比較市場數字而釐定董事薪酬。本集團亦不時為其僱員提供內部及外部培訓課程。

本集團亦已設立購股權計劃（「計劃」），目的為向對本集團業務的成功作出貢獻的董事（包括獨立非執行董事）及本集團的其他僱員提供激勵及獎勵。年內，本公司根據計劃授出22,250,000份購股權。詳情請參閱本公司日期為二零一五年八月二十四日的公佈。

本集團面對的主要風險及不明朗因素

本集團主要從事亞麻紗生產，並向超過20個國家銷售產品。海外銷售的發票以美元為單位，惟意大利附屬公司進行銷售的發票則以歐元為單位。中國內地銷售的發票以人民幣為單位。原材料（亞麻）從歐洲進口。本集團面對的主要風險及不明朗因素包括對亞麻紗的需求、穩定的原材料供應、棉花價格持續下跌、美元兌人民幣貶值及埃塞俄比亞新擴充項目的執行風險。

前景及計劃

亞麻紗紡織品因其透氣舒適、綠色環保和時尚等多樣特點，越來越受到消費者的認同及青睞。

根據法國一份題為「亞麻襯衣生態說明書(The Linen Shirt Eco-Profile)」的研究報告，比較亞麻襯衣與棉質襯衣的生命週期評估，亞麻襯衣於其生命週期中的耗水量僅為棉質襯衣的四分之一。此外，棉質襯衣對水生生態系統構成的毒性風險較亞麻襯衣高出六倍。隨着對企業社會責任及可持續產品的認知日深，潮流領先品牌對環保及可持續產品（如亞麻紗紡織品）的需求於日後將繼續增長及維持強勁。在國際大型流行品牌對亞麻紗需求日增和國內消費升級的帶動下，亞麻市場較快的發展正為本集團帶來了前所未有的機遇。

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However, the slowest economic growth in China for the past 25 years, a contraction of total textile export value in China in 2015, together with the implementation of the Trans-Pacific Partnership (TPP) spearheaded by the United States, and continuous decline of cotton price, also pose significant challenges to the Group.

The Group's plan to expand into Ethiopia, however, will allow the Group with an upper hand to overcome with those challenges as compared with its competitors. Expanding the Group's production facilities to Ethiopia not only helps save land lease cost, labour cost, energy cost and tax, but also allows us to benefit from operating in Ethiopia, one of the beneficial countries under the African Growth and Opportunity Act (AGOA), a United States Trade Act which provides duty-free and quota-free treatment for eligible apparel articles made in qualifying sub-Saharan African countries, including Ethiopia.

In addition, knit fabric and woven fabric containing 51% or more by weight of flax are classified as "Short Supply List of Products" under TPP that is exempted from the "yarn forward" requirement for textile products, hence the adverse effect of TPP on our Group should be minimal.

The Ethiopia project, which will be equipped with world-class advanced technologies, has a planned site area of approximately 300,000 square metres and will be constructed in three phases. The first phase will have a production capacity of 5,000 tonnes of regular linen yarn. The first production facility in Ethiopia is targeted to be put in operation around the end of 2017. As the international community is advocating the development of Africa, textile products made in Ethiopia will be eligible for duty-free and quota-free treatments if such products are exported to countries such as the United States and the European Union. These treatments will greatly enhance the competitiveness of the Group's products in overseas markets, thereby paving the way for its market expansion.

然而，中國出現過去二十五年來最緩慢經濟增長，二零一五年中國紡織品出口總值收縮，美國牽頭推行跨太平洋夥伴關係(TPP)協定，加上棉價持續下跌，為本集團帶來重大挑戰。

儘管如此，本集團進軍埃塞俄比亞的拓展計劃將可讓本集團進佔較其競爭對手有利的位置，克服種種挑戰。將本集團的生產設施拓展至埃塞俄比亞，不僅有利節省土地租賃成本、勞動成本、能源成本及稅項，更可讓本集團受惠於埃塞俄比亞在非洲成長暨機會法案(AGOA)下的受惠國身份。AGOA為一項美國貿易法，為撒哈拉以南的合資格非洲國家(包括埃塞俄比亞)所製的合資格服裝產品提供免關稅及無配額優惠待遇。

此外，根據TPP協定，含重51%或以上亞麻的針織布料及梭織布料歸入「供應短缺產品清單」，獲豁免遵守紡織產品「從紗開始」產地認證規定，因此，TPP協定應不會對本集團造成重大不利影響。

埃塞俄比亞項目將具備世界級先進技術，規劃佔地面積約為300,000平方米，計劃分三期建設。第一期將具備5,000噸常規亞麻紗產能。位於埃塞俄比亞的首個生產設施預計將於二零一七年年末前後投產。在國際社會大力扶持非洲發展的環境下，在埃塞俄比亞製造的紡織產品在出口至美國及歐盟等國家上均享有免關稅以及無配額等優惠政策。此將大大提升本集團產品在海外市場的競爭能力，從而為擴大市場份額做好鋪墊。

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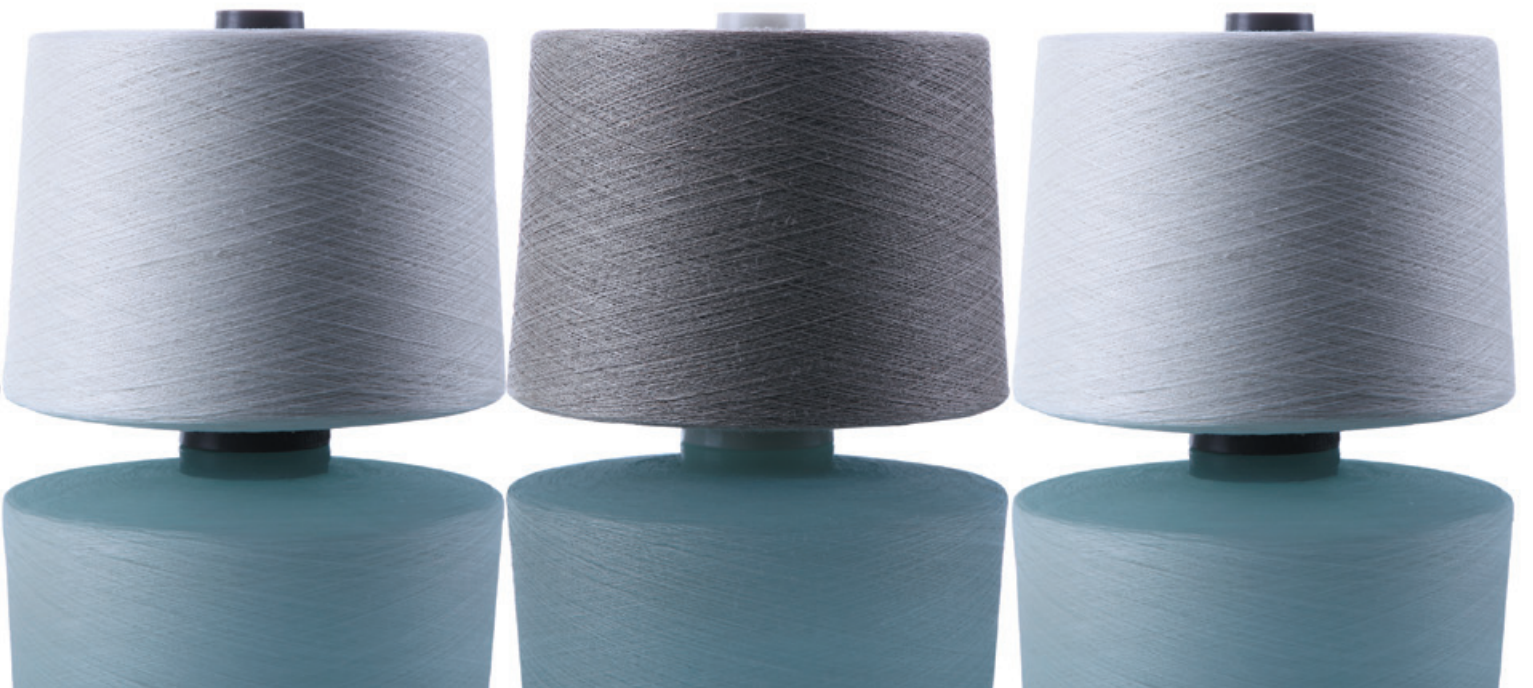
In addition to setting up production plant in Ethiopia, the Group has also made tremendous effort to optimise the production efficiency of the production base in Rugao and the first phase of the Haiyan Plant. With a series of measures ranging from technical upgrade to production automation, the labour costs and safety hazards of production lines have been further reduced. Production capacity optimisation projects are being carried out in these two production bases progressively. Through scientific management process over raw material procurement, production, quality checks, order management, sales, exports and finance, their cost structures are refined and the Group's sustainable development is secured.

Looking forward to 2016, leveraging its headquarters in China, the Group will continue to explore and penetrate the domestic market and promote the use of linen fabrics so as to tap into the enormous market of China which has 1.3 billion of population. With respect to the overseas market, the Group will further strengthen its communications and interactions with stakeholders of other linen textile production and consumption regions through organising exchanges and conferences, and participating in product and technology exhibitions. Such initiatives are expected to reinforce the Group's relationship with its clients, strengthen its brand image, further reinforce the Group's leadership in the industry and secure mutual growth in both the domestic and overseas markets.

除了在埃塞俄比亞策略性佈局產能，本集團也着力優化如皋生產基地和海鹽一期的生產效率。透過技術升級和投入自動化生產程序等措施，進一步降低人工成本及生產線工作的安全隱患。上述兩個生產基地的產能優化計劃已開始逐步實行。從原材料採購、產品生產、質量檢查、訂單管理、銷售、出口至財務等各流程進行科學化管理，優化成本結構，從而保證本集團的可持續發展。

展望二零一六年，本集團將繼續深耕國內市場，借助中國龐大的十三億人口及紮根中國的地理優勢，推動亞麻面料應用，持續釋放國內的市場潛能。而在海外市場方面，本集團將繼續加強與亞麻紡織和消費地區的交流互動，透過舉行交流會議、參與產品和技術展覽鞏固本集團與客戶之間的關係，提升品牌形象，進一步穩固本集團的行業領軍地位，確保國內市場及海外市場業務並行增長。





Directors and Senior Management 董事及高級管理層

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. Ren Weiming (任維明), aged 56, is the chairman of the Group and an executive Director. Mr. Ren is responsible for the overall management of the Group and making decisions on the business development strategy of the Group. Mr. Ren has worked in the silk and textile industry since 1979. He has been the chairman and general manager of Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative"), a company which is owned as to 67.12% by Mr. Ren since 2000. Mr. Ren started to engage in the linen yarn manufacturing business through Haiyan Ziwei Flax Co., Ltd. ("Haiyan Ziwei") in December 2001 as its director. He joined the Group in March 2003 when the first operating member of the Group, Zhejiang Jinyuan Flax Co., Ltd. ("Zhejiang Jinyuan") was established. He obtained various awards including National Township Entrepreneur awarded by the Ministry of Agriculture of the PRC, National Excellent Young Factory Manager and Zhejiang Provincial Excellent Entrepreneur. He was representative of the 9th and 10th National People's Congress of Zhejiang Province. Mr. Ren is currently the vice president of China Bast and Leaf Fibers Textile Association and the vice-president of The Hong Kong General Chamber of Textiles Ltd. He is also a director of Kingdom Investment Holdings Limited ("Kingdom Investment") with discloseable interests in the shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Mr. Ren is also a director of Bank of Jiaying Co., Ltd and Huitong Financial Leasing (Shanghai) Co., Ltd..

EXECUTIVE DIRECTOR

Mr. Shen Yueming (沈躍明), aged 54, is an executive Director. Mr. Shen is the director and general manager of Zhejiang Jinyuan and Jiangsu Jinyuan Flax Co., Ltd. ("Jiangsu Jinyuan") and a director of Haiyan Ziwei, all are wholly-owned subsidiaries of the Company. Mr. Shen is responsible for the day-to-day operations and management of the Group and also takes part in the decision making of the Group. He is a director of Kingdom Creative and Huitong Financial Leasing (Shanghai) Co., Ltd. Mr. Shen joined the Group in March 2003.

EXECUTIVE DIRECTOR

Mr. Zhang Hongwen (張鴻文), aged 49, is an executive Director. Mr. Zhang is the director and financial controller of Zhejiang Jinyuan and Jiangsu Jinyuan. He is also a director of Kingdom Creative and Huitong Financial Leasing (Shanghai) Co., Ltd. Before joining the Group in 2003, Mr. Zhang was the assistant to the general manager and the head of capital clearing division of Kingdom Creative from 2000 to 2002.

主席兼執行董事

任維明先生，現年五十六歲，本集團主席兼執行董事。任先生負責本集團一切管理事宜，並為本集團業務發展計劃的決策人。任先生自一九七九年起投身絲綢及紡織行業。彼自二零零零年起擔任浙江金達創業股份有限公司（「金達創業」，一家由任先生擁有67.12%權益的公司）主席兼總經理。藉擔任海鹽紫薇亞麻有限公司（「海鹽紫薇」）的董事，任先生於二零零一年十二月開始從事製造亞麻紗業務。彼於二零零三年三月（即本集團首間營運成員公司浙江金元亞麻有限公司（「浙江金元」）成立之時）加入本集團。彼曾獲得許多獎項，包括中國農業部全國鄉鎮企業家、全國優秀青年廠長及浙江省優秀企業經營者。彼為浙江省第九屆及第十屆人民代表大會代表。任先生現為中國麻紡行業協會副會長及香港紡織商會副會長。彼亦擔任 Kingdom Investment Holdings Limited（「Kingdom Investment」）的董事，該公司於本公司股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益。任先生現時亦為嘉興銀行股份有限公司及滙通融資租賃（上海）有限公司董事。

執行董事

沈躍明先生，現年五十四歲，執行董事。沈先生亦為浙江金元及江蘇金元亞麻有限公司（「江蘇金元」）的董事及總經理，並為海鹽紫薇的董事，該等公司全部均為本公司的全資附屬公司。沈先生負責本集團日常營運及管理事宜，亦參與本集團決策。彼現為金達創業及滙通融資租賃（上海）有限公司董事。沈先生於二零零三年三月加入本集團。

執行董事

張鴻文先生，現年四十九歲，執行董事。張先生為浙江金元及江蘇金元的董事及財務總監。彼現時亦為金達創業及滙通融資租賃（上海）有限公司董事。於二零零三年加入本集團之前，張先生於二零零零年至二零零二年為金達創業的總經理助理兼資金結算部的主管。

Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTOR

Ms. Shen Hong (沈鴻), aged 49, is an executive Director. Ms. Shen is the assistant management controller of the Group. She completed her professional accounting studies at Zhejiang Long March Finance School in the People's Republic of China in July 1994 and has more than 20 years of experience in finance-related area. Ms. Shen is a director of Kingdom Creative. Before joining the Group in March 2003, she worked in Kingdom Creative as the head of finance management department.

NON-EXECUTIVE DIRECTOR

Mr. Ngan Kam Wai Albert (顏金煒), aged 66, is a non-executive Director. Mr. Ngan is the chairman of Millionfull Company Limited, a company incorporated in Hong Kong engaged in the trading of linen and linen blend textiles. Mr. Ngan was a member of the 9th and 10th Fujian Provincial People's Political Consultative Conference and vice-chairman of Po Leung Kuk from April 2010 to March 2012. He was the president of The Hong Kong General Chamber of Textiles Ltd. from September 2009 to August 2011 and has been appointed as the permanent honorary chairman of The Hong Kong General Chamber of Textiles Ltd. in September 2011 and a director of HuaQiao University in 2002. On 22 November 2011, he became a member of the Election Committee of the Chief Executive Election of the Hong Kong Special Administrative Region. He joined the Group in September 2004. He is also the chairman of the board of directors of Millionfull International Co., Ltd ("Millionfull International") which has discloseable interests in the shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. He is also a director of Huitong Financial Leasing (Shanghai) Co., Ltd.

執行董事

沈鴻女士，現年四十九歲，執行董事。沈女士為本集團助理管理總監。彼於一九九四年七月完成中華人民共和國浙江長征財經進修學院的會計專業課程，擁有逾20年的財務相關經驗。沈女士現為金達創業董事。於二零零三年三月加入本集團之前，彼在金達創業任職財務管理部門主管。

非執行董事

顏金煒先生，現年六十六歲，非執行董事。顏先生擔任億裕有限公司主席。該公司在香港註冊成立，從事亞麻及亞麻混合纖維紡織品貿易。顏先生為中國人民政治協商會議福建省第九屆及第十屆委員會成員及於二零一零年四月至二零一二年三月為保良局副主席。彼於二零零九年九月至二零一一年八月期間出任香港紡織商會會長，並於二零一一年九月獲委任為香港紡織商會永遠榮譽會長及於二零零二年獲委任為華僑大學的董事。彼於二零一一年十一月二十二日當選香港特別行政區行政長官選舉委員會委員。彼於二零零四年九月加入本集團。彼亦為Millionfull International Co., Ltd (「Millionfull International」)的董事會主席，該公司於本公司股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益。彼現時亦為滙通融資租賃(上海)有限公司董事。

Directors and Senior Management 董事及高級管理層

NON-EXECUTIVE DIRECTOR

Mr. Tse Mark Chau Shing (謝宙勝), aged 63, is a non-executive Director. Mr. Tse joined the Group in May 2009. He is currently an independent business consultant and investor. Mr. Tse was previously employed under various banking titles at The First National Bank of Chicago (now part of JP Morgan Chase, a company listed on the New York Stock Exchange) from 1975 to 1980, and subsequently as a director of Hill Samuel Merchant Bank (now part of Lloyds Bank plc, a company quoted on the London Stock Exchange) until 1987. He was appointed as the managing director of Tractebel Pacific Limited in 1987 and remained full time in this position until 1993. Since 1994, Mr. Tse has worked as an independent business consultant for over 20 multinational companies on different assignments. He has 20 years of experience in advising European and US companies on joint ventures in China and South East Asia. Among his various duties, Mr. Tse is also a senior advisor of Caledonia Investments plc, a company listed on the London Stock Exchange. He obtained bachelor and master's degrees in Engineering from the University of Cambridge in the United Kingdom and a master's degree in Business Administration from the University of Chicago in the United States.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Yang Donghui (楊東輝), aged 70, is an independent non-executive Director. Mr. Yang has been working in the China National Textile and Apparel Council (formerly known as the China Textile Industry Department and China Textile General Chambers) from 1977 and is currently a consultant of this organisation. He has been the honorable president of the China Home Textile Association since 1999 and is currently a consultant of Environmental and Resources Conservation Promotion Committee. He was an independent director of Hunan Mendale Hometextile Co., Ltd. (Stock Code: 002397), a company listed on the small and medium enterprise board of the Shenzhen Stock Exchange ("SZSE SME Board"), from 5 March 2007 to 28 June 2012; an independent director of Luolai Home Textile Co., Ltd. (Stock Code: 002293), a company listed on SZSE SME Board from 7 July 2007 to 14 November 2013; an independent director of Zhejiang Golden Eagle Co., Ltd. (Stock Code: 600232), a company listed on the Shanghai Stock Exchange, from 19 June 2008 to 28 May 2014 and a non-executive director of Billion Industrial Holdings Limited (Stock Code: 2299), a company listed on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 17 September 2012 to 19 March 2014. Mr. Yang joined the Group in November 2006. He graduated from the Department of Chemical Engineering of Tsinghua University in the PRC in 1970.

非執行董事

謝宙勝先生，現年六十三歲，非執行董事。謝先生於二零零九年五月加入本集團。彼現為獨立商業顧問兼投資者。謝先生過往曾受聘出任多間銀行的不同職位。於一九七五年至一九八零年期間，彼於The First National Bank of Chicago (現為紐約證券交易所上市的公司JP Morgan Chase的分部)任職，其後，彼出任Hill Samuel Merchant Bank (現為倫敦證券交易所報價的公司Lloyds Bank plc的分部)的董事，直至一九八七年。於一九八七年，彼獲委任為Tractebel Pacific Limited的董事總經理，並全職擔任此職位直至一九九三年。自一九九四年起，謝先生已替超過20家跨國公司就不同項目擔任獨立商業顧問。彼擁有20年向歐洲及美國公司提供有關中國及東南亞合營企業意見的經驗。在眾多職位中，謝先生亦擔任Caledonia Investments plc (一家在倫敦證券交易所上市的公司)的高級顧問。彼取得英國劍橋大學工程學士學位及工程碩士學位，並取得美國芝加哥大學工商管理碩士學位。

獨立非執行董事

楊東輝先生，現年七十歲，獨立非執行董事。楊先生自一九七七年加入中國紡織工業聯合會(前為中國紡織工業部及中國紡織總會)，現時為該組織的顧問。自一九九九年，彼擔任中國家用紡織品行業協會的名譽會長，亦現擔任環境保護與資源節約促進委員會顧問。彼於二零零七年三月五日至二零一二年六月二十八日擔任湖南夢潔家紡股份有限公司(股份代號：002397，一間在深圳證券交易所中小企業板(「深交所中小企業板」)上市的公司)的獨立董事、於二零零七年七月七日至二零一三年十一月十四日擔任羅萊家紡股份有限公司(股份代號：002293，一間在深交所中小企業板上市的公司)的獨立董事、於二零零八年六月十九日至二零一四年五月二十八日擔任浙江金鷹股份有限公司(股份代號：600232，一間在上海證券交易所上市的公司)的獨立董事和於二零一二年九月十七日至二零一四年三月十九日擔任百宏實業控股有限公司(股份代號：2299，一間在香港聯合交易所有限公司(「聯交所」)主板上市的公司)的非執行董事。楊先生於二零零六年十一月加入本集團。彼於一九七零年畢業於中國清華大學工程化學系。

Directors and Senior Management 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lau Ying Kit (劉英傑), aged 42, is an independent non-executive Director. Mr. Lau is currently the chief financial officer and company secretary of Great Harvest Maeta Group Holdings Limited (Stock Code: 03683), a company listed on the Main Board of the Stock Exchange. Mr. Lau is also an independent non-executive director of Xiezhong International Holdings Limited (Stock Code: 3663), a company listed on the Main Board of the Stock Exchange and China Wood Optimization (Holding) Limited (Stock Code: 8099), a company listed on the Growth Enterprise Market of the Stock Exchange. He is also a director of Adex Mining Inc. (Stock Code: ade), a listed company listed on the TSX Venture Exchange in Canada. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a master's degree in finance from the City University of Hong Kong. He has extensive experience in financial and accounting in China and Hong Kong. He joined the Group in November 2006.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lo Kwong Shun Wilson (羅廣信), aged 42, is an independent non-executive Director. Mr. Lo has more than 10 years of working experience in investment banking and advising on corporate finance. Mr. Lo is currently a deputy general manager of Guotai Junan Capital Limited. Mr. Lo is also an independent non-executive director of Raymond Industrial Limited (Stock Code: 229), Wuzhou International Holdings Limited (Stock Code: 1369) and Huiyin Smart Community Co., Ltd. (formerly Huiyin Household Appliances (Holdings) Co., Ltd) (Stock Code: 1280), companies listed on the Main Board of the Stock Exchange. Mr. Lo also has three years of experience in the field of auditing and accounting. Mr. Lo is a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He obtained his bachelor's degree in commerce from the University of British Columbia in Canada in 1995. He joined the Group in May 2010.

獨立非執行董事

劉英傑先生，現年四十二歲，獨立非執行董事。劉先生現為榮豐聯合控股有限公司（股份代號：03683，一間在聯交所主板上市的公司）的首席財務官兼公司秘書，亦為協眾國際控股有限公司（股份代號：3663，一間在聯交所主板上市的公司）及中國優材（控股）有限公司（股份代號：8099，一間在聯交所創業板上市的公司）的獨立非執行董事。彼同時也擔任Adex Mining Inc.（股份代號：ade，一間於加拿大多倫多創業交易所上市的公司）的董事。劉先生是香港會計師公會資深會員，並持有香港城市大學金融學碩士學位。彼於中國和香港有豐富金融及會計經驗。彼於二零零六年十一月加入本集團。

獨立非執行董事

羅廣信先生，現年四十二歲，獨立非執行董事。羅先生於投資銀行及企業融資顧問方面擁有超過10年經驗。羅先生現時為國泰君安融資有限公司之副總經理。羅先生亦為利民實業有限公司（股份代號：229）、五洲國際控股有限公司（股份代號：1369）及匯銀智慧社區有限公司（以前稱為匯銀家電（控股）有限公司）（股份代號：1280）（上述公司均在聯交所主板上市的公司）的獨立非執行董事。羅先生亦擁有三年核數及會計經驗。羅先生為美國會計師公會及香港會計師公會會員。彼於一九九五年獲取加拿大英屬哥倫比亞大學商科學士學位。彼於二零一零年五月加入本集團。

Directors and Senior Management 董事及高級管理層

SENIOR MANAGEMENT

Mr. Chan Yan Kwan Andy (陳仁君), aged 47, is the chief financial officer and company secretary of the Company. Mr. Chan has over 20 years of experience in accounting and the financial sector. From July 2004 to January 2014, he was the group financial controller and company secretary of Natural Beauty Bio-Technology Limited (Stock Code: 157), a company listed on the Main Board of the Stock Exchange, responsible for financial planning and monitoring. Prior to July 2004, he worked in an international accounting firm and served senior financial positions in a company listed on the NASDAQ Stock Market and a renowned German exhibition company. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and a holder of Practitioner's Endorsement certificate issued by the Hong Kong Institute of Chartered Secretaries. He graduated from the University of Hull in the United Kingdom with a bachelor's degree in economics and accounting in 1992 and graduated from the Ivey Business School with Western University (formerly Richard Ivey School of Business with University of Western Ontario), Canada with an Executive MBA in 2008. Mr. Chan joined the Group in January 2014.

高級管理層

陳仁君先生，現年四十七歲，本公司之財務總監兼公司秘書。陳先生於會計及財務方面擁有逾20年的經驗。於二零零四年七月至二零一四年一月期間，彼為自然美生物科技有限公司（股份代號：157，一間在聯交所主板上市的公司）的集團財務總監兼公司秘書，負責財務規劃及監督。於二零零四年七月之前，彼曾任職於一間國際會計師行，亦曾於一間納斯達克證券市場上市公司及一間著名德國展覽公司擔任高級財務職位。陳先生為香港會計師公會及英國特許公認會計師公會資深會員，並持有由香港特許秘書公會頒發的從業者認可證書。彼於一九九二年畢業於英國赫爾大學，持有經濟及會計學學士學位，以及於二零零八年畢業於加拿大西部大學Ivey商學院（Ivey Business School）（前稱西安大略大學Richard Ivey商學院（Richard Ivey School of Business）），持有行政人員工商管理碩士學位。陳先生於二零一四年一月加入本集團。

Report of the Directors 董事會報告

It is the Board's pleasure in presenting their annual report on the affairs of the Group together with the audited financial statements for the year ended 31 December 2015 (the "Year").

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 70.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 4 to 5 and pages 9 to 21 respectively of this annual report. There have been no major events affecting the Group that have occurred since the end of the Year. An indication of likely future developments in the Group's business can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

An analysis of the Group's performance using financial key performance indicators is provided in the Five Year Financial Summary on page 8 and Financial Review sections from pages 14 to 18 respectively of this annual report.

The Group is committed to supporting the environmental sustainability. In the pursuit of excellent operating results, the Group also puts a lot of effort into sustainable development. For example, Kingdom factories proactively adopt all kinds of environmental protection and energy conservation equipment, such as re-modelling of energy consuming equipment and installing production monitoring systems, so as to maximise the reduction in energy consumption.

For details of the Group's performance on environmental, social and governance ("ESG") aspects including relationships with various stakeholders and compliance with relevant laws and regulations that have a significant impact on the Group, please refer to the Group's separate ESG report for the Year.

董事會欣然提呈本集團截至二零一五年十二月三十一日止年度（「年內」）有關其事務的年報連同經審核財務報表。

主要業務

本公司是一家投資控股公司，其主要附屬公司的業務載於財務報表附註1。

業績

本集團年內業績載於第70頁的合併損益表。

業務回顧

本集團年內的業務回顧載於本年報第4頁至第5頁的「主席報告書」及第9頁至第21頁的「管理層討論及分析」各節。年末後，概無發生對本集團有影響的重大事件。本集團業務相當可能有的未來發展的揭示載於本年報「主席報告書」及「管理層討論及分析」各節。

本集團表現運用財務關鍵表現指標進行的分析載於本年報第8頁的五年財務摘要以及第14頁至第18頁的財務回顧各節。

本集團致力支持環境永續發展。在追求理想經營業績的同時，本集團亦努力實現可持續發展。舉例而言，金達的廠房積極採用各種環保節能設備，如改造耗能設備及安裝生產監控系統，盡可能節省能源。

有關本集團的環境、社會及管治表現（包括本集團與其持份者的關係及遵守對本集團構成重大影響的相關法律及法規的情況）的說明，請參閱本集團另行刊發的年內環境、社會及管治報告。

Report of the Directors

董事會報告

DIVIDEND

At a meeting of the Board held on 18 March 2016, the Board recommended the payment of a final dividend of HK8.0 cents per ordinary share of the Company for the Year. The proposed final dividend, if approved by the shareholders at the forthcoming annual general meeting of the Company, will be paid on or before 15 July 2016 to the shareholders whose names appear on the register of members of the Company on 17 June 2016.

None of the shareholders has waived or agreed to waive any dividend.

RESERVES

Movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 74.

DISTRIBUTABLE RESERVES

As at 31 December 2015, the Company's distributable reserves calculated under the Companies Law of the Cayman Islands amounted to RMB642,020,000 (31 December 2014: RMB643,620,000).

DONATIONS

Charitable and other donations made by the Group during the Year amounted to approximately RMB474,000 (31 December 2014: RMB312,000).

SHARE CAPITAL

Details of the movements in the share capital of the Group are set out in note 28 to the financial statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 8.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment of approximately RMB69,410,000. Details of the movements are set out in note 13 to the financial statements.

股息

於二零一六年三月十八日舉行的董事會會議上，董事會建議派發年內末期股息每股本公司普通股8.0港仙。如股東於本公司應屆股東週年大會上批准，建議末期股息將於二零一六年七月十五日或之前向於二零一六年六月十七日名列本公司股東名冊的股東派付。

概無股東放棄或同意放棄任何股息。

儲備

本集團於年內的儲備變動載於第74頁的合併權益變動表。

可分派儲備

於二零一五年十二月三十一日，本公司根據開曼群島公司法計算的可分派儲備達人民幣642,020,000元（二零一四年十二月三十一日：人民幣643,620,000元）。

捐款

本集團於年內作出的慈善及其他捐款約為人民幣474,000元（二零一四年十二月三十一日：人民幣312,000元）。

股本

本集團股本的變動詳情載於財務報表附註28。

財務摘要

本集團在過去五個財政年度的業績及資產和負債的概要載於第8頁。

物業、廠房及設備

年內，本集團購入約人民幣69,410,000元的物業、廠房及設備，變動詳情載於財務報表附註13。

DIRECTORS

During the Year and up to the date of this report, the Directors were:

Executive Directors

Mr. Ren Weiming (*Chairman*)

Mr. Shen Yueming

Mr. Zhang Hongwen

Ms. Shen Hong (appointed on 18 March 2016 and appointment became effective on 22 March 2016)

Non-executive Directors

Mr. Ngan Kam Wai Albert

Mr. Tse Mark Chau Shing (tendered resignation on 18 March 2016 and resignation to take effect from 30 June 2016)

Independent non-executive Directors

Mr. Yang Donghui

Mr. Lau Ying Kit

Mr. Lo Kwong Shun Wilson

Pursuant to article 87 of the Articles of Association (the "Articles"), one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years and be eligible for re-election. In accordance with article 87 of the Articles, Mr. Zhang Hongwen, Mr. Lo Kwong Shun Wilson and Mr. Yang Donghui shall retire from office by rotation at the forthcoming annual general meeting. Two of the retiring Directors, Mr. Zhang Hongwen and Mr. Lo Kwong Shun Wilson being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting. Mr. Yang Donghui had informed the Company that he has elected not to offer himself for re-election as a Director at the forthcoming annual general meeting, and accordingly will retire as a Director at the forthcoming annual general meeting. Mr. Yang has confirmed that he has no disagreement with the Board and that there are no matters that need to be brought to the attention of the Shareholders in relation to his retirement.

董事

年內及直至本報告日期的董事如下：

執行董事

任維明先生 (主席)

沈躍明先生

張鴻文先生

沈鴻女士 (於二零一六年三月十八日獲委任並於二零一六年三月二十二日生效)

非執行董事

顏金煒先生

謝宙勝先生 (於二零一六年三月十八日提呈辭任並將於二零一六年六月三十日生效)

獨立非執行董事

楊東輝先生

劉英傑先生

羅廣信先生

根據組織章程細則(「細則」)第87條，於本公司每屆股東週年大會上，當時為數三分之一的董事(或如董事人數並非三的倍數，則須為最接近但不少於三分之一的董事人數)均須輪席退任，惟每位董事須最少每三年退任一次，並可膺選連任。按照細則第87條，張鴻文先生、羅廣信先生及楊東輝先生須於應屆股東週年大會上輪席退任。兩名退任董事(張鴻文先生及羅廣信先生)合資格並願意於應屆股東週年大會上膺選連任為董事。楊東輝先生已知會本公司，彼選擇不於應屆股東週年大會上重選連任董事。因此，彼將於應屆股東週年大會上退任董事一職。楊先生已確認，彼與董事會並無分歧，亦無有關其退任的事項須股東垂注。

Report of the Directors 董事會報告

As Mr. Lau Ying Kit had been serving as an independent non-executive Director for nine years in November 2015, pursuant to Code provision A.4.3 of Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Lau was re-elected as independent non-executive Director at the annual general meeting of the Company held on 18 May 2015 pursuant to the requirement of code provision A.4.3 of the Code.

DIRECTORS’ SERVICE CONTRACTS

None of the Directors has any unexpired service contract with the Group which is not terminable within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group’s business to which the Company or its subsidiaries was a party and in which a Director has a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year except as disclosed under the section headed “Connected Transactions” below and note 33 to the financial statements.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Director a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

劉英傑先生於二零一五年十一月已擔任獨立非執行董事達九年。根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「守則」）的守則條文A.4.3，其是否獲續任應以獨立決議案形式由股東審議通過。劉先生已根據守則的守則條文A.4.3的規定於二零一五年五月十八日舉行的本公司股東週年大會上獲重選為獨立非執行董事。

董事的服務合約

本集團並無與董事訂立任何不可於一年內免付補償（一般法定賠償除外）予以終止的未屆滿服務合約。

董事於重大交易、安排或合約的權益

於年末或於年內任何時間，本公司或其附屬公司概無訂立有關本集團業務而董事直接或間接擁有重大權益的重大交易、安排或合約，惟根據以下「關連交易」一節及財務報表附註33所披露者除外。

獨立非執行董事的獨立性

本公司已獲各獨立非執行董事根據上市規則第3.13條確認其獨立性，董事會認為，根據上市規則第3.13條，全體獨立非執行董事均為獨立人士。

Report of the Directors 董事會報告

PERMITTED INDEMNITY AND INSURANCE

Pursuant to the Articles, every Director or other officer of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto; provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. The Company has arranged appropriate directors' and officers' liability insurance cover in respect of legal action against the directors and officers of the Group.

REMUNERATION POLICY

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

Details of Directors' remuneration are set out in note 8 to the financial statements.

The remunerations of the senior management of the Company, during the Year fall within the following bands:

RMB0 – RMB1,500,000

人民幣0元至人民幣1,500,000元

**Number of senior
management
高級管理層人數**

2015

二零一五年

2

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 24 to 28.

獲准許的彌償及保險

根據細則，本公司的每一名董事或其他高級職員有權因執行彼等各自職務或就此而可能承擔或蒙受的所有訴訟、費用、支出、損失、損害及開支獲得以本公司的資產及溢利作出的彌償保證及免受損害；惟此彌償保證並不延伸至與上述人士的任何欺詐或不誠實行為有關的任何事項。本公司已為就可能針對本集團董事及高級職員的法律訴訟安排適當的董事及高級職員責任保險。

薪酬政策

薪酬委員會考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為合適。

董事薪酬的詳情載於財務報表附註8。

年內，本公司高級管理層的薪酬介乎下列幅度：

董事及高級管理層的履歷詳情

董事及高級管理層履歷詳情載於第24頁至第28頁。

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, the Directors and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO, which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules:

Long positions in shares of the Company (the "Shares")

董事及最高行政人員於股份、相關股份及債券擁有的權益及淡倉

於二零一五年十二月三十一日，董事及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益如下：

本公司股份（「股份」）的好倉

Name of Director	董事姓名	Ordinary shares of HK\$0.01 each 每股面值0.01港元普通股			Approximately percentage of issued share capital (%)
		Personal interests (Note 1)	Corporate interests	Total number of Shares held	
		個人權益 (附註1)	集團權益	所持股份總數	佔已發行股本 概約百分比(%)
Mr. Ren Weiming	任維明先生	12,072,000	290,244,000 (Note 2) (附註2)	302,316,000	48.01
Mr. Ngan Kam Wai Albert	顏金煒先生	324,000	67,000,000 (Note 3) (附註3)	67,324,000	10.69
Mr. Tse Mark Chau Shing	謝宙勝先生	17,550,000	-	17,550,000	2.79

Notes:

附註：

1. The Shares are registered under the names of the Directors who are the beneficial shareholders.

1. 該等股份以作為實益股東的董事的名義登記。

Report of the Directors 董事會報告

2. Mr. Ren Weiming holds approximately 76.38% of the issued share capital of Kingdom Investment (BVI) (as defined below). Mr. Ren therefore holds a controlling interest in Kingdom Investment (BVI) and is deemed under the SFO to be interested in the Shares held by Kingdom Investment (BVI).
2. Kingdom Investment (BVI) (定義見下文)由任維明先生持有約76.38%的已發行股本。因此，任先生對Kingdom Investment (BVI)持有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment (BVI)持有的股份中擁有權益。
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, hold approximately 51.00% and 23.00% of the issued share capital of Millionfull International (as defined below) and 50.22% and 22.33% of the issued share capital of Millionfull Company Limited, respectively. Mr. Ngan therefore holds controlling interests in both Millionfull International and Millionfull Company Limited and is deemed under the SFO to be interested in 64,800,000 Shares, i.e. 10.29%, held by Millionfull International and 2,200,000 Shares, i.e. 0.35%, held by Millionfull Company Limited.
3. Millionfull International (定義見下文)由顏金煒先生及顏陳秀吉女士(顏先生的配偶)分別持有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別持有50.22%及22.33%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司持有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份(即10.29%)及由億裕有限公司持有的2,200,000股股份(即0.35%)中擁有權益。

Share options

During the Year, no share options were granted to the Directors or any of their associates.

Save as disclosed above, as at 31 December 2015, none of the Directors or their associates had or were deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party or parties to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

購股權

年內，並無授出購股權予董事或彼等任何的聯繫人。

除以上所披露者外，於二零一五年十二月三十一日，概無董事或彼等的聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有或被視為擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照標準守則須知會本公司及聯交所的任何權益或淡倉。

除以上所披露者外，本公司或其任何附屬公司於年內任何時候均無訂立任何安排，使董事以收購本公司或任何其他法人團體的股份或債券的方式獲得利益。

Report of the Directors

董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 31 December 2015, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which were recorded or required to be recorded in the register required to be kept under Section 336 of the SFO:

Long positions in Shares

Name of Shareholder	Capacity	Number of Shares	Approximately percentage of issued share capital (%) 佔已發行股本概約百分比(%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (Note 1)	Beneficial owner	290,244,000	46.09
Kingdom Investment Holdings Limited ("Kingdom Investment (BVI)") (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.29
Millionfull International Co., Ltd. ("Millionfull International") (附註2)	實益擁有人		

Notes:

- Kingdom Investment (BVI) is owned as to 76.38% by Mr. Ren Weiming, an executive Director and substantial shareholder of the Company.
- Millionfull International is owned as to 51.00% by Mr. Ngan Kam Wai Albert, a non-executive Director, and 23.00% by Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan.

Save as disclosed above, as at 31 December 2015, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which were recorded or required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

主要股東的權益及淡倉

就任何董事目前所知，於二零一五年十二月三十一日，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條已記入或須記入該條規定存置的登記冊的權益或淡倉：

股份好倉

附註：

- 本公司執行董事兼主要股東任維明先生擁有 Kingdom Investment (BVI) 76.38% 的權益。
- 非執行董事顏金煒先生及顏陳秀吉女士（顏先生的配偶）分別擁有 Millionfull International 51.00% 及 23.00% 的權益。

除以上所披露者外，於二零一五年十二月三十一日，本公司並無獲任何人士（本公司董事或最高行政人員除外）知會，其於本公司的股份或相關股份中擁有任何根據證券及期貨條例第336條已記入或須記入該條規定由本公司存置的登記冊的權益或淡倉。

SHARE OPTION SCHEME

Pursuant to the written resolutions of the sole shareholder of the Company passed on 15 November 2006, the Company adopted a share option scheme (the "Scheme").

Subject to the terms of the Scheme, the Board may at its discretion grant options to: (i) any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any Director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. Subject to the aforesaid limit, the total number of Shares available for issue under options which may be granted under the Scheme and any other schemes must not, in aggregate, exceed 60,000,000 Shares, being 10% of the issued share capital of the Company as at 12 December 2006, the date of listing of the Shares, unless separate shareholders' approval has been obtained.

The maximum entitlement for any one participant under the Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company from time to time.

The period within which the options must be exercised will be specified by the Board at the time of the grant, and must expire no later than 10 years from the date of grant of option.

購股權計劃

根據本公司唯一股東於二零零六年十一月十五日通過的書面決議案，本公司採納一項購股權計劃（「計劃」）。

在計劃條款的規限下，董事會可自行酌情向下列人士授出購股權：(i)本集團或本集團持有權益的公司或該等公司的附屬公司（「關聯公司」）任何董事、僱員、顧問、客戶、供應商、代理、業務夥伴或諮詢人或承辦商；或(ii)以本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商為受益人或酌情對象的信託或酌情信託的受託人；或(iii)本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商實益擁有的公司。

因行使根據計劃及任何其他計劃授出而尚未行使的所有購股權可發行的股份數目整體上限，合共不得超過不時已發行股份的30%。根據上述的上限，因行使根據計劃及任何其他計劃可授出購股權所涉及可供發行的股份總數，合共不得超過60,000,000股股份（即股份於二零零六年十二月十二日上市當日本公司已發行股本10%），惟獲得股東另行批准則除外。

計劃的任何一名參與者於直至授出日期止的任何十二個月期間的最高利益不得超過本公司不時已發行股本的1%。

購股權須行使的期間將由董事會於授出時指定，且最遲須於由授出購股權當日起計十年時屆滿。

Report of the Directors

董事會報告

The subscription price for any Share shall not be less than the highest of (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a share.

The Company granted 22,250,000 share options (the "Share Options") under the Scheme on 24 August 2015 (the "Date of Grant") with details as follows:

任何股份的認購價不得低於以下的最高者：(i)授出有關購股權日期聯交所每日報價表所列股份收市價，且該日必須為營業日；(ii)相等於緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價的金額；及(iii)股份面值。

本公司於二零一五年八月二十四日（「授出日期」）根據計劃授出22,250,000份購股權（「該等購股權」），詳情如下：

Grantees	Date of Grant	Exercise price per share	Number of Shares issuable under the options					As at 31/12/2015	Exercise period
			As at 1/1/2015	Granted during the year	Exercised during the year	Forfeited during the year	Cancelled during the year		
承授人	授出日期	每股行使價 HK\$ 港元	於 二零一五年 一月一日	年內授出	年內行使	年內沒收	年內註銷	於 二零一五年 十二月 三十一日	行使期
Employees of the Group in aggregate	24/08/2015	2.0	-	7,250,000	-	-	-	7,250,000	note 1
本集團僱員總計	二零一五年八月二十四日								附註1
Supplier	24/08/2015	2.0	-	2,500,000	-	-	-	2,500,000	note 1
供應商	二零一五年八月二十四日								附註1
Sales agents	24/08/2015	2.0	-	8,000,000	-	-	-	8,000,000	note 1
銷售代理	二零一五年八月二十四日								附註1
Business consultants	24/08/2015	2.0	-	4,500,000	-	-	-	4,500,000	note 1
業務顧問	二零一五年八月二十四日								附註1
Total 合計				<u>22,250,000</u>				<u>22,250,000</u>	

Note 1:

Subject to the Scheme, the Share Options granted to the grantees are valid for a period of four years commencing on the Date of Grant and shall be exercisable during the following periods:

- (i) up to 30% of the Share Options granted shall be vested and exercisable at any time after the expiration of six (6) months from the Date of Grant; and
- (ii) the remaining Share Options granted shall be vested and exercisable at any time after the expiration of twenty-four (24) months from the Date of Grant.

附註1:

在計劃的規限下，向承授人授出的該等購股權的有效期為由授出日期起計四年，並可行使如下：

- (i) 所獲授該等購股權的最多30%於由授出日期起計六(6)個月屆滿後歸屬，並可隨時行使；及
- (ii) 所獲授的其餘該等購股權於由授出日期起計二十四(24)個月屆滿後歸屬，並可隨時行使。

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No contracts of significance have been entered into between the Company or any of its subsidiaries and any controlling shareholder or any of its subsidiaries 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

During the Year, sales to the Group's five largest customers accounted for approximately 19.8% of the Group's total sales for the Year and sales to the Group's largest customer accounted for approximately 5.0% of the Group's total sales for the Year. Purchases from the Group's five largest suppliers accounted for approximately 80.5% of the Group's total purchases for the Year and purchase from the Group's largest supplier accounted for approximately 28.7% of the Group's total purchases for the Year.

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued shares) had any interests in the Group's five largest customers or suppliers noted above.

CONNECTED TRANSACTIONS

Continuing connected transactions

During the Year, the Group entered into the following continuing connected transactions with its connected persons. The transactions constituted "continuing connected transactions" for the Company under the Listing Rules.

Lease agreements

On 30 December 2011, a lease agreement was entered into by Zhejiang Jinyuan Flax Co., Ltd., an indirect wholly-owned subsidiary of the Company ("Zhejiang Jinyuan") with Zhejiang Kingdom Creative Co., Ltd., a company which Mr. Ren Weiming has a controlling equity interest ("Kingdom Creative") pursuant to which Zhejiang Jinyuan has leased a property located at Building 13 to 16, Henggang Xing Heng Road, Haiyan County, Zhejiang Province, the PRC, from Kingdom Creative as the Group's office, for a term from 1 January 2015 to 31 December 2017 at an annual rental of RMB200,000.

控股股東於重大合約的權益

本公司或其任何附屬公司與任何控股股東或其任何附屬公司於年內並無訂立任何重大合約。

管理層合約

年內並未訂立或存在有關本公司業務全部或任何重大部分的管理及行政的合約。

主要客戶及供應商

年內，銷售予本集團五大客戶的銷售額佔本集團年內總銷售額約19.8%，而銷售予本集團最大客戶佔年內本集團總銷售額約5.0%。從本集團五大供應商處採購的金額佔本集團年內總採購額約80.5%，而從本集團最大供應商的採購額約佔年內本集團總採購額28.7%。

概無董事、其緊密聯繫人或本公司任何股東（就董事所知擁有本公司已發行股份5%以上）於上述本集團五大客戶或供應商中有任何權益。

關連交易

持續關連交易

年內，本集團與關連人士訂立下列持續關連交易。根據上市規則，該等交易構成本公司的「持續關連交易」。

租賃協議

於二零一一年十二月三十日，浙江金元亞麻有限公司（「浙江金元」，本公司的間接全資附屬公司）與浙江金達創業股份有限公司（「金達創業」，一家由任維明先生擁有控股權的公司）訂立租賃協議，據此，浙江金元向金達創業租用位於中國浙江省海鹽縣橫港興橫路13至16號樓的物業，作為本集團辦事處，年期由二零一五年一月一日開始至二零一七年十二月三十一日止，每年租金為人民幣200,000元。

Report of the Directors 董事會報告

On 30 January 2014, a lease agreement was entered into by Zhejiang Jinlainuo Fiber Co., Ltd., an indirect wholly-owned subsidiary of the Company (“Zhejiang Jinlainuo”) with Kingdom Creative pursuant to which Zhejiang Jinlainuo has leased a property located at Building 18 to 25, Henggang Xing Heng Road, Haiyan County, Zhejiang Province, the PRC, from Kingdom Creative for its manufacturing facilities, for a term of three years from 1 January 2014 to 31 December 2016 at an annual rental of RMB300,000.

Rental and other terms for these lease arrangements were negotiated between the parties on arm’s length basis with reference to the then prevailing market rates. As each of the applicable percentage ratios for such lease agreements in aggregate are less than 0.1%, the transactions under these lease agreements are exempted from all reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions had been entered into:

- (i) in the ordinary and usual course of the business of the Company;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparable terms, on terms no less favorable to the Company than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Save as disclosed in note 33 to the financial statements, there was no other transaction which needs to be disclosed as a connected transaction in accordance with the requirements of the Listing Rules during the Year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2015 are set out in note 27 to the financial statements.

於二零一四年一月三十日，浙江金萊諾纖維有限公司（「浙江金萊諾」，本公司的間接全資附屬公司）與金達創業訂立租賃協議，據此，浙江金萊諾向金達創業租用位於中國浙江省海鹽縣橫港興橫路18至25號樓的物業，作為其製造廠房，年期由二零一四年一月一日開始至二零一六年十二月三十一日止，為期三年，每年租金為人民幣300,000元。

該等租賃安排的租金及其他條款由訂約各方參照當時現行的市場價格後按公平磋商原則釐定。由於該等租賃協議彙集計算後各個適用百分比率低於0.1%，故該等租賃協議項下的交易獲豁免上市規則第十四A章項下的所有申報、公告及獨立股東批准的規定。

獨立非執行董事已審閱上述持續關連交易，並確認交易：

- (i) 於本公司的一般及日常業務過程中進行；
- (ii) (a)按正常商業條款；或(b)（如無可供比較的條款）按不遜於本公司向獨立第三方提供或從獨立第三方取得的條款進行；及
- (iii) 按照監管交易的有關協議，按公平合理及符合本公司股東的整體利益的條款進行。

除於財務報表附註33所披露者外，年內並無其他交易需要根據上市規則的規定披露為關連交易。

銀行貸款及其他借貸

本集團截至二零一五年十二月三十一日的銀行貸款及其他借貸詳情載於財務報表附註27。

Report of the Directors

董事會報告

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

During the Year, the Company repurchased a total of 1,922,000 Shares on the Stock Exchange. The details of the repurchases were disclosed as follows:

購買、出售或贖回本公司上市股份

本公司於年內在聯交所購回合共1,922,000股股份。購回詳情披露如下：

Date of Repurchase 購回日期	Number of Shares repurchased 購回股份數目	Average repurchase price 平均購回價 HK\$ 港元	Total consideration paid 已付代價總額 HK\$ 港元	Share cancellation date 股份註銷日期
16 Mar 2015 二零一五年三月十六日	100,000	1.2924	129,240	27 March 2015 二零一五年三月二十七日
17 Mar 2015 二零一五年三月十七日	100,000	1.2914	129,140	27 March 2015 二零一五年三月二十七日
18 Mar 2015 二零一五年三月十八日	100,000	1.2890	128,900	27 March 2015 二零一五年三月二十七日
19 Mar 2015 二零一五年三月十九日	100,000	1.3010	130,100	27 March 2015 二零一五年三月二十七日
20 Mar 2015 二零一五年三月二十日	100,000	1.2976	129,760	8 April 2015 二零一五年四月八日
23 Mar 2015 二零一五年三月二十三日	150,000	1.3120	196,800	8 April 2015 二零一五年四月八日
24 Mar 2015 二零一五年三月二十四日	150,000	1.3072	196,080	8 April 2015 二零一五年四月八日
25 Mar 2015 二零一五年三月二十五日	150,000	1.3492	202,380	8 April 2015 二零一五年四月八日
26 Mar 2015 二零一五年三月二十六日	150,000	1.3800	207,000	8 April 2015 二零一五年四月八日
27 Mar 2015 二零一五年三月二十七日	150,000	1.3581	203,715	8 April 2015 二零一五年四月八日
30 Mar 2015 二零一五年三月三十日	150,000	1.3448	201,720	15 April 2015 二零一五年四月十五日
31 Mar 2015 二零一五年三月三十一日	150,000	1.3499	202,485	15 April 2015 二零一五年四月十五日
1 Apr 2015 二零一五年四月一日	150,000	1.3395	200,925	15 April 2015 二零一五年四月十五日
2 Apr 2015 二零一五年四月二日	150,000	1.3344	200,160	15 April 2015 二零一五年四月十五日
8 Apr 2015 二零一五年四月八日	72,000	1.4000	100,800	22 April 2015 二零一五年四月二十二日
Total 總計	1,922,000	1.3315	2,559,205	

Report of the Directors

董事會報告

Save as otherwise disclosed above, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

PENSION SCHEMES

Details of the Group's pension scheme are set out in note 2.4 and note 7 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under Listing Rules throughout the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10(2) of the Listing Rules:

As at 31 December 2015, none of the Directors nor their respective associates had interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

Mr. Ren Weiming ("Mr. Ren") holds directorships and/or interests respectively, either directly and/or through Kingdom Investment (BVI) (a controlling shareholder of the Company), in certain private companies (the "Private Companies"). The Private Companies are engaged in the silk and/or silk products manufacturing and/or trading industry (the "Excluded Business"), which are fundamentally different from the products manufactured by the Group.

除上文另有披露者外，本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

優先購買權

細則及開曼群島公司法第22章（一九六一年法例三，經合併及修訂）並無優先購買權的條文。

退休金計劃

本集團退休金計劃詳情載於財務報表附註2.4及附註7。

足夠公眾流通量

於年內，本公司已按上市規則規定保持足夠公眾流通量。

董事於競爭業務中的權益

以下所載乃根據上市規則第8.10(2)條披露的資料：

於二零一五年十二月三十一日，概無董事或其各自的聯繫人於根據上市規則於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益。

任維明先生（「任先生」）分別於若干私人公司（「該等私人公司」）出任董事及／或直接及／或透過本公司的控股股東Kingdom Investment (BVI)持有權益。該等私人公司從事製造絲綢及／或絲質產品及／或貿易行業（「除外業務」），基本上與本集團製造的產品不同。

Report of the Directors 董事會報告

Mr. Ren undertakes, subject to the exceptions mentioned in the prospectus of the Company dated 30 November 2006 (the "Prospectus"), that he will not, and will procure that his associates will not (a) either on his own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly be interested or involved or engaged in or acquire or hold an interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the Group's business, those other businesses of the Group as set out in the Prospectus, in Hong Kong, the PRC and any other country or jurisdiction to which the Group markets or sells its products and/or in which any member of the Group carries on business mentioned above from time to time ("Restricted Activity"), or (b) either on his own account or in conjunction with or on behalf of any person, firm or company, or as a principal, shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise, directly or indirectly, solicit, interfere with or endeavour to entice away from any member in the Group any person, firm, company or organisation who to its or his knowledge is now or has been a customer, supplier or employee of any member in the Group.

By reasons of the fact that the Excluded Business does not pose any direct or indirect actual competition with the Group's business and that Mr. Ren has already given an undertaking as above referred to, the Group is therefore capable of carrying on its business independently of, and at arms' length from, the Excluded Business as described above.

Presently, Mr. Ren has no plans to inject the aforesaid Excluded Business into the Group.

The Company has received from Kingdom Investment (BVI) and Mr. Ren an annual confirmation that it/he has fully complied with its/his obligations under the deed of non-competition in favour of the Company dated 27 November 2006 during the Year.

在本公司日期為二零零六年十一月三十日的招股章程（「招股章程」）所述的例外情況規限下，任先生承諾彼將不會並促使其聯繫人將不會(a)就其本身或聯同或代表任何人士、商號或公司直接或間接擁有或參與或從事或收購或持有任何業務的權益（於各情況下不論以股東、合夥人、代理、顧問、僱員或其他方式，亦不論為取得利益、回報或其他目的），而上述業務會或很可能會從事於香港、中國及本集團不時推銷或銷售其產品及／或本集團任何成員公司不時進行上述業務的任何其他國家或司法權區與本集團業務、招股章程所載的本集團其他業務直接或間接構成競爭或很可能構成競爭的任何業務（「受限制活動」），或(b)就其本身或聯同或代表任何人士、商號或公司或以主事人、股東、合夥人、代理、顧問、僱員或其他身份，亦不論為取得利益、回報或其他目的，直接或間接招攬、干預或設法誘使據其所知現時或曾經為本集團任何成員公司客戶、供應商或僱員的任何人士、商號、公司或組織離開本集團任何成員公司。

由於除外業務不會對本集團業務構成任何直接或間接實際競爭，及任先生已作出上述承諾，故本集團業務能夠從上述的除外業務中獨立出來及按公平協商原則進行。

目前任先生並無計劃將上述除外業務注入本集團。

年內，本公司已收到Kingdom Investment (BVI)及任先生的年度確認書，確認其已全面遵守日期為二零零六年十一月二十七日以本公司為受益人的不競爭契諾。

Report of the Directors

董事會報告

CORPORATE STRATEGY AND LONG TERM BUSINESS MODEL

The Company strives to be one of the largest linen yarn manufacturers in the world through its commitment to sustainable development and technical innovation, developing proprietary intellectual property rights, branding of products and pursuing advanced management for lean management and excellent performance to generate or preserve value over longer term.

CORPORATE GOVERNANCE

The Group's principal corporate governance practices are set out on pages 48 to 65.

CLOSURE OF REGISTER OF MEMBERS

In order to determine who are entitled to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 25 May 2016 to 30 May 2016, both days inclusive, during which period no transfer of shares will be effected. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 24 May 2016.

In order to determine who are entitled to the proposed final dividend (subject to approval by the shareholders at the forthcoming annual general meeting), the register of members of the Company will be closed from 16 June 2016 to 17 June 2016, both days inclusive, during which period no transfer of shares will be effected. In order to determine who are entitled to the proposed final dividend (subject to approval by the shareholders at the annual general meeting), unregistered holders of shares of the Company shall ensure that, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at above address for registration not later than 4:30 p.m. on 15 June 2016. The proposed final dividend, subject to shareholders' approval at the forthcoming annual general meeting, will be paid to shareholders on or before 15 July 2016 whose names appear on the register of members of the Company at the close of business on 17 June 2016.

公司策略及長期業務模式

本公司致力於可持續發展及技術創新，開發自主知識產權，產品品牌營銷，追求卓越管理從而達致精益管理及優秀表現，銳意成為全球最大型亞麻紗製造商之一，長期創造或維持價值。

企業管治

本集團的主要企業管治常規載於第48頁至第65頁。

暫停股份過戶登記手續

為釐定出席應屆股東週年大會並於會上投票的權利，本公司將於二零一六年五月二十五日至二零一六年五月三十日（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶登記手續。為釐定出席本公司應屆股東週年大會並於會上投票的權利，本公司股份的未登記持有人應確保所有過戶文件連同相關股票必須不遲於二零一六年五月二十四日下午四時三十分交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，以辦理登記手續。

為釐定享有建議末期股息（有待股東於應屆股東週年大會上批准）的權利，本公司將於二零一六年六月十六日至二零一六年六月十七日（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶登記手續。為釐定享有建議末期股息（有待股東於股東週年大會上批准）的權利，本公司股份的未登記持有人應確保所有過戶文件連同相關股票必須不遲於二零一六年六月十五日下午四時三十分交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址如上），以辦理登記手續。待股東於應屆股東週年大會上批准後，建議末期股息將於二零一六年七月十五日或之前向於二零一六年六月十七日營業時間結束時名列本公司股東名冊的股東派付。

Report of the Directors 董事會報告

AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting. The Company has not changed its auditors in the preceding three years.

On behalf of the Board

Ren Weiming

Chairman

Haiyan County, the PRC, 18 March 2016

核數師

安永會計師事務所將於應屆股東週年大會上退任，而會上將提呈續聘安永會計師事務所為本公司核數師的決議案。在過去三年內，本公司未有更換核數師。

代表董事會

主席

任維明

中國海鹽縣，二零一六年三月十八日



KINGDOM
ZHE JIANG KINGDOM LINEN CO.,LTD.
浙江金達亞麻有限公司



欢迎光临
Welcome

KINGDOM

KINGDOM

KINGDOM KINGDOM

Corporate Governance Report

企業管治報告

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Company's shareholders. The Directors believe that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Stock Exchange published its Consultation Conclusions on Risk Management and Internal Control: Review of the Corporate Governance Code and Corporate Governance Report ("Consultation Conclusion") on 19 December 2014, which requires the terms of reference of the audit committee of an issuer should be amended in accordance with code provision C.3.3 and an issuer may determine whether to establish a separate board risk committee taking into account its own circumstances and resources available. At the Board meeting of the Company held on 27 November 2015, the Board approved the amended version of the terms of reference of the audit committee of the Company (the "Audit Committee") to include risk management function and responsibility, according to the Consultation Conclusion. For further details of the terms of reference of the Audit Committee, please refer to the terms of reference of the Audit Committee published by the Company on 27 November 2015.

In the opinion of the Directors, save for the deviations to code provisions A.2.1 and A.4.3 as disclosed below, the Company has complied with the applicable code provisions as set out in the Code contained in Appendix 14 to the Listing Rules throughout the Year.

遵守上市規則企業管治守則

本公司致力建立良好企業管治常規及程序，以成為具透明度及負責任的組織，並對本公司股東公開及負責。董事相信，良好企業管治常規對維持及提升投資者信心日益重要。本公司的企業管治常規建基於聯交所證券上市規則（「上市規則」）附錄十四所載企業管治守則（「守則」）內的原則及守則條文。

聯交所於二零一四年十二月十九日刊發「有關檢討企業管治守則及企業管治報告：風險管理及內部監控的諮詢總結」（「諮詢總結」），要求發行人審核委員會的職權範圍應按照守則條文C.3.3修訂，且發行人可視乎自身情況及可用資源決定是否另行設立董事會轄下風險委員會。本公司於二零一五年十一月二十七日舉行董事會會議，會上批准本公司審核委員會（「審核委員會」）職權範圍的經修訂版本，當中根據諮詢總結作出修訂，使其擁有風險管理職能及責任。有關審核委員會職權範圍的進一步詳情，請參閱本公司於二零一五年十一月二十七日刊發的審核委員會職權範圍。

董事認為，除下文所披露偏離守則條文A.2.1及A.4.3的情況外，本公司於年內一直遵守上市規則附錄十四所載守則內的適用守則條文。

Code Provision A.2.1

Under code provision A.2.1 of the Code, the roles of the chairman and chief executive officer of the Company should be separated and should not be performed by the same individual. The Company does not have any officer with the title of “chief executive officer”. Mr. Ren Weiming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Company. Given the nature and extent of the Group’s operation and Mr. Ren’s extensive experience in the industry, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

Code Provision A.4.3

Mr. Lau Ying Kit has been serving as an independent non-executive Director for nine years in November 2015. Pursuant to code provision A.4.3 of the Code, if an independent non-executive director having served the Company for more than nine years, his/her appointment could be relevant to the determination of an independent non-executive director’s independence, and his/her further appointment should be subject to a separate resolution to be approved by shareholders. Accordingly, the rotation and re-election of Mr. Lau shall be approved by shareholders by way of separate resolution at the annual general meeting of the Company.

Mr. Lau has extensive experience in the accounting field. His participations in the Board bring independent judgments on issues relating to the Group’s accounts, internal controls, nominations of directors, conflicts of interests and other management matters. The Board considered the re-election of Mr. Lau as an independent non-executive Director can safeguard the interests of the Shareholders.

守則條文A.2.1

根據守則的守則條文A.2.1，本公司主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司目前並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運的主要事宜。基於本集團業務性質及規模，以及任先生於業內的豐富經驗，董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

守則條文A.4.3

劉英傑先生於二零一五年十一月已擔任獨立非執行董事達九年。根據守則的守則條文A.4.3，在釐定獨立非執行董事的獨立性時，任職本公司獨立非執行董事超過九年足以作為一個考慮界線，其是否獲續任應以獨立決議案形式由股東審議通過。因此，劉先生輪席退任及重選連任須待股東於本公司股東週年大會上以獨立決議案方式批准。

劉先生於會計領域擁有豐富經驗。參與董事會時，彼於本集團會計、內部監控、董事提名、利益衝突及其他管理事宜等相關議題方面發揮獨立判斷。董事會認為重選劉先生為獨立非執行董事可保障股東利益。

Corporate Governance Report 企業管治報告

The Board has received from Mr. Lau a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and noted that Mr. Lau has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works in the past years, the Directors consider Mr. Lau to be independent under the Listing Rules despite the fact that he will be serving the Company for more than nine years.

Mr. Lau was re-elected as an independent non-executive Director at the annual general meeting of the Company held on 18 May 2015 pursuant to the requirement of code provision A.4.3 of the Code. For further details, please refer to the circular and poll results announcement of the Company dated 15 April 2015 and 18 May 2015, respectively.

Mr. Yang Donghui has been serving as an independent non-executive Director for more than nine years in November 2015. Pursuant to code provision A.4.3 of the Code, if an independent non-executive director having served the Company for more than nine years, his/her appointment could be relevant to the determination of an independent non-executive director's independence, and his/her further appointment should be subject to a separate resolution to be approved by shareholders. Accordingly, the rotation and re-election of Mr. Yang shall be approved by shareholders by way of separate resolution at the forthcoming annual general meeting of the Company.

Mr. Yang has extensive experience in the textile industry. His participations in the Board bring independent judgments on issues relating to the various textile market development, environmental and resources conservation, internal controls, conflicts of interests and other management matters. The Board considered the re-election of Mr. Yang as an independent non-executive Director can safeguard the interests of the Shareholders.

董事會已獲劉先生根據上市規則第3.13條確認其獨立性，並注意到劉先生並無參與本集團任何行政管理。儘管劉先生將於本公司任職超過九年，然而，經考慮劉先生於過往年度的獨立工作範圍，董事認為劉先生根據上市規則屬獨立人士。

根據守則的守則條文A.4.3的規定，劉先生已於二零一五年五月十八日舉行的本公司股東週年大會上獲重選為獨立非執行董事。進一步詳情請參閱本公司日期分別為二零一五年四月十五日及二零一五年五月十八日的通函及投票表決結果公佈。

楊東輝先生於二零一五年十一月已擔任獨立非執行董事超過九年。根據守則的守則條文A.4.3，在釐定獨立非執行董事的獨立性時，任職本公司獨立非執行董事超過九年足以作為一個考慮界線，其是否獲續任應以獨立決議案形式由股東審議通過。因此，楊先生輪席退任及重選連任須待股東於本公司股東週年大會上以獨立決議案方式批准。

楊先生於紡織業擁有豐富經驗。參與董事會時，彼於紡織市場發展、環境及資源保育、內部監控、利益衝突及其他管理事宜等相關議題方面發揮獨立判斷。董事會認為重選楊先生為獨立非執行董事可保障股東利益。

Corporate Governance Report

企業管治報告

The Board has received from Mr. Yang a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and noted that Mr. Yang has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works in the past years, the Directors consider Mr. Yang to be independent under the Listing Rules despite the fact that he has been serving the Company for more than nine years. Mr. Yang Donghui has informed the Company that he has elected not to offer himself for re-election as a Director at the forthcoming annual general meeting, and accordingly will retire as a Director at the forthcoming annual general meeting. Mr. Yang has confirmed that he has no disagreement with the Board and that there are no matters that need to be brought to the attention of the Shareholders in relation to his retirement.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules regarding securities transactions by Directors and devised its own code of conduct regarding directors' dealings in the Company's securities on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with all Directors, all the Directors have confirmed that they have complied with the provisions of the Model Code and the Company's code of conduct regarding Directors' securities transactions for the year ended 31 December 2015 and up to the date of this annual report.

THE BOARD

The Board consists of eight Directors, three of whom are executive Directors, two of whom are non-executive Directors and three of whom are independent non-executive Directors. The functions and duties conferred on the Board include: overseeing the Group's businesses, strategic decisions and performance, promoting the success of the Company by directing and supervising its affairs, convening shareholders' meetings and reporting on the work of the Board to the shareholders at shareholders' meetings as may be required by the applicable laws, implementing resolutions passed at shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and the applicable laws. The senior management is delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group.

董事會已獲楊先生根據上市規則第3.13條確認其獨立性，並注意到楊先生並無參與本集團任何行政管理。儘管楊先生於本公司任職超過九年，然而，經考慮楊先生於過往年度的獨立工作範圍，董事認為楊先生根據上市規則屬獨立人士。楊先生已知會本公司，彼選擇不於應屆股東週年大會上重選連任董事。因此，彼將於應屆股東週年大會上退任董事一職。楊先生已確認，彼與董事會並無分歧，亦無有關其退任的事項須股東垂注。

董事進行證券交易的標準守則

本公司已就董事進行證券交易採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）及就董事進行本公司證券交易制訂其本身的操守準則，其條款不遜於標準守則所載的規定標準。經向全體董事作出特定查詢後，全體董事已確認於截至二零一五年十二月三十一日止年度及直至本年報日期，一直遵守標準守則的條文及本公司有關董事進行證券交易的行為守則。

董事會

董事會成員包括八名董事，其中三名為執行董事、兩名為非執行董事及三名為獨立非執行董事。董事會的職能及職責包括：監察本集團的業務、戰略決策及表現、透過帶領及監督本公司事務促進本公司成功、召開股東大會及按適用法例要求於股東大會上向股東匯報董事會的工作、執行於股東大會通過的決議案、釐定本公司的業務計劃及投資計劃、制定本公司的年度預算及期末賬目、制定本公司股息和分紅的建議以及行使細則及適用法律所賦予的其他權力、職能及職責。高級管理層獲董事會授予權力及責任以處理本集團日常管理及營運。

Corporate Governance Report

企業管治報告

The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

董事會定期舉行會議審閱本公司的財務及營運表現，並考慮及批准本公司整體策略及政策。

The composition of the Board and attendance of individual Directors at meetings of the Board, Remuneration Committee, Audit Committee and Nomination Committee during the Year under review, was as follows:

於回顧年內，董事會組成成員及個別董事出席董事會、薪酬委員會、審核委員會及提名委員會會議的情況如下：

		Relevant Meetings Attended/Held			
		出席／舉行相關會議			
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Nomination Committee 提名委員會
Directors	董事				
Executive Directors	執行董事				
Mr. Ren Weiming (Chairman of the Board)	任維明先生 (董事會主席)	5/5			
Mr. Shen Yueming	沈躍明先生	5/5			1/1
Mr. Zhang Hongwen	張鴻文先生	5/5	2/2		
Non-executive Directors	非執行董事				
Mr. Ngan Kam Wai Albert	顏金煒先生	5/5			
Mr. Tse Mark Chau Shing	謝宙勝先生	5/5			
Independent non-executive Directors	獨立非執行董事				
Mr. Yang Donghui (Chairman of the Remuneration Committee)	楊東輝先生 (薪酬委員會主席)	5/5	2/2	3/3	
Mr. Lau Ying Kit (Chairman of the Audit Committee)	劉英傑先生 (審核委員會主席)	5/5		3/3	1/1
Mr. Lo Kwong Shun Wilson (Chairman of the Nomination Committee)	羅廣信先生 (提名委員會主席)	5/5	2/2	3/3	1/1

The biographical details of the current Board members are set out under the section headed "Directors and Senior Management" on pages 24 to 28 of this annual report. Save as otherwise disclosed, there is no relationship (including financial, business, family or other material relationship) between any members of the Board.

董事會現時成員的履歷詳情載於本年報第24頁至第28頁的「董事及高級管理層」一節。除另有披露者外，董事會成員之間概無任何關連（包括財務、業務、家族或其他重大關連）。

Corporate Governance Report 企業管治報告

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

During the Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise, and the independent non-executive directors represented over one-third of the Board.

The Company has received from each of its independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

All Board members have separate and independent access to the Company's senior management to fulfil their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which records in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the company secretary and are available for inspection by the Directors.

董事名單（按分類表示）亦於本公司根據上市規則不時刊發的所有公司通訊內披露。獨立非執行董事亦根據上市規則在所有公司通訊中有明確識別。

上市規則規定須委任至少三名獨立非執行董事，其中至少一名獨立非執行董事必須具備適當專業資格，或具備適當會計或相關財務管理專長，且獨立非執行董事必須佔董事會成員人數至少三分之一。於年內，董事會於任何時候均符合此項規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性確認書，而董事會認為按照上市規則第3.13條，全體獨立非執行董事均為獨立人士。

所有董事會成員有個別及獨立接觸本公司高級管理層的機會，以履行他們的職責，及在適當的情況下根據合理的要求尋求獨立專業的意見，費用由本公司承擔。所有董事亦可接觸公司秘書，彼負責確保董事會程序及所有適用規則及法規皆獲遵守。議程及隨附的董事會／董事委員會文件會在會議舉行前的合理時間內通知發送董事／委員會成員。記錄了董事會考慮及達成決策的事宜詳情（包括任何董事提出的關注問題或反對意見）的董事會會議及董事委員會會議的會議記錄，由公司秘書保存及可由董事查閱。

Corporate Governance Report

企業管治報告

Pursuant to article 87 of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years and being eligible for re-election. In accordance with article 87 of the Articles, Mr. Zhang Hongwen, Mr. Lo Kwong Shun Wilson and Mr. Yang Donghui shall retire from office by rotation at the forthcoming annual general meeting. Two of the retiring Directors, Mr. Zhang Hongwen and Mr. Lo Kwong Shun Wilson being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting. Mr. Yang Donghui has elected not to offer himself for re-election as a Director at the forthcoming annual general meeting.

DIRECTORS' RESPONSIBILITY

The following statement, which sets out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but be distinguished from, the Independent Auditors' Report on pages 68 to 69 which states the reporting responsibilities of the Group's auditors.

Annual Report and Accounts

The Directors acknowledge their responsibilities to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies that are consistently applied, and that all applicable accounting standards have been followed.

根據細則第87條，於本公司每屆股東週年大會上，當時在任的董事中三分之一（或倘彼等的數目並非三的倍數，則取最接近但不少於三分之一的數目）須輪席退任，惟每名董事須最少每三年退任一次，並可膺選連任。根據細則第87條，張鴻文先生、羅廣信先生及楊東輝先生須於應屆股東週年大會上輪席退任。兩名退任董事張鴻文先生、羅廣信先生合資格並願意於應屆股東週年大會上膺選連任為董事。楊東輝先生已知會本公司，彼已選擇不會於應屆股東週年大會上重選連任董事。

董事職責

以下聲明列出董事對財務報表的責任，它必須連同第68頁至第69頁的獨立核數師報告一起閱讀，但兩者又必須區別開來。獨立核數師報告列明本集團核數師的報告責任。

年報及賬目

董事確認其有責任於每個財政年度編製真實而公允地反映本集團事務狀況的財務報表。

會計政策

董事認為在編製財務報表時，本集團持續採用適當的會計政策，並遵從所有適用的會計準則。

Corporate Governance Report

企業管治報告

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable accounting standards.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

The Company does not have any officer with the title of “chief executive officer”. Mr. Ren Weiming, who acts as the Chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

NON-EXECUTIVE DIRECTORS

Mr. Ngan Kam Wai Albert, a non-executive Director, has renewed his service agreement with the Company for a term of three years, with the same terms commencing from 1 January 2016. Mr. Tse Mark Chau Shing has tendered his resignation as a non-executive Director of the Company on 18 March 2016 with effect from 30 June 2016.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company and is appointed for a term of three years commencing on 1 January 2013. Mr. Lo Kwong Shun Wilson and Mr. Lau Ying Kit had renewed with the same terms for another three years from 1 January 2016. Mr. Yang Donghui has elected not to offer himself for re-election at the forthcoming annual general meeting. A new candidate of independent non-executive director to replace Mr. Yang will be put forward for shareholders' approval at the forthcoming annual general meeting.

會計記錄

董事負責確保本集團保存的會計記錄能合理準確地披露本集團的財務狀況，從而根據香港《公司條例》（第622章）的披露規定及適用的會計準則來編製財務報表。

保障資產

董事負責採取一切合理及所需的步驟以保障本集團的資產，並防止及查察欺詐及其他不當行為。

主席及行政總裁

根據守則的守則條文A.2.1，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

本公司目前並無任何高級職員擁有「行政總裁」職銜。任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運的主要事宜。董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

非執行董事

非執行董事顏金煒先生已經與本公司重續服務協議，由二零一六年一月一日起為期三年，條款不變。謝宙勝先生已於二零一六年三月十八日提呈辭任本公司非執行董事，並於二零一六年六月三十日生效。

各獨立非執行董事已與本公司訂立委任函件，任期由二零一三年一月一日開始，為期三年。羅廣信先生及劉英傑先生並以相同條款續約三年，任期由二零一六年一月一日開始。楊東輝先生已知會本公司，彼已選擇不會於應屆股東週年大會上重選連任。取代楊先生擔任獨立非執行董事的新候選人，將獲提名在應屆股東週年大會上尋求股東批准。

Corporate Governance Report

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DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

During the Year, the Directors are provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates the Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. The Company has arranged a director's training during the Year. According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company on continuous professional development during the Year:

董事持續培訓及發展

於年內，董事定期獲知會本公司的最近期表現、狀況及前景，使董事會整體及各董事能履行彼等的職責。此外，本集團鼓勵全體董事參與持續專業發展，發展及增進知識及技能。本公司不時為董事提供有關上市規則及其他適用監管規定的最新發展，確保彼等遵守及知悉良好的企業管治常規。本公司已於年內安排一次董事培訓。按照本公司保留的記錄，於年內，董事已接受以下集中於上市公司董事角色、職能及責任的持續專業發展培訓：

Attending internally-facilitated training or attending seminars and reading materials 出席內部安排的培訓、或 出席講座及閱讀材料

Name of Directors	董事姓名	
Executive Directors	執行董事	
Mr. Ren Weiming	任維明先生	✓
Mr. Shen Yueming	沈躍明先生	✓
Mr. Zhang Hongwen	張鴻文先生	✓
Non-executive Directors	非執行董事	
Mr. Ngan Kam Wai Albert	顏金煒先生	✓
Mr. Tse Mark Chau Shing	謝宙勝先生	✓
Independent non-executive Directors	獨立非執行董事	
Mr. Yang Donghui	楊東輝先生	✓
Mr. Lau Ying Kit	劉英傑先生	✓
Mr. Lo Kwong Shun Wilson	羅廣信先生	✓

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DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. During the Year, no claim had been made against the Directors and officers of the Company.

COMPANY SECRETARY

During the Year, Mr. Chan Yan Kwan Andy, the company secretary of the Company during the year under review, attended relevant professional training for not less than 15 hours.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

REMUNERATION COMMITTEE

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Zhang Hongwen, Mr. Yang Donghui (chairman of the Remuneration Committee) and Mr. Lo Kwong Shun Wilson.

The Remuneration Committee shall meet at least once every year to review the remuneration policy and structure and determination of the annual remuneration packages of the executive Directors and the senior executives and other related matters. The Remuneration Committee shall make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration.

董事及高級職員的責任保險及彌償保險

本公司已安排責任保險，以就針對董事的法律訴訟向董事及高級職員作出彌償。於年內並無任何人士向本公司董事及高級職員提出索償。

公司秘書

於年內，本公司的公司秘書陳仁君先生於回顧年度內已出席不少於15小時的相關專業培訓。

董事委員會

董事會已成立三個委員會，分別為審核委員會、薪酬委員會及提名委員會，以監察本公司各特定範疇的事務。本公司董事會轄下所有委員會均按具體的書面職權範圍成立。董事會轄下各委員會的職權範圍已登載於本公司及聯交所的網站，且可應股東要求提供。

薪酬委員會

薪酬委員會考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為適合。薪酬委員會成員包括一名執行董事張鴻文先生以及兩名獨立非執行董事楊東輝先生（薪酬委員會主席）及羅廣信先生。

薪酬委員會須最少每年舉行一次會議，審閱薪酬政策及架構，並釐定執行董事及高級行政人員的年度薪酬組合及其他有關事宜。薪酬委員會應就本公司全體董事及高級管理層的薪酬政策及架構向董事會提供推薦建議。

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Two meetings were held during the Year. At the meetings, the Remuneration Committee reviewed the remuneration policies of the Directors and the senior management. The attendance record of each Director at the said Remuneration Committee meetings held is set out in the table below:

於年內舉行了兩次會議。於會議上，薪酬委員會審閱董事及高級管理層的薪酬政策。各董事於上述薪酬委員會會議的出席記錄載於下表：

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Zhang Hongwen	張鴻文先生	2/2
Mr. Yang Donghui	楊東輝先生	2/2
Mr. Lo Kwong Shun Wilson	羅廣信先生	2/2

NOMINATION COMMITTEE

The Nomination Committee was established by the Board on 16 March 2012 with written terms of reference in compliance with the Code with effect from 16 March 2012. The primary functions of the Nomination Committee are to review the Board diversity policy and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, based on skills, knowledge and experience, to complement the Company's corporate strategy. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Shen Yueming, Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson (chairman of the Nomination Committee).

提名委員會

董事會已於二零一二年三月十六日成立提名委員會，並訂出符合守則之書面職權範圍，由二零一二年三月十六日起生效。提名委員會的主要職能為配合本公司的公司策略而檢視董事會多元化政策，並根據董事的技能、知識及經驗，就委任或續任董事及董事繼任計劃向董事會提供推薦建議。提名委員會成員包括一名執行董事沈躍明先生以及兩名獨立非執行董事劉英傑先生及羅廣信先生（提名委員會主席）。

One meeting was held during the Year. At the meeting, the Nomination Committee reviewed the structure, size and composition of the Board and the Board diversity policy. The attendance record of each Director at the said Nomination Committee meetings held is set out in the table below:

於年內舉行了一次會議。於會議上，提名委員會檢討董事會的架構、規模及成員以及董事會多元化政策。各董事於上述提名委員會會議的出席記錄載於下表：

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Shen Yueming	沈躍明先生	1/1
Mr. Lau Ying Kit	劉英傑先生	1/1
Mr. Lo Kwong Shun Wilson	羅廣信先生	1/1

The Nomination Committee also determined the policy for the nomination of Directors and the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the Year.

提名委員會亦已制定董事提名政策及提名程序，亦已採納其於年內甄選及建議董事人選的程序及準則。

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Measurable objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to textile industry experience, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including textile industry experience, age, gender and holding of office in textile association) are as follows:

Name 姓名	Textile Industry experience 紡織行業經驗	Age 年齡	Gender 性別	Hold office in Textile Association 有否於紡織業協會擔任職務
REN Weiming 任維明	Yes 有	56	Male 男	Yes 有
SHEN Yueming 沈躍明	Yes 有	54	Male 男	No 否
ZHANG Hongwen 張鴻文	Yes 有	49	Male 男	No 否
NGAN Kam Wai Albert 顏金煒	Yes 有	66	Male 男	Yes 有
TSE Mark Chau Shing 謝宙勝	No 無	63	Male 男	No 否
YANG Donghui 楊東輝	Yes 有	70	Male 男	Yes 有
LAU Ying Kit 劉英傑	No 無	42	Male 男	No 否
LO Kwong Shun Wilson 羅廣信	No 無	42	Male 男	No 否

可計量目標

甄選候選人時將會以不同的多元性角度為基準，包括但不限於在紡織行業的經驗、性別、年齡、文化及教育背景、道德水平、專業經驗、技能、知識及服務年期。最終決定將會以獲選的候選人為董事會帶來的裨益及貢獻為依歸。董事會的組成（包括在紡織行業的經驗、年齡、性別及有否於紡織業協會擔任職務）如下：

The Company's measurable objectives of the Board diversity policy are as follows:

- 1) At least half of the members of the Board should have textile industry experience.
- 2) At least one Director should hold office/honorary title in the textile association in order to ensure the Company to receive first-hand information about the development and challenges of the industry.
- 3) Gender is not the key consideration. It will be based on merit and contribution that the selected candidates will bring to the Board.

本公司的董事會多元性政策的可計量目標如下：

- 1) 最少一半董事會成員具紡織行業經驗。
- 2) 最少一名董事於紡織業協會擔任職務／擁有榮譽職銜，以確保本公司取得行業發展及挑戰的第一手資料。
- 3) 性別並非主要考慮因素。獲選的候選人對董事會帶來的裨益及貢獻將為考慮的依歸。

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AUDITORS' REMUNERATION

During the Year, the remuneration paid to the Company's external auditors, Ernst & Young, is set out as follows:

Service rendered	提供的服務	Fee paid 已付費用 RMB'000 人民幣千元
Audit Services	審核服務	1,800
Tax services	稅務服務	90

The responsibilities of the external auditors with respect to the 2015 financial statements are set out in the section headed "Independent Auditors' Report" on pages 68 to 69. Save as disclosed above and in the section headed "Independent Auditors' Report", the Company did not engage Ernst & Young for any non-audit services during the Year.

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group and to provide advice and comments to the Board.

The Audit Committee is responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and

核數師薪酬

於年內支付予本公司外部核數師安永會計師事務所的薪酬載列如下：

外部核數師就二零一五年財務報表的責任載於第68頁至第69頁的「獨立核數師報告」一節。除以上及「獨立核數師報告」一節所披露者外，本公司於年內並無委聘安永會計師事務所作任何其他非審核服務。

審核委員會

審核委員會遵照上市規則第3.21及3.22條成立，並訂出符合守則的書面職權範圍。審核委員會的主要職責為檢討及監察本集團財務申報程序、風險管理及內部監控制度，並向董事會提供意見及評議。

審核委員會負責釐定本公司的企業管治政策，並履行下列企業管治職責：

- 制訂及檢討本集團有關企業管治的政策及常規，並提出推薦建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本集團遵守所有法律及監管規定（如適用）的政策及常規；
- 制訂、檢討及監察適用於本集團僱員及董事的行為守則及遵例手冊（如有）；及

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- to review the Group's compliance with the Code and disclosure requirements in the Corporate Governance Report.

The Audit Committee consists of three members, namely Mr. Lau Ying Kit, Mr. Yang Donghui and Mr. Lo Kwong Shun Wilson, of which are all independent non-executive Directors. Mr. Lau Ying Kit, who has appropriate professional qualifications and experience in accounting matters, was appointed as the Chairman of the Audit Committee.

During the Year, the Audit Committee held three meetings. At the meetings, the Audit Committee reviewed the final results of 2014 and interim results of 2015 with the external auditors and also the effectiveness of the Group's internal control functions. The attendance record of each Director at the said Audit Committee meetings held is set out in the table below:

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Lau Ying Kit	劉英傑先生	3/3
Mr. Yang Donghui	楊東輝先生	3/3
Mr. Lo Kwong Shun Wilson	羅廣信先生	3/3

During the Year, the Audit Committee also reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, 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 Code and disclosure in this Corporate Governance Report.

The Directors are collectively responsible for preparing the consolidated financial statements of the Group which have been prepared on a going concern basis, and complies with the requirements of the Listing Rules. There has been no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

- 檢討本集團於企業管治報告內遵守守則及披露規定的情況。

審核委員會由三名全屬獨立非執行董事的成員組成，分別為劉英傑先生、楊東輝先生及羅廣信先生，而於會計事宜擁有適當專業資格及經驗的劉英傑先生獲委任為審核委員會主席。

於年內，審核委員會共舉行三次會議。於會議上，審核委員會與外部核數師共同審閱二零一四年的全年業績及二零一五年的中期業績，以及本集團的內部監控職能的成效。各董事於上述審核委員會會議的出席記錄載於下表：

於年內，審核委員會亦已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司遵守法律及監管規定的政策及常規、遵守標準守則的情況，以及本公司遵守守則的情況以及本企業管治報告中的披露。

董事共同負責按持續經營基準，並遵照上市規則的規定編製本集團的合併財務報表。就遴選及委任外部核數師一事，董事及審核委員會之間並無分歧。

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INTERNAL CONTROL AND RISK MANAGEMENT

The Company has in place sound and effective internal controls to safeguard shareholders' investment and assets of the Company and its subsidiaries. The Board is responsible for monitoring the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that the internal control and risk management systems in place are adequate.

The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls. The Company also has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and was in place throughout 2015 and up to the date of this report. The day-to-day operation is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The Board has conducted a review and assessment of the effectiveness of the Company's internal control systems including financial, operational and compliance controls and risk management during the Year. The assessment was made after discussions with the management of the Company and a review performed by the Audit Committee. The Board is of the view that the existing internal control system is adequate and effective.

內部監控及風險管理

本公司採納良好及有效的內部監控，保障股東投資以及本公司及其附屬公司的資產。董事會負責定期監察本公司內部監控及風險管理系統的成效，從而確保施行足夠的內部監控及風險管理系統。

本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的成效。本公司亦有識別、評估及管理重大風險的程序以達成其營運目標。該程序須不斷改善，並在二零一五年整個年度及直至本報告日期仍然採用。日常營運則委託個別部門，對其本身部門的行為及表現進行問責，並須嚴格遵守董事會制定的政策。本公司不時檢討內部監控系統成效，確保其能夠符合及應對靈活及不時轉變的經營環境。

於年內，董事會對本公司的內部監控系統成效進行審閱及評估，包括財務、經營、合規監控及風險管理。評估乃於董事會與本公司管理層討論，以及考慮審核委員會進行的審閱後達成。董事會認為現時的內部監控系統為足夠及有效。

SHAREHOLDERS' RIGHTS

(i) Procedures for shareholders to convene an extraordinary general meeting (the "EGM") (including making proposals/moving a resolution at the EGM to be called by the Board)

- Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "Company Secretary"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including putting forward proposals or moving a resolution at the EGM.
- Eligible Shareholders who wish to require an EGM to be called by the Board for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for the attention of the Company Secretary. The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda of the EGM including the details of the business(es) proposed to be transacted at the EGM, signed by the Eligible Shareholder(s) concerned.
- The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM within 2 months and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not convene an EGM and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM.

股東權利

(i) 股東召開股東特別大會的程序（包括於董事會召開的股東特別大會提呈建議／動議決議案）

- 任何一位或以上於遞呈要求日期持有不少於本公司實繳股本（附有本公司股東大會上投票權）十分之一的股東（「合資格股東」）於任何時候均有權透過向本公司董事會或公司秘書（「公司秘書」）發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項，包括於股東特別大會上提呈建議或動議決議案。
- 有意要求董事會召開股東特別大會以於會上提呈建議或動議決議案的合資格股東，必須將經由合資格股東簽署的書面要求（「要求」）遞呈至本公司的香港主要營業地點香港皇后大道東183號合和中心54樓，收件人應註明為公司秘書。要求必須清楚列明合資格股東的姓名、其於本公司的股權、召開股東特別大會的理由、股東特別大會的議程（包括建議於股東特別大會上處理的事項詳情），並經由合資格股東簽署。
- 本公司將檢視要求，並向本公司的股份過戶登記分處驗證合資格股東的身份及股權。倘要求被認為恰當及完整，則公司秘書將要求董事會於遞呈要求後2個月內召開股東特別大會及／或於股東特別大會中載列合資格股東提呈的建議或決議案。與之相反，倘要求被驗證為不完整，則合資格股東將獲告知有關結論，而董事會據此不會召開股東特別大會及／或於股東特別大會中載列合資格股東提呈的建議或決議案。

Corporate Governance Report

企業管治報告

- If within 21 days of the deposit of the Requisition, the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Articles, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

(ii) Procedures for sending enquiries to the board

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by post or email to ir@kingdom-china.com for the attention of the investors relation department of the Company.

INVESTOR RELATIONS

The Group firmly believes the importance of communicating with the investment community and the shareholders in attaining a high level of transparency. Since its listing, the Group has maintained various communication channels with analysts and fund managers such as one-to-one meetings, telephone communications, and press releases. The general meetings of the Company provide a platform for communication between the shareholders and the Board. The Chairman of the Board as well as Chairmen of the Remuneration Committee, Nomination Committee and Audit Committee or if, in their absence, other members of the respective committees, and where applicable, the independent board committee, are available to answer questions at the shareholders' meetings. The Company endeavours to provide timely and accurate information to the investors to enhance the understanding of the investors about the linen industry, as well as the business development strategy and direction of the Group.

The Group will continue to maintain a close relationship with investors and develop greater understanding about the Group for international investors, to enhance investors' confidence in the Group.

There is no change in the Articles during the Year. An up to date version of the Company's Articles of Association is also available on the Company's website.

- 倘遞呈要求後21日內，董事會未有將任何否定的結論告知合資格股東，亦未有安排召開股東特別大會，則合資格股東可自行根據細則召開股東特別大會，而有關合資格股東因董事會未有召開大會而合理產生的所有開支應由本公司向有關合資格股東作出償付。

(ii) 向董事會提問的程序

本公司股東可將向董事會作出的提問及疑問以郵遞方式遞呈至本公司的香港主要營業地點香港皇后大道東183號合和中心54樓，收件人應註明為董事會，或電郵至 ir@kingdom-china.com，收件人應註明為本公司投資者關係部。

投資者關係

本集團深信與投資者及股東保持有效的溝通，有助於保持本集團高度透明。本集團自上市以來，以多種渠道與分析員及基金經理聯繫，如透過一對一會議、電話交流及發放新聞稿。本公司的股東大會提供一個股東與董事會之間溝通的平台。董事會主席、薪酬委員會主席、提名委員會主席及審核委員會主席，或（如上述人士未克出席）各相關委員會的其他成員，以及獨立董事委員會（如適用）的成員，將可於股東大會上回答問題。本公司致力為投資者提供準確、及時訊息，以進一步提升投資者對亞麻行業、本集團業務發展策略和動向的了解。

本集團將繼續維持與投資者緊密的關係，及加強國際投資者對本集團的認識，以增強投資者對本集團的信心。

細則於年內並無任何變動。本公司組織章程細則的最新版本亦已登載於本公司網站。

Corporate Governance Report 企業管治報告

CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Kingdom Holdings Limited
Level 54 Hopwell Centre,
183 Queen's Road East, Hong Kong
(For the attention of the Board of Directors)

Fax: +852 3628 2284

Email: ir@kingdom-china.com

DISCLAIMER

The contents of the section headed "Shareholders' Rights" are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as shareholders of the Company. The Company disclaims all liabilities and losses incurred by its shareholders in reliance on any contents of this section headed "Shareholders' Rights".

聯絡資料

股東可透過以下途徑發出上述提問或要求：

地址：金達控股有限公司
香港皇后大道東183號
合和中心54樓
(收件人：董事會)

傳真：+852 3628 2284

電郵：ir@kingdom-china.com

免責聲明

「股東權利」一節所載內容僅供參考，並僅為遵守披露規定而提供。有關資料並不表示且不應被視為本公司給予股東的法律或其他專業意見。股東務請就彼等作為本公司股東享有的權利尋求獨立法律或其他專業意見。本公司概不就其股東因倚賴本節「股東權利」任何內容而產生的任何責任及損失承擔責任。





Independent Auditors' Report

獨立核數師報告

To the shareholders of Kingdom Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Kingdom Holdings Limited (the "Company") and its subsidiaries set out on pages 70 to 168, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致金達控股有限公司
(於開曼群島註冊成立的有限公司)
股東

我們已審核列載於第70頁至第168頁金達控股有限公司(「貴公司」)及其附屬公司的合併財務報表，該等合併財務報表包括於二零一五年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益表、合併全面收益表、合併權益變動表和合併現金流量表，以及主要會計政策概要及其他詮釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的《國際財務報告準則》規定和香港《公司條例》的披露規定編製真實且公允地反映情況的合併財務報表，以及就董事釐訂所須的內部監控負責，以使編製的合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核對該等合併財務報表發表意見。我們僅向整體股東報告，除此之外，我們的報告不可作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔法律責任。

我們是按照香港會計師公會頒佈的《香港核數準則》進行審核工作。這些準則要求我們遵守相關道德規範，並規劃及執行審核，以合理確定該等合併財務報表是否不存有任何重大錯誤陳述。

Independent Auditors' Report

獨立核數師報告

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

18 March 2016

審核涉及執程序以獲取有關合併財務報表所載金額及披露資料的審核證據。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致該等合併財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實且公允地反映情況的合併財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價合併財務報表的整體呈列方式。

我們相信，我們所獲得的審核證據是充分適當的，已為我們的審核意見建立基礎。

意見

我們認為，該等合併財務報表已按照《國際財務報告準則》真實且公允地反映了貴公司及其附屬公司於二零一五年十二月三十一日的財務狀況及該等公司截至該日止年度的財務業績及現金流量，並已按照香港《公司條例》的披露規定適當編製。

執業會計師
安永會計師事務所
香港中環
添美道1號
中信大廈22樓

二零一六年三月十八日

Consolidated Statement of Profit or Loss

合併損益表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		Note 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
REVENUE	收入	5	1,025,403	914,279
Cost of sales	銷售成本		(761,358)	(669,278)
Gross profit	毛利		264,045	245,001
Other income and gains	其他收益及得益	5	12,274	14,309
Selling and distribution expenses	銷售及分銷開支		(38,687)	(37,870)
Administrative expenses	行政開支		(55,628)	(48,168)
Other expenses	其他開支		(4,432)	(12,931)
Finance costs	財務成本	6	(13,236)	(10,751)
Share of profits and losses of an associate	應佔一間聯營公司溢利及虧損	17	(28)	36
PROFIT BEFORE TAX	除稅前溢利	7	164,308	149,626
Income tax expense	所得稅開支	10	(43,939)	(39,149)
PROFIT FOR THE YEAR	年內溢利		120,369	110,477
Attributable to:	由下列項目應佔：			
Owners of the parent	母公司擁有人		120,369	110,477
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人應佔每股盈利			
Basic	基本	12	RMB人民幣0.19元	RMB人民幣0.17元
Diluted	攤薄	12	RMB人民幣0.19元	RMB人民幣0.17元

Consolidated Statement of Comprehensive Income

合併全面收益表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	年內溢利	<u>120,369</u>	<u>110,477</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	將於往後期間重新分類至損益的其他全面收益：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	<u>(285)</u>	<u>(1,548)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額	<u>120,084</u>	<u>108,929</u>
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	<u>120,084</u>	<u>108,929</u>

Consolidated Statement of Financial Position

合併財務狀況表

As at 31 December 2015 於二零一五年十二月三十一日

			31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
	<i>Note</i>			
	<i>附註</i>			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	543,976	536,118
Investment property	14	投資物業	2,080	3,580
Prepaid land lease payments	15	土地租賃預付款項	52,065	53,392
Intangible assets	16	無形資產	9,083	9,606
Investment in an associate	17	於一間聯營公司的投資	–	5,919
Prepayments for equipment		設備預付款項	13,194	10,160
Deferred tax assets	18	遞延稅項資產	5,935	7,596
Total non-current assets		非流動資產總值	626,333	626,371
CURRENT ASSETS		流動資產		
Inventories	19	存貨	340,902	297,104
Trade and notes receivables	20	應收貿易賬款及應收票據	306,821	232,922
Prepayments, deposits and other receivables	21	預付款、押金及其他應收款項	28,226	45,043
Derivative financial instruments	23	衍生金融工具	–	2,244
Pledged deposits	24	已抵押存款	60,351	69,186
Cash and cash equivalents	24	現金及現金等價物	237,214	217,185
Total current assets		流動資產總值	973,514	863,684
CURRENT LIABILITIES		流動負債		
Trade and notes payables	25	應付貿易賬款及應付票據	98,048	151,200
Other payables and accruals	26	其他應付款項及預提費用	51,462	57,592
Interest-bearing bank borrowings	27	計息銀行借貸	368,033	230,875
Derivative financial instruments	23	衍生金融工具	2,258	–
Tax payable		應付稅項	23,693	24,352
Dividend payable		應付股息	187	4
Amount due to an associate	22	應付一間聯營公司款項	–	100
Total current liabilities		流動負債總額	543,681	464,123
NET CURRENT ASSETS		流動資產淨值	429,833	399,561
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	1,056,166	1,025,932

Consolidated Statement of Financial Position

合併財務狀況表

As at 31 December 2015 於二零一五年十二月三十一日

		31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	1,056,166	1,025,932
NON-CURRENT LIABILITIES	非流動負債		
Deferred tax liabilities	遞延稅項負債	12,188	14,270
Interest-bearing bank borrowings	計息銀行借貸	–	50,000
Total non-current liabilities	非流動負債總額	12,188	64,270
Net assets	資產淨值	1,043,978	961,662
EQUITY	權益		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Issued capital	已發行股本	6,329	6,345
Reserves	儲備	1,037,649	955,317
Total equity	權益總額	1,043,978	961,662

Note
附註

Ren Weiming
任維明
Director
董事

Shen Yueming
沈躍明
Director
董事

Consolidated Statement of Changes in Equity

合併權益變動表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔							
		Issued capital 已發行 股本	Share premium 股份溢價	Merger reserve 合併儲備	Statutory reserve 法定儲備	Share option reserve 購股權 儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total 總計
		RMB'000 人民幣千元 (note 28) (附註28)	RMB'000 人民幣千元 (note 30) (附註30)	RMB'000 人民幣千元 (note 30) (附註30)	RMB'000 人民幣千元 (note 30) (附註30)	RMB'000 人民幣千元 (note 29) (附註29)	RMB'000 人民幣千元 (note 30) (附註30)	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	6,345	273,407*	196,816*	79,927*	-*	(1,521)*	335,001*	889,975
Profit for the year	年內溢利	-	-	-	-	-	-	110,477	110,477
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	(1,548)	-	(1,548)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(1,548)	110,477	108,929
Final 2013 dividend declared	已宣派二零一三年末期股息	-	-	-	-	-	-	(37,242)	(37,242)
Transfer from retained profits	轉撥自保留溢利	-	-	-	10,455	-	-	(10,455)	-
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日 及二零一五年一月一日	6,345	273,407*	196,816*	90,382*	-	(3,069)*	397,781**	961,662
Profit for the year	年內溢利	-	-	-	-	-	-	120,369	120,369
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	(285)	-	(285)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	(285)	120,369	120,084
Stock repurchase	購回股份	(16)	(2,018)	-	-	-	-	-	(2,034)
Final 2014 dividend declared	已宣派二零一四年末期股息	-	-	-	-	-	-	(37,370)	(37,370)
Equity-settled share option arrangements	以權益結算購股權安排	-	-	-	-	1,636	-	-	1,636
Transfer from retained profits	轉撥自保留溢利	-	-	-	16,370	-	-	(16,370)	-
At 31 December 2015	於二零一五年十二月三十一日	6,329	271,389*	196,816*	106,752*	1,636*	(3,354)*	464,410*	1,043,978

* These reserve accounts comprise the consolidated reserves of RMB1,037,649,000 (2014: RMB955,317,000) in the consolidated statement of financial position.

** Retained profits have been adjusted for the proposed final 2014 dividend in accordance with the current year's presentation, which is described in note 2.4 to the financial statements.

* 該等儲備賬包括合併財務狀況表的合併儲備人民幣1,037,649,000元(二零一四年:人民幣955,317,000元)。

** 保留溢利已按照本年度呈列方式就建議二零一四年末期股息作出調整,有關呈列方式載於財務報表附註2.4。

Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前溢利	164,308	149,626
Adjustments for:	調整項目：		
Share of profits and losses of an associate	應佔一間聯營公司溢利及虧損	28	(36)
Fair value losses/(gains) on derivative instruments	衍生工具的公允價值虧損／(得益)		
– transactions not qualifying as hedges	– 不合資格作對沖的交易	2,258	(2,244)
Equity-settled share option expense	以權益結算購股權開支	1,636	–
Depreciation	折舊	60,774	57,003
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	1,327	1,327
Amortisation of an intangible assets	無形資產攤銷	606	606
Provision/(reversal) for impairment of inventories	存貨減值撥備／(轉回)	2,366	(1,332)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	771	941
Impairment/(reversal) of provision for impairment of trade receivables	應收貿易賬款減值撥備／(轉回)	1,129	(229)
Finance costs	財務成本	13,236	10,751
Bank interest income	銀行利息收入	(2,912)	(946)
		245,527	215,467
Increase in inventories	存貨增加	(46,164)	(31,428)
Increase in trade and notes receivables	應收貿易賬款及應收票據增加	(75,028)	(69,940)
Decrease/(increase) in prepayments, deposits and other receivables	預付款、押金及其他應收款項減少／(增加)	16,817	(11,192)
Proceeds from pledged deposits	已抵押存款之所得款項	39,435	30,823
New pledged deposits	新造已抵押存款	(18,840)	(39,435)
Decrease in derivative financial instruments	衍生金融工具減少	2,244	7,819
(Decrease)/increase in trade and notes payables	應付貿易賬款及應付票據(減少)／增加	(53,152)	35,298
(Decrease)/increase in other payables and accruals	其他應付款項及預提費用(減少)／增加	(6,130)	20,190
(Decrease)/increase in an amount due to an associate	應付一間聯營公司款項(減少)／增加	(100)	100
Cash generated from operations	經營活動產生的現金	104,609	157,702
Interest received	已收利息	2,912	946
Income tax paid	已付所得稅	(45,019)	(35,003)
Net cash flows from operating activities	經營活動產生的現金流量淨額	62,502	123,645

Consolidated Statement of Cash Flows

合併現金流量表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchases of items of property, plant and equipment and intangible assets	購置物業、廠房及設備項目以及無形資產	(57,563)	(99,692)
Prepayments for equipment	設備預付款項	(13,194)	(10,160)
Disposal of an associate	出售一間聯營公司	5,891	-
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	1,507	5,060
Net cash flows used in investing activities	投資活動所用的現金流量淨額	<u>(63,359)</u>	<u>(104,792)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Share repurchase	購回股份	(2,034)	-
New bank loans	新造銀行貸款	510,710	293,856
Repayment of bank loans	償還銀行貸款	(423,552)	(251,529)
Proceeds from pledged deposits	已抵押存款之所得款項	29,751	37,802
New pledged deposits	新造已抵押存款	(41,511)	(29,751)
Interest paid	已付利息	(15,006)	(14,794)
Dividends paid	已付股息	(37,187)	(37,405)
Net cash flows from/(used in) financing activities	融資活動產生/(所用)的現金流量淨額	<u>21,171</u>	<u>(1,821)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	20,314	17,032
Cash and cash equivalents at beginning of year	年初現金及現金等價物	217,185	201,698
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(285)	(1,545)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	<u>237,214</u>	<u>217,185</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	237,214	217,185
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列的現金及現金等價物	<u>237,214</u>	<u>217,185</u>

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Kingdom Holdings Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2006. The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 December 2006.

The Group is principally engaged in the manufacture and sale of linen yarns.

The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and the principal place of business is located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立／成立地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股 面值／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Overseas Kingdom Limited	British Virgin Islands ("BVI") 26 July 2006	HK\$0.01/HK\$500	100%	–	Investment holding
Overseas Kingdom Limited	英屬處女群島 二零零六年七月二十六日	0.01港元／500港元	100%	–	投資控股
Kingdom Group Holdings Limited ("Hong Kong Kingdom") 金達集團控股有限公司 (「香港金達」)	Hong Kong, China 10 September 2004 中國香港 二零零四年九月十日	HK\$1,250,000 1,250,000港元	–	100%	Investment holding and trading 投資控股及貿易
Asia Harvest Enterprises Limited 遠豐企業有限公司	Hong Kong, China 10 November 2005 中國香港 二零零五年十一月十日	HK\$1/HK\$10,000 1港元／10,000港元	–	100%	Trading 貿易

1. 公司及集團資料

金達控股有限公司於二零零六年七月二十一日在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零六年十二月十二日在香港聯合交易所有限公司（「聯交所」）上市。

本集團主要從事生產及銷售亞麻紗。

本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands；其主要營業地點則位於香港皇后大道東183號合和中心54樓。

有關附屬公司的資料

本公司附屬公司詳情如下：

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows:
(continued)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股 面值/註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Zhejiang Jinyuan Flax Co., Ltd. 浙江金元亞麻有限公司	PRC 18 March 2003 中國 二零零三年三月十八日	US\$43,820,000 43,820,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Jiangsu Jinyuan Flax Co., Ltd. 江蘇金元亞麻有限公司	PRC 17 October 2003 中國 二零零三年十月十七日	US\$18,500,000 18,500,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Jiangsu Ziwei Flax Co., Ltd. 江蘇紫薇亞麻有限公司	PRC 26 October 2006 中國 二零零六年十月二十六日	US\$10,000,000 10,000,000美元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Zhejiang Jinda Flax Co., Ltd. 浙江金達亞麻有限公司	PRC 28 May 2012 中國 二零一二年五月二十八日	RMB100,000,000 人民幣100,000,000元	–	100%	Manufacture and sale of linen yarns 生產及銷售亞麻紗
Zhejiang Jinlainuo Fiber Co., Ltd. 浙江金萊諾纖維有限公司	PRC 28 February 2012 中國 二零一二年二月二十八日	RMB10,000,000 人民幣10,000,000元	–	100%	Manufacture and sale of linen fibre 生產及銷售亞麻纖維
Zhaosu Jindi Flax Co., Ltd. 昭蘇金地亞麻有限公司	PRC 23 May 2007 中國 二零零七年五月二十三日	RMB30,000,000 人民幣30,000,000元	–	100%	Processing of agriculture products 農產品加工

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司詳情如下：(續)

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows:
(continued)

Name of company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點及日期	Nominal value of issued ordinary/ registered share capital 已發行普通股 面值/註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Kingdom Europe S.R.L.	Italy 7 September 2007	EUR502,646	-	100%	Trading
Kingdom Europe S.R.L.	意大利 二零零七年九月七日	502,646歐元	-	100%	貿易
Kingdom (Ethiopia) Linen PLC	Ethiopia 16 July 2014	US\$200,000	-	100%	Manufacture and sale of linen yarns
Kingdom (Ethiopia) Linen PLC	埃塞俄比亞 二零一四年七月十六日	200,000美元	-	100%	生產及銷售亞麻紗
Haiyan Jinda Flax Fiber Co., Ltd.	PRC 15 December 2015	RMB64,000,000	-	100%	Manufacture and sale of linen yarns
Haiyan Jinda Flax Fiber Co., Ltd.	中國 二零一五年十二月十五日	人民幣64,000,000元	-	100%	生產及銷售亞麻紗

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司附屬公司詳情如下：(續)

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000), except when otherwise indicated.

2.1 編製基準

本財務報表乃按照國際會計準則委員會頒佈的《國際財務報告準則》(包括所有《國際財務報告準則》、《國際會計準則》及詮釋)及香港《公司條例》的披露規定編製。除衍生金融工具採用公允價值計量外，本財務報表乃根據歷史成本慣例編製。除非另有標明，否則本財務報表以人民幣呈列，而所有價值已四捨五入至最接近的千位數(人民幣千元)。

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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 described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 編製基準 (續)

合併基準

合併財務報表包括本公司及其附屬公司(統稱為「本集團」)截至二零一五年十二月三十一日止年度的財務報表。附屬公司為由本公司直接或間接控制的實體(包括結構性實體)。當本集團參與投資對象業務可獲得或有權獲得可變回報以及能透過對投資對象行使其權力(即本集團獲賦予現有能以主導投資對象相關活動的既存權利)影響該等回報,即代表本集團取得控制權。

當本公司直接或間接擁有少於投資對象大多數表決權或類似權利的權利,本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況,包括:

- (a) 與投資對象其他投票持有人的合約安排;
- (b) 其他合約安排所產生的權利;及
- (c) 本集團的表決權及潛在表決權。

附屬公司與本公司的財務報表的報告期間相同,並採用一致會計政策編製。附屬公司的業績由本集團取得控制權的日期起合併入賬,並繼續合併入賬直至該等控制權終止日期為止。

所有公司間資產及負債、權益、收入、開支及與本集團成員公司間交易有關的現金流量均於合併賬目時全數抵銷。

倘有事實或情況顯示下文有關附屬公司的會計政策中所述的三項控制權元素其中一項或多項出現改變,則本集團會重新評估其是否控制接受投資實體。附屬公司擁有權權益的變動(並無失去控制權)按權益交易入賬。

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

Annual Improvements to IFRSs 2010-2012 Cycle

Annual Improvements to IFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

- (a) Amendments to IAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

2.1 編製基準 (續)

合併基準 (續)

倘本集團失去對附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控制性權益的賬面金額及(iii)於權益內記錄的累計換算差額；及確認(i)所收代價的公允價值、(ii)任何保留投資的公允價值及(iii)損益中任何因此產生的盈餘或虧絀。過往於其他全面收益內確認的本集團應佔部分按與猶如本集團直接出售有關資產或負債時所規定的相同基準重新分類至損益或保留溢利(如適用)。

2.2 會計政策及披露的變動

本集團已就本年度的財務報表首次採納下列經修訂準則。

《國際會計準則》第19號的修訂本
《國際財務報告準則》年度改進二零一零年至二零一二年週期
《國際財務報告準則》年度改進二零一一年至二零一三年週期

界定福利計劃：
僱員供款

各項修訂本的性質及影響論述如下：

- (a) 《國際會計準則》第19號的修訂本適用於僱員或第三方向界定福利計劃作出的供款。該等修訂本簡化與僱員服務年期無關的供款的會計處理，例如根據薪金的固定百分比計算的僱員供款。倘若供款金額與服務年期無關，則實體獲准於提供相關服務的期間內將有關供款確認為服務成本扣減。由於本集團並無界定福利計劃，故該等修訂本對本集團並無影響。

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) The *Annual Improvements to IFRSs 2010-2012 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

IFRS 8 Operating Segments: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

IAS 16 Property, Plant and Equipment and *IAS 38 Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

IAS 24 Related Party Disclosures: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

2.2 會計政策及披露的變動(續)

- (b) 《國際財務報告準則》年度改進二零一零年至二零一二年週期於二零一三年十二月頒佈，載有多項《國際財務報告準則》的修訂本。於本年度生效的修訂本詳情如下：

《國際財務報告準則》第8號「經營分部」：釐清實體必須披露管理層於應用《國際財務報告準則》第8號的合併計算條件時作出的判斷，包括已合併計算的經營分部的簡述，以及用於評價該等分部是否類似的經濟特徵。該等修訂本亦釐清，倘若分部資產與總資產的對賬會向最高經營決策者匯報，方須披露該對賬。該等修訂本對本集團並無影響。

《國際會計準則》第16號「物業、廠房及設備」及《國際會計準則》第38號「無形資產」：釐清物業、廠房及設備以及無形資產重估項目的賬面總額及累計折舊或攤銷的會計處理。由於本集團並無就該等資產的計量應用重估模型，故該等修訂本對本集團並無影響。

《國際會計準則》第24號「關連方披露」：釐清管理層實體（即提供主要管理人員服務的實體）為關連方，須遵守關連方披露規定。此外，採用管理層實體的實體須披露就管理層服務產生的開支。由於本集團並無接受其他實體提供的任何管理層服務，故該等修訂本對本集團並無影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) The *Annual Improvements to IFRSs 2011-2013 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

IFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of IFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

IFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 or IAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which IFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in IFRS 13.

IAS 40 *Investment Property*: Clarifies that IFRS 3, instead of the description of ancillary services in IAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as there is no acquisition of investment properties during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.2 會計政策及披露的變動 (續)

- (c) 《國際財務報告準則》年度改進二零一一年至二零一三年週期於二零一三年十二月頒佈，載有多項《國際財務報告準則》的修訂本。於本年度生效的修訂本詳情如下：

《國際財務報告準則》第3號「業務合併」：釐清合營安排（並非合營公司）不屬《國際財務報告準則》第3號的範圍，而範圍的例外情況僅適用於合營安排本身的財務報表的會計處理。該修訂本按未來適用法應用。由於本公司並非合營安排，且本集團於年內並無訂立任何合營安排，故該修訂本對本集團並無影響。

《國際財務報告準則》第13號「公允價值計量」：釐清《國際財務報告準則》第13號的投資組合例外情況不僅可應用於金融資產及金融負債，亦可應用於《國際財務報告準則》第9號或《國際會計準則》第39號（按適用情況而定）範圍內的其他合約。該修訂本由《國際財務報告準則》第13號初始應用的年度期間開始按未來適用法應用。由於本集團並無應用《國際財務報告準則》第13號的投資組合例外情況，故該修訂本對本集團並無影響。

《國際會計準則》第40號「投資物業」：釐清須使用《國際財務報告準則》第3號釐定交易屬購買資產或業務合併，而非使用將投資物業與自用物業區分的《國際會計準則》第40號配套服務描述釐定。該修訂本按未來適用法應用於收購投資物業。由於年內並無收購投資物業，此修訂本並不適用，故該修訂本對本集團並無影響。

此外，於本財政年度，本公司已採納聯交所參照香港《公司條例》（第622章）所頒佈與財務資料披露有關的上市規則的修訂本。對財務報表的主要影響為財務報表內若干資料的呈列及披露方式。

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 9	<i>Financial Instruments</i> ²
Amendments to IFRS 10 and IAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁶
Amendments to IFRS 10, IFRS 12 and IAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i> ¹
Amendments to IFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ¹
IFRS 14	<i>Regulatory Deferral Accounts</i> ³
IFRS 15	<i>Revenue from Contracts with Customers</i> ²
Amendments to IAS 1	<i>Disclosure Initiative</i> ¹
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i> ¹
Amendments to IAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> ¹
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of IFRSs ¹
IFRS 16	<i>Leases</i> ⁴
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ⁵
Amendments to IAS 7	<i>Disclosure Initiative</i> ⁵

¹ Effective for annual periods beginning on or after 1 January 2016

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

³ Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

⁴ Effective for annual periods beginning on or after 1 January 2019

⁵ Effective for annual periods beginning on or after 1 January 2017

⁶ No mandatory effective date determined but available for adoption

2.3 已頒佈但尚未生效的《國際財務報告準則》

本集團並無於本財務報表應用以下已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》。

《國際財務報告準則》第9號	金融工具 ²
《國際財務報告準則》第10號及《國際會計準則》第28號 (二零一一年)的修訂本	投資者與其聯營公司或合營公司之間出售或注入資產 ⁶
《國際財務報告準則》第10號、《國際財務報告準則》第12號及《國際會計準則》第28號 (二零一一年)的修訂本	投資實體：應用合併例外情況 ¹
《國際財務報告準則》第11號的修訂本	收購聯合經營權益的會計法 ¹
《國際財務報告準則》第14號	監管遞延賬目 ³
《國際財務報告準則》第15號	客戶合約收入 ²
《國際會計準則》第1號的修訂本	披露計劃
《國際會計準則》第16號及《國際會計準則》第38號的修訂本	澄清可接納的折舊及攤銷法 ¹
《國際會計準則》第16號及《國際會計準則》第41號的修訂本	農業：生產性植物
《國際會計準則》第27號 (二零一一年)的修訂本	獨立財務報表的權益法 ¹
年度改進二零一二年至二零一四年週期	多項《國際財務報告準則》的修訂本 ¹
《國際財務報告準則》第16號	租賃 ⁴
《國際會計準則》第12號的修訂本	就未變現虧損確認遞延稅項資產 ⁵
《國際會計準則》第7號的修訂本	披露計劃

¹ 於二零一六年一月一日或之後開始的年度期間生效

² 於二零一八年一月一日或之後開始的年度期間生效

³ 對首次採納《國際財務報告準則》的實體於二零一六年一月一日或之後開始的年度財務報表生效，因此不適用於本集團

⁴ 於二零一九年一月一日或之後開始的年度期間生效

⁵ 於二零一七年一月一日或之後開始的年度期間生效

⁶ 尚未釐定強制生效日期，惟可供提早採納

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2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise 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.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

本集團正對於初始應用該等新訂及經修訂《國際財務報告準則》後的影響進行評估。至今，本集團認為該等新訂及經修訂《國際財務報告準則》不大可能對本集團的經營業績及財務狀況構成重大影響。

2.4 主要會計政策概要

於聯營公司的投資

聯營公司為本集團一般持有其不少於20%股權表決權的長期權益的實體，並可對其施以重大影響力。重大影響力乃指有權參與投資對象的財務及營運政策決定，而非控制或共同控制該等政策。

本集團於聯營公司的投資乃按權益會計法，在本集團的合併財務狀況表中，按本集團應佔的資產淨值扣除減值虧損呈列。倘會計政策存在任何不一致，則會作出相應調整。

本集團應佔聯營公司收購後業績及其他全面收益份額分別計入合併損益表及合併全面收益中。此外，倘於聯營公司的權益內直接確認一項變動，則本集團會於合併權益變動表內確認其於任何有關變動的應佔份額（倘適用）。本集團與聯營公司交易所產生的未變現盈虧，均按本集團於聯營公司的投資為限進行抵銷，除非未變現虧損顯示已轉讓資產出現減值則除外。收購聯營公司所產生的商譽計入本集團於聯營公司的投資內作為其中一部分。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

The Group measures its derivative financial instruments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要 (續)

於聯營公司的投資 (續)

倘於聯營公司的投資變成於合營公司的投資 (或相反情況), 則不會重新計量保留權益。取而代之, 該投資繼續按權益法入賬。在所有其他情況下, 於失去對聯營公司的重大影響力或對合營公司的共同控制權後, 本集團按其公允價值計量及確認任何保留投資。於失去重大影響力或共同控制權後聯營公司或合營公司的賬面金額與保留投資的公允價值及出售所得款項之間的任何差額於損益內確認。

當於聯營公司的投資分類為持作出售時, 則根據《國際財務報告準則》第5號「持作出售及已終止經營業務的非流動資產」入賬。

公允價值計量

本集團於每個報告期末按公允價值計量其衍生金融工具。所謂公允價值, 乃指市場參與者之間於計量日期進行的有序交易中, 就出售資產所收取或轉讓負債所支付的價格。公允價值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場或 (在未有主要市場的情況下) 於資產或負債的最有利市場進行。主要或最有利市場須為本集團可參與的市場。資產或負債的公允價值乃使用市場參與者為資產或負債定價所用的假設計量 (假設市場參與者按彼等的最佳經濟利益行事)。

非金融資產的公允價值計量計及市場參與者可從使用該資產得到最高及最佳效用, 或把該資產售予另一名可從使用該資產得到最高及最佳效用的市場參與者中產生經濟利益的能力。

本集團使用適用於不同情況且具備充分數據計量公允價值的估值技巧, 以盡量利用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 主要會計政策概要 (續)

公允價值計量 (續)

所有於財務報表計量或披露公允價值的資產及負債，均按就公允價值計量整體而言屬重要的最低層輸入值在下述的公允價值等級架構進行分類：

- 第一層 – 按同等資產或負債於活躍市場上的報價（未經調整）計算
- 第二層 – 按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為可直接或間接觀察的數據
- 第三層 – 按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為不可觀察的數據

就按經常性基準於財務報表確認的資產及負債而言，本集團於每個報告期末藉由重新評估分類（基於就公允價值計量整體而言屬重要的最低層輸入值）以決定等級架構內各層之間是否出現轉移。

非金融資產減值

倘若一項資產（存貨、遞延稅項資產及金融資產除外）存在減值跡象，或需要進行年度減值測試，則估計資產的可收回金額。一項資產的可收回金額是指資產或現金產出單元的使用價值與其公允價值扣除出售成本兩者之中的較高者。除非該資產因主要依附於其他資產或一組資產產生現金流入而按該資產所屬現金產出單元釐定可收回金額，否則可收回金額以個別資產釐定。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

僅當資產的賬面金額超過其可收回金額時，才確認減值虧損。對使用價值進行評估時，預期未來現金流量以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至現值。減值虧損於產生期內自損益表與減值資產職能一致的開支類別扣除。

在每個報告期末需評估是否有跡象表明以往確認的減值虧損可能不復存在或有所減少。若有此跡象存在，則估計可收回金額。僅當釐定該項資產的可收回金額的估計有所改變時，以往就該項資產（除商譽外）已確認的減值虧損才可轉回，惟轉回後的數額不能高於該項資產以前年度沒有確認減值虧損時的賬面金額（減去折舊／攤銷後）。該等減值虧損轉回應於產生期內計入損益表，除非該項資產是以重估值入賬，則該等減值虧損轉回應按重估資產的相關會計政策入賬。

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As at 31 December 2015 於二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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;

or

- (b) the party is an entity where any of the following conditions applies;
- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third party and the other entity is an associate of the third party;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (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.

2.4 主要會計政策概要 (續)

關連方

在下列情況下，一方將被視為與本集團有關：

- (a) 該方或其直系親屬：(i)控制或共同控制本集團；(ii)可對本集團發揮重大影響力；或(iii)為本集團或其母公司的主要管理層成員；

或

- (b) 該方為符合下列任何一項條件的實體：
- (i) 該實體與本集團為同一集團的成員；
- (ii) 某一實體為另一實體（或其母公司、附屬公司或同系附屬公司）的聯營公司或合營公司；
- (iii) 該實體與本集團為同一名第三方的合營公司；
- (iv) 某一實體為一名第三方的合營公司，而另一實體為該名第三方的聯營公司；
- (v) 該實體乃為本集團或與其有關連的任何實體的僱員福利而設的離職後福利計劃；
- (vi) 該實體受(a)項所指人士控制或共同控制；
- (vii) (a)(i)項所指人士可對該實體發揮重大影響力或為該實體（或該實體的母公司）的主要管理層成員；及
- (viii) 該實體或其所構成集團任何成員公司向本集團或本集團母公司提供主要管理層成員服務。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment 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 items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant and buildings	4.5%
Machinery	9.0%
Office equipment	18.0%
Motor vehicles	22.5%
Leasehold improvements	Over the lease terms

2.4 主要會計政策概要 (續)

物業、廠房及設備及折舊

物業、廠房及設備（在建工程除外）乃以成本減累計折舊及任何減值虧損列示。當一項物業、廠房及設備分類為持作出售或當其為組成分類為持作出售的處置組合一部分時，無須折舊並根據《國際財務報告準則》第5號入賬。一項物業、廠房及設備的成本包括其購買價格及將資產運抵指定地點並使其達到預定可使用狀態的任何直接可歸屬成本。

物業、廠房及設備項目投入運作後產生的支出，如維修保養等，一般於產生期間的損益表中扣除。如符合確認條件，則主要檢查開支作為重置項目於資產賬面金額資本化。當物業、廠房及設備的重大部分每隔一段期間需要替換時，本集團確認該部分為有個別可使用年期的個別資產並將之折舊。

折舊乃按物業、廠房及設備各項目的估計可使用年期以直線法計算，將其成本撇銷至其剩餘價值。用作此用途的主要年折舊率如下：

廠房及樓宇	4.5%
機器	9.0%
辦公室設備	18.0%
汽車	22.5%
租賃物業裝修	租賃期內

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment property

Investment property is interests in buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

The Group's investment property is accounted for using the cost model. The initial recognition and subsequent measurement of land and buildings that are leased out are accounted for using the same measurement and depreciation methods as those of plant and buildings.

2.4 主要會計政策概要 (續)

物業、廠房及設備及折舊 (續)

倘物業、廠房及設備項目的不同部分的可使用年期有別，該項目的成本乃按合理基準分配至不同部分且個別進行折舊。至少須於各財政年度結束時檢討及調整（如適用）剩餘價值、可使用年期及折舊方法。

物業、廠房及設備項目包括初始確認的任何重大部分，於出售時或預期於日後使用或出售該項目將不會產生任何經濟利益時終止確認。於資產終止確認的年度，因出售或報銷而於損益表確認的任何盈虧，乃有關資產的出售所得款項淨額與賬面金額之間的差額。

在建工程指興建中的樓宇，並以成本值減任何減值虧損列賬，且不予折舊。成本包括建築期間的直接建築成本。在建工程於竣工及可投入使用時重新分類為合適的物業、廠房及設備類別。

投資物業

投資物業乃為賺取租金收入及／或資本增值，而非為了生產或供應產品或服務或行政用途或在日常業務過程中出售而持有的樓宇的權益。

本集團的投資物業使用成本模型入賬。已租出的土地及樓宇的初始確認及後續計量使用與廠房及樓宇所用者相同的計量及折舊方法入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The useful life of the intangible asset of the Group is 20 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

2.4 主要會計政策概要 (續)

無形資產

單獨購買的無形資產初始確認時按成本計量。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟年期內攤銷，並於有跡象顯示無形資產出現減值時進行減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度結束時檢討一次。本集團無形資產的可使用年期為20年。

研發成本

所有研究成本均於產生時在損益表內扣除。

開發新產品項目所產生的開支只會在下列情況下資本化並作遞延處理：本集團可顯示完成該項無形資產以作使用或出售用途在技術上為可行；本集團有意完成該項無形資產，並能夠使用或出售該項資產；該項資產日後將如何產生經濟利益；完成該項目的可用資源量及是否有能力可靠地計量在開發過程中所需開支。不符合此等標準的產品開發開支在產生時支銷。

遞延開發成本以成本減任何減值虧損列賬，並以直線法在相關產品的商業年期（自其投入商業生產日期起計，不超過五至七年）內攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments and finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentive received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

租賃

凡資產擁有權的絕大部分回報及風險（不包括法定所有權）轉歸本集團所有的租賃，均列作融資租賃。於融資租賃開始時，租賃資產的成本乃按最低租賃付款的現值撥充資本，並連同債務（不包括利息部分）一併入賬，藉以反映購買與融資情況。根據已資本化的融資租賃持有的資產（包括土地租賃預付款項及融資租賃）納入物業、廠房及設備內，並按租賃期或資產的估計可使用年期兩者中的較短者折舊。有關租賃的財務成本乃於損益表扣除，從而提供租賃期內的固定週期支出比率。

透過融資性質租購合約所獲得的資產入賬為融資租賃，惟按其估計可使用年期折舊。

資產擁有權絕大部分回報及風險仍然由出租人擁有的租賃列為經營租賃。倘本集團為出租人，由本集團按經營租賃租出的資產包括在非流動資產內，而根據經營租賃應予收取的租金於租賃期按直線法計入損益表。倘本集團為承租人，根據經營租賃應予支付的租金扣除從出租人收取的任何優惠於租賃期按直線法於損益表扣除。

經營租賃所涉及的土地租賃預付款項初步按成本列賬，其後於租賃期內按直線基準確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

2.4 主要會計政策概要 (續)

投資及其他金融資產

初始確認及計量

金融資產在初始確認時乃歸類為按公允價值計入損益的金融資產、貸款及應收款項及可供出售金融投資，或指定為於有效對沖作對沖工具的衍生工具（如適用）。金融資產初始確認時，乃按公允價值另加收購金融資產應佔的交易成本計量，惟按公允價值計入損益的金融資產除外。

所有以一般方式購買及出售的金融資產於交易日（即本集團承諾購買或出售資產當日）予以確認入賬。一般方式購買及出售為須在市場規例或慣例一般規定的期間內將資產交付的金融資產購買或出售。

後續計量

金融資產視乎其分類進行後續計量如下：

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產包括持作買賣金融資產及於初始確認時指定按公允價值計入損益的金融資產。倘金融資產收購作短期出售用途，該等金融資產乃歸類為持作買賣。衍生工具（包括獨立的內含衍生工具）亦被歸類為持作買賣，除非根據《國際會計準則》第39號的定義被指定為實際對沖工具則除外。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presents as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans or administrative expenses for receivables.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

按公允價值計入損益的金融資產 (續)

按公允價值計入損益的金融資產於財務狀況表按公允價值入賬，淨公允價值正數變動則於損益表內呈列為其他收益及得益，而淨公允價值負數變動則呈列為財務成本。淨公允價值變動不包括該等金融資產賺取的任何股息或利息，該等股息或利息根據下文「收益確認」所載的政策確認。

金融資產只會於符合《國際會計準則》第39號的條件時於初始確認當日指定為於初始確認時指定按公允價值計入損益的金融資產。

倘主合約的內含衍生工具的經濟特徵及風險與主合約所述者並無密切關係，而主合約並非持作買賣用途或指定按公允價值計入損益，則衍生工具以個別衍生工具入賬並按公允價值記錄。此等內含衍生工具按公允價值計量，而其公允價值變動於損益表內確認。倘合約條款變動大幅改變原有現金流量或對按公允價值計入損益類別的金融資產進行重新分類，方會作出重新評估。

貸款及應收款項

貸款及應收款項乃具有固定或可釐定付款額及並非於活躍市場報價的非衍生金融資產。於初始計量後，有關資產其後以實際利率法按攤銷成本減任何減值撥備計量。攤銷成本的計算乃計及任何收購折讓或溢價，並包括構成實際利率整體一部分的費用或成本。實際利率攤銷列入損益表的其他收益及得益。減值產生的虧損於損益表確認為貸款的財務成本或應收款項的行政開支。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要 (續)

終止確認金融資產

一項金融資產(或(如適用)一項金融資產的一部分或一組類似金融資產的一部分)主要在以下情形被終止確認(即從本集團的合併財務狀況表移除):

- 從資產取得現金流量的權利已過期;
- 本集團已轉移其從資產取得現金流量的權利或已根據「轉付」安排承擔將取得的現金流量全部向第三方支付義務,且不得有重大延誤;及(a)本集團已轉移該資產的絕大部分風險及回報,或(b)本集團既沒有轉移也沒有保留該資產的絕大部分風險及回報,但是已轉移該資產的控制權。

倘本集團已轉移其從資產取得現金流量的權利或已訂立轉付安排,則會評估保留資產擁有權風險與回報的情況。倘沒有轉移也沒有保留資產的絕大部分風險與回報,也沒有轉移資產的控制權,則本集團按其於被轉移資產的持續參與程度確認該資產。在此情況下,本集團亦確認相關債務。被轉移資產及相關債務乃基於反映本集團保留的權利與義務的基礎計量。

本集團以擔保形式持續涉及轉讓資產,該已轉讓資產乃以該項資產的原賬面金額及本集團可能須支付的最高代價兩者的較低者計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assessed them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要 (續)

金融資產減值

本集團於每個報告期末評估是否有客觀跡象顯示一項金融資產或一組金融資產已減值。倘自資產初始確認後發生的一項或多項事件對該項金融資產或該組金融資產的估計未來現金流量產生影響，而有關影響能可靠地估計，則存在減值。減值跡象可以包括一名債務人或一組債務人正經歷嚴重財務困難、利息或本金款項違約或被拖欠的跡象、彼等可能將進入破產或其他財務重組及可見數據表示估計未來現金流量出現一個可計量的減少，比如與拖欠相關聯的未付清款項或經濟狀況的變化。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先單獨評估每項個別重大的金融資產或合併評估個別不重大的金融資產是否存在減值。倘本集團確認一項單獨評估的金融資產沒有減值的客觀跡象出現，則不論重大與否，均會連同一組有類似信貸風險特徵的金融資產合併評估減值。被單獨評估減值且減值虧損已被確認或持續被確認的資產不包括於減值合併評估。

任何已識別減值虧損金額乃按資產的賬面金額及估計現金流量（不包括未產生的未來信貸虧損）現值兩者之間的差額計量。估計未來現金流量現值按金融資產原本實際利率（即於初始確認時計算的實際利率）折現。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include interest-bearing bank loans, trade and notes payables, an amount due to an associate, other payables and a dividend payable.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬的金融資產 (續)

資產賬面金額透過使用撥備賬扣減，虧損金額在損益表內確認。利息收入繼續按已減少的賬面金額累計，所用利率為就計量減值虧損對未來現金流量進行折現的利率。貸款及應收款項及任何相關撥備於實際上不大可能於日後收回，而全部抵押品均已變現或轉移至本集團時撇銷。

倘於後續期間，減值虧損的估計數額增加或減少，而增加或減少的原因乃與減值確認後發生的事件相關，則先前確認的減值虧損會通過調整撥備賬予以增加或減少。倘一項未來的撇銷於後來收回，則該收回於損益表計入其他開支。

金融負債

初始確認及計量

金融負債在初始確認時乃歸類為按公允價值計入損益的金融負債、貸款及借貸，或指定為於有效對沖作對沖工具的衍生工具（如適用）。

所有金融負債初始時均按公允價值確認，如屬貸款與借貸，則減去直接應佔交易成本。

本集團的金融負債包括計息銀行貸款、應付貿易賬款及應付票據、應付一間聯營公司款項、其他應付款項及應付股息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities is as follows:

Loans and borrowings

After initial recognition, interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 主要會計政策概要 (續)

金融負債 (續)

後續計量

金融負債後續計量如下：

貸款及借貸

初始確認後，計息銀行借貸其後使用實際利率法按攤銷成本計量，惟倘折現的影響不重要，則按成本列賬。當終止確認負債及於使用實際利率法進行攤銷時，於損益表確認盈虧。

攤銷成本的計算已考慮任何收購折讓或溢價，及構成實際利率整體一部分的費用或成本。實際利率攤銷列入損益表的財務成本。

終止確認金融負債

當金融負債的責任被解除或取消或屆滿時，金融負債將被終止確認。

倘現有金融負債由同一放債人以條款極為不同的負債所取代，或現有負債的條款作出重大修訂，該等交換或修訂乃視為終止確認原負債及確認新負債處理，有關賬面金額的差額於損益表確認。

對銷金融工具

僅在有現行可強制執行的法律權利對銷已確認的數額且有意向以淨值為基礎結算，或變賣資產與解除負債同時進行的情況下，金融資產與金融負債方會相互對銷，而淨值列入財務狀況表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 主要會計政策概要 (續)

衍生金融工具

初始確認及後續計量

本集團使用衍生金融工具（如遠期貨幣合約）對沖其外幣風險。該等衍生金融工具於初始時按訂立衍生合約當日的公允價值確認，其後再按公允價值重新計量。衍生工具在公允價值為正數時以資產列賬，而於公允價值為負數時則按負債列賬。

衍生工具公允價值變動產生的任何盈虧乃直接計入損益表，惟現金流量對沖的實際部分於其他全面收益中確認，其後如對沖項目影響損益，則重新分類至損益。

存貨

存貨以其成本與可變現淨值兩者中的較低者列賬。成本按加權平均計算法釐定，而在製品及製成品則包括直接物料、直接勞工及適當比例的間接成本。可變現淨值按估計售價減去估計完工及出售將予產生的成本釐定。

現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金、活期存款及可隨時轉換為已知數額現金並於購入後一般在三個月內到期，且沒有重大價值變動風險的短期高流通量投資，再扣除在催繳時須償還及構成本集團現金管理整體一部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括手頭及銀行現金（包括定期存款），以及近似現金性質而其用途不受限制的資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

所得稅

所得稅包括即期及遞延稅項。有關於損益外確認的項目的所得稅於損益以外的其他全面收益或直接於權益確認。

即期稅項資產及負債乃於計及本集團經營所在國家的當前詮釋及慣例後，根據於報告期末已頒佈或實質上已頒佈的稅率（及稅務法例），按預期可向稅務機關收回或支付予稅務機關數額計算。

遞延稅項就於報告期末資產及負債的稅項基準及其於財務報告中的賬面金額的所有暫時性差額以負債法撥備。

所有應課稅暫時性差額均被確認為遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司及聯營公司的投資的應課稅暫時性差額而言，倘若撥回暫時性差額的時間可以控制，以及暫時性差額不大可能在可見將來撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

2.4 主要會計政策概要 (續)

所得稅 (續)

對於所有可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，則遞延稅項資產一律確認入賬，惟下列情況除外：

- 倘若有關可扣減暫時性差額的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司及聯營公司的投資的可扣減暫時性差額而言，只有在暫時性差額有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差額時，方會確認遞延稅項資產。

遞延稅項資產的賬面金額在每個報告期末予以檢討。若不再可能有足夠應課稅溢利用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面金額。過往未確認的遞延稅項資產於每個報告期末重新評估，並於有充足應課稅溢利有可能用以抵扣將收回的全部或部分遞延稅項資產時確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率（及稅務法例），以資產被變現或負債被清還期間預期的適用稅率計算。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms; and
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

2.4 主要會計政策概要 (續)

所得稅 (續)

倘存在可合法強制執行權利，可以即期稅項資產抵銷即期稅項負債，及倘遞延稅項與同一課稅實體及同一稅務機關有關，則遞延稅項資產及遞延稅項負債可互相對銷。

政府補助

如能就收取政府補助及將可符合該補助所有附帶條件作出合理保證，該補助乃按公允價值予以確認。若有關補助涉及某一開支項目，則須按有系統方式於其擬補償的成本支銷期間確認為收入。

若有關補助與某一資產有關，則公允價值計入遞延收入賬，並在有關資產的預計可使用年期內逐年按等額分期撥入損益表，或自資產的賬面金額扣減並以扣減折舊開支的方式撥入損益表。

收入確認

當經濟利益極有可能歸本集團所有及收益數額能可靠地計算時，收入方被確認，其基準如下：

- (a) 貨品銷售在附於擁有權的主要風險及回報已轉移至買方，且本集團並無保留通常視為與擁有權相關程度的管理權或已售貨品的有效控制權時確認；
- (b) 租金收入於租賃期內按時間比例基準確；及
- (c) 利息收入按應計基準以實際利率法使用可在金融工具預計年期將估計未來現金收入折現至金融資產賬面淨值的利率確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial tree model, further details of which are given in note 29 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要 (續)

以股份付款

本公司設有一項購股權計劃，為所有對本集團業務成功作出貢獻的合資格參與人提供激勵及獎賞。本集團的僱員會以股份付款形式收取薪酬，而僱員會提供服務作為權益工具的代價（「以權益結算交易」）。

與僱員進行以權益結算交易的成本，乃參照授出日期的公允價值計量。公允價值乃由外聘估值師以二項式樹狀模型釐定，有關進一步詳情載於財務報表附註29。

以權益結算交易的成本連同權益相應增加部分在表現及／或服務條件獲履行的期間於僱員福利開支內確認。在歸屬日期前的每個報告期末就以權益結算交易所確認的累計開支，乃反映歸屬期屆滿的程度及本集團對將最終歸屬的權益工具數目的最佳估計。某一期間內在損益表內的扣除或進賬，乃反映已確認累計開支於該期初與該期終時的變動。

釐訂獎勵獲授當日的公允價值時，並無計及服務及非市場表現條件，惟已評估達成該等條件的可能性，作為本集團對將最終歸屬的權益工具數目的最佳估計。市場表現條件已於權益獲授當日的公允價值中反映。倘獎勵隨附任何其他條件，而毋須提供相關服務，則視該等條件為非歸屬條件。除非有提供服務及／或存在有關表現條件，否則非歸屬條件會於獎勵的公允價值中反映，從而引致即時支銷獎勵。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要 (續)

以股份付款 (續)

對於因未達成非市場表現及／或服務條件而最終未歸屬的獎勵，不會確認任何開支。倘獎勵包括一項市場或非歸屬條件，只要所有其他表現及／或服務條件已獲達成，則交易仍會被視為已歸屬，而不論該市場或非歸屬條件是否獲達成。

倘以權益結算的獎勵的條款有所變更，惟已符合獎勵的原先條款，則所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘按變更日期的計量，任何變更導致以股份支付的款項的總公允價值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

倘以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，而任何尚未確認的獎勵開支會立刻確認。此包括未符合屬本集團或僱員控制範圍內的非歸屬條件的任何獎勵。然而，若新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷的獎勵及新獎勵均應被視為原獎勵的變更，一如前段所述。

未行使購股權的攤薄影響已於計算每股盈利時反映為額外股份攤薄。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension scheme

Pursuant to the relevant regulations, the Group has participated in a local municipal government pension scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. Contributions under the Scheme are charged to the statement of profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. In prior years, final dividends proposed by the directors were classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements.

2.4 主要會計政策概要 (續)

退休金計劃

根據有關規例，本集團已參與地方市政府的退休金計劃（「計劃」），為撥支提供僱員的退休福利，本集團須將僱員的基本薪金的若干百分比作為計劃供款。地方政府承擔本集團現在及未來全部退休僱員的退休福利責任。如上所述，根據計劃，本集團唯一責任為持續作出所需供款。計劃供款於產生時自損益表扣除。計劃並無規定沒收供款可用作減少未來供款。

借貸成本

如借貸成本直接歸屬於收購、興建或生產合資格資產（即須經一段相當長時間作準備方可作擬定用途或銷售的資產），則撥充資本作為該等資產成本的一部分。當有關資產大致可作擬定用途或銷售時，即終止將該等借貸成本撥充資本。將待用於合資格資產開支的指定借貸進行臨時投資所賺取的投資收入，則從資本化借貸成本中扣除。所有其他借貸成本均於其產生期間支銷。借貸成本包括利息及與公司因借取資金而產生的其他成本。

股息

末期股息於股東大會上獲股東批准時，獲確認為一項負債。於過往年度，董事建議派付的末期股息於財務狀況表內的權益項下被分類為保留溢利的獨立分配，直至建議末期股息於股東大會上獲股東批准為止。隨着香港《公司條例》（第622章）實施，建議末期股息須於財務報表附註內披露。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on retranslation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item measured at fair value (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要 (續)

外幣

此等財務報表以人民幣呈列，即本公司的功能貨幣。本集團內的實體各自決定其功能貨幣，各實體的財務報表項目均以所定功能貨幣計量。本集團內的實體的外幣交易初始按有關功能貨幣於交易當日的匯率換算入賬。以外幣計值的貨幣資產及負債，按有關功能貨幣於報告期末的匯率重新換算。因結算或換算貨幣項目而產生的差額於損益表內確認。

按歷史成本列賬、以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬、以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。重新換算非貨幣項目所產生的盈虧的處理方法與確認按公允價值計量的項目公允價值變動的盈虧者一致（換言之，於其他全面收益或損益確認公允價值盈虧的項目的匯兌差額，亦分別於其他全面收益或損益確認）。

若干海外附屬公司使用人民幣以外貨幣作為功能貨幣。於報告期末，該等實體的資產與負債按報告期末的匯率換算為人民幣，其損益表則按年內的加權平均匯率換算為人民幣。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

There is no significant effect on the amounts recognised in the financial statements arising from the judgements, apart from those involving estimations, made by management in the process of applying the Group's accounting policies.

2.4 主要會計政策概要 (續)

外幣 (續)

因此而產生的匯兌差額於其他全面收益確認並於匯兌儲備累計。出售海外業務時，有關該項海外業務的其他全面收益部分在損益表內確認。

就合併現金流量表而言，海外附屬公司的現金流量按現金流動當日的匯率換算為人民幣。海外附屬公司在整個年度內經常產生的現金流量按年內加權平均匯率換算為人民幣。

3. 重大會計判斷及估計

管理層在編製本集團財務報表時須作出判斷、估計及假設，而有關判斷、估計及假設會對收入、開支、資產及負債所申報的金額及其隨附披露以及對或然負債的披露造成影響。該等假設及估計的不確定性或引致須對在未來受影響的資產及負債的賬面金額進行重大調整。

判斷

除涉及估計的判斷外，管理層於應用本集團的會計政策的過程中所作出的判斷對財務報表所確認的金額並無重大影響。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

- (a) Impairment of non-financial assets (other than goodwill)
- The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.
- (b) Deferred tax assets
- Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets at 31 December 2015 was RMB5,935,000 (2014: RMB7,596,000). Further details are contained in note 18 to the financial statements.

3. 重大會計判斷及估計 (續)

估計不確定性

於報告期末，存在對下一個財政年度資產及負債的賬面金額作出重大調整的重大風險且關於未來的主要假設及估計不確定性的其他主要來源如下。

- (a) 非金融資產（商譽除外）減值
- 本集團於每個報告期末評估所有非金融資產是否有任何減值跡象。於有跡象顯示未必可收回賬面金額時，非金融資產會接受減值測試。當資產或現金產生單位的賬面值超過其可收回金額（指其公允價值扣除出售成本與其使用價值兩者之中的較高者），即存在減值。公允價值扣除出售成本乃根據類似資產的具約束力公平磋商銷售交易所得的數據或可觀察市場價格減出售資產的遞增成本計算。於計算使用價值時，管理層須估計預期該項資產或現金產生單位的未來現金流量，並選擇合適折現率計算該等現金流量的現值。
- (b) 遞延稅項資產
- 遞延稅項資產僅在有可能出現應課稅溢利可用以抵扣未動用稅項虧損時，方會就該等虧損獲得確認。在釐定可確認的遞延稅項資產金額時，管理層須根據未來應課稅溢利可能的時間及水平連同未來稅項規劃策略，作出重要判斷。於二零一五年十二月三十一日，遞延稅項資產的賬面值為人民幣5,935,000元（二零一四年：人民幣7,596,000元）。其他詳情載於財務報表附註18。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

(c) Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the age and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed annually for write-down, if appropriate. The carrying amount of inventories at 31 December 2015 was RMB340,902,000 (2014: RMB297,104,000). Further details are contained in note 19 to the financial statements.

(d) Impairment of trade and notes receivables

Impairment of trade and notes receivables is made based on assessment of the recoverability of trade and notes receivables. The identification of bad and doubtful receivables requires management judgement and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or expectation in future is different from the original estimate, the differences will impact the carrying value of the receivables and related asset impairment charge or write-back in the period in which the estimate has been changed. The carrying amount of trade and notes receivables at 31 December 2015 was RMB306,821,000 (2014: RMB232,922,000). Further details are contained in note 20 to the financial statements.

(e) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives or management will write off or write down technically obsolete or non-strategic assets that have been abandoned. The carrying amount of property, plant and equipment at 31 December 2015 was RMB543,976,000 (2014: RMB536,118,000). Further details are contained in note 13 to the financial statements.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

(c) 存貨撇減

本集團的存貨以其成本與可變現淨值兩者中的較低者列賬。本集團經參考存貨貨齡及存貨狀況以及考慮影響有關存貨銷路的經濟情況後按所估計的可變現價值撇減其存貨。存貨將每年進行檢討，並於適當情況下予以撇減。於二零一五年十二月三十一日，存貨的賬面金額為人民幣340,902,000元(二零一四年：人民幣297,104,000元)。其他詳情載於財務報表附註19。

(d) 應收貿易賬款及應收票據減值

應收貿易賬款及應收票據減值按對應收貿易賬款及應收票據的可收回程度的評估釐定。識別應收款項呆壞賬需要管理層作出判斷及估計。倘有客觀證據顯示本集團將不能收回債務時則進行撥備。倘實際結果或未來的預算與原定估計不同，則有關差異將影響應收款項的賬面值及有關資產減值開支，或於該估計已變更期間內的撥回。於二零一五十二月三十一日，應收貿易賬款及應收票據的賬面金額為人民幣306,821,000元(二零一四年：人民幣232,922,000元)。其他詳情載於財務報表附註20。

(e) 物業、廠房及設備的可使用年期

本集團管理層釐定其物業、廠房及設備的估計可使用年期及相關折舊費用。該項估計乃根據類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗而釐定，並可能因技術創新及競爭者對嚴峻行業週期的反應而有重大改變。當可使用年期較之前估計年期短，管理層將增加折舊費用，或將撇銷或撇減技術上過時或非策略性的已報廢資產。於二零一五年十二月三十一日，物業、廠房及設備的賬面金額為人民幣543,976,000元(二零一四年：人民幣536,118,000元)。其他詳情載於財務報表附註13。

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is primarily the manufacture and sale of linen yarns. Management reviews the consolidated results when making decisions about allocating resources and assessing the performance of the Group. Accordingly, no segment analysis is presented.

Geographical information

(a) Revenue from external customers

An analysis of the Group's geographical information on revenue attributed to the regions on the basis of customer location for the year ended 31 December 2015 is set out in the following table:

Mainland China	中國大陸
European Union	歐盟國
Non-European Union	非歐盟國
Total	總額

(b) Non-current assets

Since the principal non-current assets, other than deferred tax assets, employed by the Group are located in Mainland China, no geographical information for non-current assets is presented.

Information about major customers

No revenue amounting to 10 percent or more of the Group's total revenue was derived from sales to a single customer for the year ended 31 December 2015 (2014: Nil).

4. 經營分部資料

為方便管理，本集團已組織成一個單一業務單位，即生產及銷售亞麻紗。管理層於就分配本集團資源及評估本集團表現作出決定時會審閱合併業績。因此，本集團並無呈列分部分析。

地理資料

(a) 來自外部客戶收入

下表載列本集團於截至二零一五年十二月三十一日止年度按客戶所在地劃分的地區應佔收入的地理資料分析：

Revenue from external customers	
來自外部客戶收入	
2015	2014
二零一五年	二零一四年
RMB'000	RMB'000
人民幣千元	人民幣千元
358,930	330,403
258,824	251,538
407,649	332,338
1,025,403	914,279

(b) 非流動資產

由於本集團使用的主要非流動資產（遞延稅項資產除外）位於中國大陸，故並無呈列非流動資產的地理資料。

有關主要客戶的資料

於截至二零一五年十二月三十一日止年度，並無向單一客戶進行的銷售收入佔本集團總收入10%或以上（二零一四年：無）。

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the sales value of linen yarns, net of sales tax and deduction of any sales discounts and returns.

An analysis of revenue, other income and gains is as follows:

Revenue	收入
Sale of linen yarns	銷售亞麻紗
Other income	其他收益
Bank interest income	銀行利息收入
Government grants	政府補助
Foreign exchange gains, net	外匯得益淨額
Others	其他
Gains	得益
Fair value gains on derivative instruments	衍生工具的公允價值得益
– transactions not qualifying as hedges	– 不合資格作對沖的交易

5. 收入、其他收益及得益

收入指亞麻紗的銷售價值，經扣除銷售稅及扣減任何銷售折扣及退還。

收入、其他收益及得益分析如下：

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
1,025,403	914,279
2,912	946
6,695	10,211
2,270	–
397	908
12,274	12,065
–	2,244
12,274	14,309

6. FINANCE COSTS

Interest on bank loans	銀行貸款的利息
Less: interest capitalised	減：資本化利息

6. 財務成本

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
15,006	14,794
(1,770)	(4,043)
13,236	10,751

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As at 31 December 2015 於二零一五年十二月三十一日

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/ (crediting):

7. 除稅前溢利

本集團除稅前溢利於扣除／（計入）下列各項後得出：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Cost of inventories sold	出售存貨成本	761,358	669,278
Depreciation	折舊	60,774	57,003
Amortisation of prepaid land lease payments	土地租賃預付款項攤銷	1,327	1,327
Amortisation of an intangible asset	無形資產攤銷	606	606
Research and development ("R&D") expenses	研究及開發（「研發」）開支	5,889	5,427
Minimum lease payments under operating leases:	經營租賃項下的最低租賃款項：		
Land and buildings	土地及樓宇	1,925	1,463
Auditors' remuneration	核數師酬金	1,800	1,750
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利開支 （包括董事及 最高行政人員薪酬）：		
Wages, salaries and other benefits	工資、薪金及其他福利	154,280	133,140
Pension scheme contributions	退休金計劃供款	8,575	7,354
Equity-settled share option expense	以權益結算購股權開支	1,636	-
		164,491	140,494
Foreign exchange differences, net	外匯差額淨額	(2,270)	10,055
Fair value loss/(gain) on derivative instruments – transactions not qualifying as hedges	衍生工具的公允價值虧損／（得益） – 不合資格作對沖的交易	2,258	(2,244)
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損／ （得益）	771	941
Fire accident losses, net	火災損失淨額	-	399
Write-down of inventories to net realisable value/(reversal of the write-down of inventories)	撇減存貨至可變現淨值／ （撥回存貨撇減）	2,366	(1,332)
Impairment of trade receivables/ (Reversal of provision for impairment of trade receivables)	應收貿易賬款減值／ （撥回應收貿易賬款減值撥備）	1,129	(229)
Finance costs	財務成本	13,236	10,751
Bank interest income	銀行利息收入	(2,912)	(946)

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Fees	袍金
Other emoluments:	其他酬金：
Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

- (a) Independent non-executive directors
The fees paid to independent non-executive directors during the year were as follows:

Mr. Yang Donghui	楊東輝先生
Mr. Lau Ying Kit	劉英傑先生
Mr. Lo Kwong Shun Wilson	羅廣信先生

There were no other emoluments payable to the independent non-executive directors during the year (2014: Nil).

8. 董事及最高行政人員薪酬

年內，根據上市規則、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條以及《公司(披露董事利益資料)規例》第2部披露的董事及最高行政人員薪酬如下：

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Fees	502	499
Other emoluments:		
Salaries, allowances and benefits in kind	3,100	3,100
Pension scheme contributions	105	108
	3,707	3,707

- (a) 獨立非執行董事
年內向獨立非執行董事支付的袍金如下：

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Mr. Yang Donghui	96	96
Mr. Lau Ying Kit	115	115
Mr. Lo Kwong Shun Wilson	97	96
	308	307

年內並無應付獨立非執行董事的其他酬金(二零一四年：無)。

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As at 31 December 2015 於二零一五年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, and non-executive directors and chief executive

8. 董事及最高行政人員薪酬 (續)

(b) 執行董事、非執行董事及最高行政人員

2015 二零一五年

Executive directors	執行董事
Mr. Ren Weiming*	任維明先生*
Mr. Shen Yueming	沈躍明先生
Mr. Zhang Hongwen	張鴻文先生

Non-executive directors	非執行董事
Mr. Ngan Kam Wai Albert	顏金煒先生
Mr. Tse Chau Shing Mark	謝宙勝先生

	Salaries, allowances and benefits in kind 薪金、 津貼及 袍金 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total remuneration 薪酬總額 RMB'000 人民幣千元
-	1,500	35	1,535
-	850	35	885
-	750	35	785
-	3,100	105	3,205
97	-	-	97
97	-	-	97
194	-	-	194
194	3,100	105	3,399

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As at 31 December 2015 於二零一五年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, and non-executive directors and chief executive (continued)

2014	二零一四年
Executive directors	執行董事
Mr. Ren Weiming*	任維明先生*
Mr. Shen Yueming	沈躍明先生
Mr. Zhang Hongwen	張鴻文先生
Non-executive directors	非執行董事
Mr. Ngan Kam Wai Albert	顏金煒先生
Mr. Tse Chau Shing Mark	謝宙勝先生

8. 董事及最高行政人員薪酬 (續)

(b) 執行董事、非執行董事及最高行政人員 (續)

Fees	Salaries, allowances and benefits in kind 薪金、津貼及袍金 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Total remuneration 薪酬總額 RMB'000 人民幣千元
–	1,500	36	1,536
–	850	36	886
–	750	36	786
–	3,100	108	3,208
96	–	–	96
96	–	–	96
192	–	–	192
192	3,100	108	3,400

* Mr. Ren Weiming, who acts as an executive director of the Company, is also the chief executive officer of the Company.

* 身為本公司執行董事的任維明先生，亦兼任本公司行政總裁。

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As at 31 December 2015 於二零一五年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2014: three) directors including the chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2014: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

Salaries allowances and benefits in kind	薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

The number of non-director and non-chief executive, highest paid employees whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零港元至1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元

During the year ended 31 December 2015, no directors and chief executive, or any of the non-director and non-chief executive, highest paid employees waived or agreed to waive any remuneration (2014: None). None of the directors and chief executive, or any of the non-director and non-chief executive, highest paid employees received any payment from the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2014: None).

9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名（二零一四年：三名）董事，當中包括最高行政人員，其薪酬詳情載於上文附註8。年內，餘下兩名（二零一四年：兩名）非本公司董事或最高行政人員的最高薪酬僱員的薪酬詳情如下：

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
1,479	1,416
49	49
1,528	1,465

薪酬處於以下範圍的非董事及非最高行政人員的最高薪酬僱員人數如下：

Number of employees 僱員人數	
2015 二零一五年	2014 二零一四年
1	1
1	1
2	2

於截至二零一五年十二月三十一日止年度，概無董事及最高行政人員或任何非董事及非最高行政人員的最高薪酬僱員放棄或同意放棄任何薪酬（二零一四年：無）。概無董事及最高行政人員或任何非董事及非最高行政人員的最高薪酬僱員從本集團收取任何款項以吸引其加入本集團或於加入本集團時作為獎勵或作為離職補償（二零一四年：無）。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

10. INCOME TAX EXPENSE

Major components of the Group's income tax expense for the year are as follows:

Current – Mainland China	即期－中國大陸
– Charge for the year	– 一年內支出
– Overprovision in respect of prior years	– 過往年度超額撥備
Current – Hong Kong	即期－香港
– Charge for the year	– 一年內支出
Current – Italy	即期－意大利
– Charge for the year	– 一年內支出
Deferred (note 18)	遞延 (附註18)
Total tax charge for the year	年內稅項支出總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) The provision for Mainland China income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the People's Republic of China (the "PRC").

During the Fifth Session of the Tenth National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "Corporate Income Tax Law") was approved and became effective on 1 January 2008. According to the Corporate Income Tax Law, the applicable tax rates of the Group's subsidiaries in Mainland China are unified at 25% with effect from 1 January 2008 except for Zhaosu Jindi Flax Co., Ltd. ("Zhaosu Jindi") and Zhejiang Jinlainuo Fiber Co., Ltd. ("Zhejiang Jinlainuo"), two indirect wholly-owned subsidiaries of the Group. Zhaosu Jindi is engaged in the preliminary processing of agriculture products and is exempted from PRC income tax. Also, Zhejiang Jinlainuo obtains the High-new Technology Certificate for years from 2014 to 2016 with a tax rate of 15%.

10. 所得稅開支

本集團於年內的所得稅開支主要項目如下：

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
43,272	31,384
(535)	(122)
1,604	1,323
19	1,080
(421)	5,484
43,939	39,149

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島所得稅。
- (ii) 中國大陸所得稅撥備是根據位於中國大陸的附屬公司所適用，按中華人民共和國（「中國」）有關所得稅規則及法規所釐定的各企業所得稅率而作出。

第十屆全國人民代表大會第五次會議已於二零零七年三月十六日結束，當中通過了《中國企業所得稅法》（「企業所得稅法」），並於二零零八年一月一日生效。根據企業所得稅法規定，自二零零八年一月一日起，本集團中國大陸附屬公司的適用稅率將統一為25%，惟本集團的兩間間接全資附屬公司昭蘇金地亞麻有限公司（「昭蘇金地」）及浙江金萊諾纖維有限公司（「浙江金萊諾」）除外。昭蘇金地從事農產品的初加工業務，獲豁免繳付中國所得稅。浙江金萊諾則取得於二零一四年至二零一六年各個年度的高新技術認證，稅率為15%。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

10. INCOME TAX EXPENSE (continued)

- (iii) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.
- (iv) Pursuant to the rules and regulations of Italy, the Group is subject to tax at an income tax rate of 31.4%, which comprises Italy Corporate Income Tax at 27.5% and Italy Regional Income Tax at 3.9%.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

10. 所得稅開支(續)

- (iii) 香港利得稅按年內於香港產生的估計應課稅溢利以16.5%稅率計提撥備。
- (iv) 根據意大利規則及法規，本集團須按31.4%稅率繳納所得稅，當中包括按27.5%稅率計算的意大利企業所得稅及按3.9%稅率計算的意大利地區所得稅。

按本公司及其附屬公司位處的司法管轄權區的法定稅率計算適用於除稅前溢利的稅項開支，與按實際稅率計算的稅項開支的對賬如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	164,308	149,626
Tax at an applicable tax rate of 25%	按適用的25%稅率計算的稅項	41,077	37,407
Effect of different tax rates	稅率差異影響	(5,645)	(4,792)
Overprovision in respect of prior years	過往年度超額撥備	(535)	(122)
Share of profit of an associate	應佔一間聯營公司溢利	7	(9)
Income not subject to tax	不需課稅的收益	(1,734)	(130)
Tax losses not recognised	未確認的稅項虧損	1,384	-
Expenses not deductible for tax	不可扣稅的開支	3,464	1,084
Tax credit arising from additional deduction of R&D expenditures of a PRC subsidiary	一間中國附屬公司研發開支加計扣除產生的稅項抵免	(607)	(426)
Deferred tax liability on withholding tax	預扣稅產生的遞延稅項負債	6,528	6,137
Total charge for the year	年內支出總額	43,939	39,149

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11. DIVIDEND

Proposed final – HK8.0 cents
(2014: HK7.5 cents) per ordinary share

建議末期股息—每股普通股8.0港仙
(二零一四年：7.5港仙)

At a meeting of the board of directors held on 18 March 2016, the payment of a final dividend of HK8.0 cents per ordinary share totalling approximately RMB42,204,000 was recommended for the year ended 31 December 2015, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 630,195,000 (2014: 631,600,000) in issue during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

11. 股息

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

42,204

37,370

42,204

37,370

於二零一六年三月十八日舉行的董事會會議上，董事會建議派發截至二零一五年十二月三十一日止年度末期股息每股普通股8.0港仙，合共約人民幣42,204,000元，須待本公司股東於應屆股東週年大會上批准，方可作實。

12. 母公司普通股權益持有人應佔每股基本及攤薄盈利

每股基本盈利乃根據母公司普通股權益持有人應佔年內溢利及年內已發行普通股加權平均數630,195,000股（二零一四年：631,600,000股）計算，並已作出調整以反映年內進行的供股。

每股攤薄盈利乃根據母公司普通股權益持有人應佔年內溢利計算。計算時使用的普通股加權平均數乃年內已發行普通股數目（與計算每股基本盈利所使用者相同），以及假設全部攤薄潛在普通股被視為獲行使或兌換為普通股後無償發行的普通股加權平均數。

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As at 31 December 2015 於二零一五年十二月三十一日

12. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculations of basic and diluted earnings per share are based on:

12. 母公司普通股權益持有人應佔每股基本及攤薄盈利 (續)

每股基本及攤薄盈利的計算方式如下：

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculations	120,369	110,477
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	630,195	631,600
Effect of dilution – weighted average number of ordinary shares: Share options	7,952	–
	638,147*	631,600

* Because the diluted earnings per share amount is increased when taking share options into account, the share options had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the year of RMB120,369,000 and the weighted average number of ordinary shares of 630,195,000 in issue during the year.

* 由於計及購股權時會增加每股攤薄盈利的數額，故購股權對年內每股基本盈利具有反攤薄影響，而於計算每股攤薄盈利時已排除購股權。因此，每股攤薄盈利的數額乃依照年內溢利人民幣120,369,000元及年內已發行普通股加權平均數630,195,000股計算。

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As at 31 December 2015 於二零一五年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

31 December 2015

13. 物業、廠房及設備

二零一五年十二月三十一日

		Plant and buildings 廠房及建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2014 and at 1 January 2015:	於二零一四年十二月三十一日及二零一五年一月一日:							
Cost	成本	266,121	553,271	49,150	9,681	11,664	42,199	932,086
Accumulated depreciation	累計折舊	(66,791)	(297,421)	(19,121)	(6,141)	(6,494)	-	(395,968)
Net carrying amount	賬面淨額	<u>199,330</u>	<u>255,850</u>	<u>30,029</u>	<u>3,540</u>	<u>5,170</u>	<u>42,199</u>	<u>536,118</u>
At 1 January 2015, net of accumulated depreciation	於二零一五年一月一日，扣除累計折舊	199,330	255,850	30,029	3,540	5,170	42,199	536,118
Additions	添置	7,496	6,343	4,354	458	2,203	48,556	69,410
Transfer from investment property	轉撥自投資物業	3,580	-	-	-	-	-	3,580
Transfer to investment property	轉入投資物業	(2,250)	-	-	-	-	-	(2,250)
Depreciation provided during the year	年內折舊撥備	(15,742)	(37,152)	(4,609)	(1,091)	(2,010)	-	(60,604)
Transfers	轉撥	8,240	34,631	4,996	-	-	(47,867)	-
Disposals	出售	-	(2,076)	(78)	(124)	-	-	(2,278)
Exchange realignment	匯兌調整	-	-	-	-	-	-	-
At 31 December 2015, net of accumulated depreciation	於二零一五年十二月三十一日，扣除累計折舊	<u>200,654</u>	<u>257,596</u>	<u>34,692</u>	<u>2,783</u>	<u>5,363</u>	<u>42,888</u>	<u>543,976</u>
At 31 December 2015:	於二零一五年十二月三十一日:							
Cost	成本	281,947	590,767	57,722	9,897	13,866	42,888	997,087
Accumulated depreciation	累計折舊	(81,293)	(333,171)	(23,030)	(7,114)	(8,503)	-	(453,111)
Net carrying amount	賬面淨額	<u>200,654</u>	<u>257,596</u>	<u>34,692</u>	<u>2,783</u>	<u>5,363</u>	<u>42,888</u>	<u>543,976</u>

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (continued)

31 December 2014

13. 物業、廠房及設備 (續)

二零一四年十二月三十一日

		Plant and buildings 廠房及 建築物 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業 裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2014:	於二零一四年一月一日:							
Cost	成本	173,298	441,475	27,888	8,853	11,577	137,079	800,170
Accumulated depreciation	累計折舊	(59,799)	(261,070)	(14,391)	(5,398)	(4,421)	-	(345,079)
Net carrying amount	賬面淨額	<u>113,499</u>	<u>180,405</u>	<u>13,497</u>	<u>3,455</u>	<u>7,156</u>	<u>137,079</u>	<u>455,091</u>
At 1 January 2014, net of accumulated depreciation	於二零一四年一月一日， 扣除累計折舊	113,499	180,405	13,497	3,455	7,156	137,079	455,091
Additions	添置	8,280	3,654	6,253	1,157	90	124,426	143,860
Depreciation provided during the year	年內折舊撥備	(10,564)	(38,350)	(4,800)	(1,039)	(2,076)	-	(56,829)
Transfers	轉撥	93,320	110,897	15,089	-	-	(219,306)	-
Disposals	出售	(5,205)	(756)	(7)	(33)	-	-	(6,001)
Exchange realignment	匯兌調整	-	-	(3)	-	-	-	(3)
At 31 December 2014, net of accumulated depreciation	於二零一四年 十二月三十一日， 扣除累計折舊	<u>199,330</u>	<u>255,850</u>	<u>30,029</u>	<u>3,540</u>	<u>5,170</u>	<u>42,199</u>	<u>536,118</u>
At 31 December 2014:	於二零一四年 十二月三十一日:							
Cost	成本	266,121	553,271	49,150	9,681	11,664	42,199	932,086
Accumulated depreciation	累計折舊	(66,791)	(297,421)	(19,121)	(6,141)	(6,494)	-	(395,968)
Net carrying amount	賬面淨額	<u>199,330</u>	<u>255,850</u>	<u>30,029</u>	<u>3,540</u>	<u>5,170</u>	<u>42,199</u>	<u>536,118</u>

As at 31 December 2015, the Group's property, plant and equipment with a net carrying amount of approximately RMB70,282,000 (2014: RMB107,437,000) were pledged to secure bank loans granted to the Group as set out in note 27(i).

如附註27(i)所載，於二零一五年十二月三十一日，本集團賬面淨額約人民幣70,282,000元（二零一四年：人民幣107,437,000元）的物業、廠房及設備已予質押，作為本集團獲授銀行貸款的擔保。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

14. INVESTMENT PROPERTY

14. 投資物業

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面金額	3,580	3,754
Reclassification to property, plant and equipment	重新分類至物業、廠房及設備	(3,580)	-
Reclassification from property, plant and equipment	自物業、廠房及設備重新分類	2,250	-
Depreciation provided during the year	年內折舊撥備	(170)	(174)
Carrying amount at 31 December	於十二月三十一日的賬面金額	<u>2,080</u>	<u>3,580</u>

The Group's investment property is a commercial property in Shanghai, the PRC. The directors of the Company have determined that the investment property consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of the property. The Group's investment property was revalued on 31 December 2015 based on valuations performed by Haiyan Zhonglian Asset Assessment Limited Corporation, independent professionally qualified valuers, at RMB6,599,600. Each year, the Group's property manager and the chief financial officer decide, after approval from the audit committee, to appoint which external valuer to be responsible for the external valuations of the Group's investment property. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's property manager and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment property is leased to third parties under operating leases, further summary details of which are included in note 31(a) to the consolidated financial statements.

In 2015, the Group transferred an investment property to property, plant and equipment for the Group's own use, and also transferred another commercial property to investment property for lease.

本集團的投資物業乃位於中國上海的商用物業。本公司董事根據投資物業的性質、特性及風險，確定投資物業由一類資產組成，即商用類別。於二零一五年十二月三十一日，本集團根據獨立專業合資格估值師海鹽中聯資產評估有限公司所進行的估值工作，將本集團的投資物業重新估值為人民幣6,599,600元。每年，本集團的物業經理及財務總監在取得審核委員會的批准後，選定並委任一名外聘估值師負責對本集團的投資物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。本集團的物業經理及財務總監就中期及全年財務呈報進行估值時，會跟估值師就估值假設及估值結果進行每年兩次的討論。

投資物業按經營租賃出租予第三方，其進一步詳情於合併財務報表附註31(a)概述。

於二零一五年，本集團將一項投資物業轉撥至物業、廠房及設備供自用，同時將另一項商用物業轉撥至投資物業供租賃。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

14. INVESTMENT PROPERTY (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

Recurring fair value measurement for: 經常性公允價值計量：
Commercial property 商用物業

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2014: Nil).

14. 投資物業 (續)

公允價值等級架構

下表顯示本集團投資物業的公允價值計量等級架構：

Fair value measurement as at 31 December 2015 using 採用以下項目於二零一五年十二月三十一日 進行的公允價值計量			
Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-	6,600	6,600

Fair value measurement as at 31 December 2014 using 採用以下項目於二零一四年十二月三十一日 進行的公允價值計量			
Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-	4,034	4,034

年內，公允價值計量在第一層及第二層之間概無轉移，亦無轉入第三層或自第三層轉出（二零一四年：無）。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

14. INVESTMENT PROPERTY (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property:

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入值	Range or weighted average 範圍或加權平均數	
			2015 二零一五年	2014 二零一四年
Commercial property 商用物業	Discounted cash flow method 現金流量折現法	Estimated rental value (per sq. m. and per month) 估計租賃價值 (每平方米及每月)	RMB235 人民幣235元	RMB171 人民幣171元
		Rent growth (p.a.) 租金增長(每年)	3%	6%
		Long term vacancy rate 長期空置率	Nil 無	Nil 無
		Discount rate 折現率	5.5% 5.5%	5.75% 5.75%

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

14. 投資物業(續)

公允價值等級架構(續)

以下為投資物業估值所用的估值方法及主要輸入值的概要：

根據現金流量折現法，公允價值乃採用資產的壽命期內有關擁有權的利益及負債（包括退出價值或終端價值）的假設進行估計。該方法涉及對物業權益的一連串現金流量的預測。市場衍生的折現率應用於預測現金流量以便確立與資產有關的收益流的現值。退出收益通常是單獨決定且不同於折現率。

現金流量的持續時間及流入和流出的具體時間乃由諸如租金檢討、租約續租及相關轉租、重建或翻新等事件決定。適當的持續時間受市場行為（即物業類別的特性）影響。定期現金流量按總收益扣除空置、不可收回開支、收賬損失、租賃獎勵、維修費用、代理和佣金費用及其他經營和管理費用估算。該一連串定期經營收益淨額，連同預計於預測期終結時的終端價值估計金額，會進行折現。

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As at 31 December 2015 於二零一五年十二月三十一日

14. INVESTMENT PROPERTY (continued)

Fair value hierarchy (continued)

A significant increase/(decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase/(decrease) in the fair value of the investment property. A significant increase/(decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease/(increase) in the fair value of the investment property. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

15. PREPAID LAND LEASE PAYMENTS

Cost:	成本：		
At beginning of year	年初	63,806	63,806
Additions	添置	-	-
At end of year	年末	63,806	63,806
Accumulated amortisation:	累計攤銷：		
At beginning of year	年初	(9,087)	(7,760)
Charge for the year	年內攤銷	(1,327)	(1,327)
At end of year	年末	(10,414)	(9,087)
Carrying amount at end of year	年末賬面金額	53,392	54,719
Current portion included in prepayments, deposits and other receivables	計入預付款、押金及其他應收款項的流動部分	(1,327)	(1,327)
Non-current portion	非流動部分	52,065	53,392

As at 31 December 2015, the Group's prepaid land lease payments with a net carrying amount of approximately RMB28,598,000 (2014: RMB29,248,000) were pledged to secure bank loans granted to the Group as set out in note 27(i).

Lease prepayments represent costs paid to the PRC land bureau for obtaining land use rights in respect of land located in Mainland China with a lease period of 50 years when granted.

14. 投資物業 (續)

公允價值等級架構 (續)

估計租賃價值及市場租金年增長率單獨大幅增加／(減少)將導致投資物業的公允價值大幅增加／(減少)。長期空置率及折現率單獨大幅增加／(減少)將導致投資物業的公允價值大幅減少／(增加)。就估計租賃價值作出的假設的變動一般與租金年增長及折現率比較出現類似方向變動，與長期空置率比較則出現反向變化。

15. 土地租賃預付款項

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
63,806	63,806
-	-
63,806	63,806
(9,087)	(7,760)
(1,327)	(1,327)
(10,414)	(9,087)
53,392	54,719
(1,327)	(1,327)
52,065	53,392

如附註27(i)所載，於二零一五年十二月三十一日，本集團賬面淨額約人民幣28,598,000元(二零一四：人民幣29,248,000元)的土地租賃預付款項已予質押，作為本集團獲授銀行貸款的擔保。

租賃預付款項指向中國土地管理局支付以取得位於中國大陸的土地的土地使用權的成本，獲授時的租賃期為50年。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

16. INTANGIBLE ASSETS

31 December 2015

At 1 January 2015, net of accumulated amortisation	於二零一五年一月一日， 扣除累計攤銷	9,606
Additions	添置	83
Amortisation provided during the year	年內攤銷撥備	(606)
At 31 December 2015, net of accumulated amortisation	於二零一五年十二月三十一日， 扣除累計攤銷	9,083
At 31 December 2015:	於二零一五年十二月三十一日：	
Cost	成本	12,096
Accumulated amortisation	累計攤銷	(3,013)
Net carrying amount	賬面淨額	9,083

16. 無形資產

二零一五年十二月三十一日

於二零一五年一月一日， 扣除累計攤銷	9,606
添置	83
年內攤銷撥備	(606)
於二零一五年十二月三十一日， 扣除累計攤銷	9,083
於二零一五年十二月三十一日：	
成本	12,096
累計攤銷	(3,013)
賬面淨額	9,083

**Certified
emission rights
認證排放權
RMB'000
人民幣千元**

31 December 2014

二零一四年十二月三十一日

At 1 January 2014, net of accumulated amortisation	於二零一四年一月一日， 扣除累計攤銷	10,212
Additions	添置	—
Amortisation provided during the year	年內攤銷撥備	(606)
At 31 December 2014, net of accumulated amortisation	於二零一四年十二月三十一日， 扣除累計攤銷	9,606
At 31 December 2014:	於二零一四年十二月三十一日：	
Cost	成本	12,013
Accumulated amortisation	累計攤銷	(2,407)
Net carrying amount	賬面淨額	9,606

於二零一四年一月一日， 扣除累計攤銷	10,212
添置	—
年內攤銷撥備	(606)
於二零一四年十二月三十一日， 扣除累計攤銷	9,606
於二零一四年十二月三十一日：	
成本	12,013
累計攤銷	(2,407)
賬面淨額	9,606

**Certified
emission rights
認證排放權
RMB'000
人民幣千元**

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

17. INVESTMENT IN AN ASSOCIATE

17. 於一間聯營公司的投資

Share of net assets

應佔資產淨值

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
-	5,919

The Group holds an 18% equity interest in an associate, namely Huaning Flax Electronic Business (Zhejiang) Co., Ltd. ("Huaning Flax"), which was established on 28 December 2009 in the PRC with registered capital of RMB30,000,000. The principal business of the associate is the sale of linen yarn products and the provision of transaction services. Although the Group holds less than 20% of the voting power of the associate, the Group exercises significant influence as the Group is able to appoint a certain number of its directors.

本集團持有聯營公司浙江華凝亞麻電子商務有限公司（「華凝亞麻」）的18%股權，該聯營公司於二零零九年十二月二十八日在中國成立，註冊資本為人民幣30,000,000元。該聯營公司的主要業務為銷售亞麻紗產品及提供交易服務。儘管本集團持有該聯營公司的投票權不足20%，惟本集團可委任其若干數目的董事，故可對該聯營公司行使重大影響力。

Particulars of the material associate are as follows:

該主要聯營公司的詳情如下：

Name	Particulars of issued shares held	Place of establishment	Percentage of ownership interest attributable to the Group 本集團 應佔擁有權 權益百分比	Principal activities
名稱	所持已發行 股份詳情	成立地點		主要業務
Huaning Flax	RMB30,000,000	PRC	18%	Sale of linen yarn products and provision of transaction services
華凝亞麻	人民幣30,000,000元	中國	18%	銷售亞麻紗產品及提供交易服務

As at 1 July 2015, pursuit to the contract signed between the Company and Zhejiang Kingdom Creative Co., Ltd., the Group disposed all its equity interest in Huaning Flax with the consideration of RMB5,891,000.

於二零一五年七月一日，根據本公司與浙江金達創業股份有限公司簽立的合約，本集團以代價人民幣5,891,000元出售其於華凝亞麻的全部股權。

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

17. INVESTMENT IN AN ASSOCIATE (continued)

The following table illustrates the summarised financial information of Huaning Flax adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements:

		2014 二零一四年 RMB'000 人民幣千元
Current assets	流動資產	36,174
Non-current assets	非流動資產	1,170
Current liabilities	流動負債	(4,460)
Non-current liabilities	非流動負債	—
Net assets	資產淨值	<u>32,884</u>
Proportion of the Group's ownership	本集團擁有權所佔比例	18%
Carrying amount of the investment	投資賬面金額	<u>5,919</u>
Revenue	收入	9,385
Profit for the year	年內溢利	<u>200</u>

17. 於一間聯營公司的投資 (續)

下表顯示華凝亞麻的財務資料概要，其已就會計政策差異作出調整，並已與合併財務報表所載賬面金額對賬：

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

18. DEFERRED TAX

The movements in deferred tax assets and liabilities of the Group during the year are as follows:

Deferred tax assets:

		Accruals	Allowance for doubtful debts	Provision for inventories	Elimination of unrealised profits	Depreciation in excess of related depreciation allowance	Total
					抵銷	折舊超出有關折舊撥備的金額	合計
		預提費用	呆賬撥備	存貨撥備	未變現溢利	撥備的金額	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2014	於二零一四年一月一日	4,003	318	1,267	947	1,340	7,875
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)	年內計入合併損益表/(自合併損益表扣除)的遞延稅項(附註10)	1,462	(102)	(700)	(279)	(99)	282
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	<u>5,465</u>	<u>216</u>	<u>567</u>	<u>668</u>	<u>1,241</u>	<u>8,157</u>
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)	年內計入合併損益表/(自合併損益表扣除)的遞延稅項(附註10)	(2,601)	252	350	63	(641)	(2,577)
At 31 December 2015	於二零一五年十二月三十一日	<u>2,864</u>	<u>468</u>	<u>917</u>	<u>731</u>	<u>600</u>	<u>5,580</u>

18. 遞延稅項

本集團遞延稅項資產及負債於年內的變動如下：

遞延稅項資產：

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

18. DEFERRED TAX (continued)

Deferred tax liabilities:

18. 遞延稅項 (續)

遞延稅項負債：

		Withholding tax on undistributed profits of the Mainland China subsidiaries 中國大陸 附屬公司 未分派溢利的	Fair value gains/ (losses) on derivative financial instruments 衍生金融工具 公允價值 得益/ (虧損)	Depreciation allowance in excess of related depreciation 折舊撥備超出 有關折舊的 金額	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	6,903	1,955	207	9,065
Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year (note 10)	年內自合併損益表扣除/ (計入合併損益表)的 遞延稅項(附註10)	5,761	(1,394)	1,399	5,766
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日 及二零一五年一月一日	<u>12,664</u>	<u>561</u>	<u>1,606</u>	<u>14,831</u>
Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year (note 10)	年內自合併損益表扣除/ (計入合併損益表) 的遞延稅項(附註10)	(2,448)	(1,126)	576	(2,998)
At 31 December 2015	於二零一五年十二月三十一日	<u>10,216</u>	<u>(565)</u>	<u>2,182</u>	<u>11,833</u>

Pursuant to the Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings generated after 31 December 2007.

根據企業所得稅法，在中國大陸境內成立的外商投資企業向外國投資者宣派的股息須徵收10%的預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後產生的盈利。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

18. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

Deferred tax of the Group as at 31 December 2015 and 2014 relates to the following:

18. 遞延稅項 (續)

為作呈列之用，若干遞延稅項資產及負債已於合併財務狀況表內對銷。為作財務呈報之用，本集團的遞延稅項結餘分析如下：

本集團於二零一五年及二零一四年十二月三十一日的遞延稅項與下列各項有關：

		31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
Deferred tax assets arising from:	下列各項產生的遞延稅項資產：		
– Allowance for doubtful debts	– 呆賬撥備	468	216
– Provision against inventories	– 存貨撥備	917	567
– Elimination of unrealised profits	– 抵銷未變現溢利	731	668
– Accruals	– 預提費用	2,864	5,465
– Fair value losses on derivative financial instruments	– 衍生金融工具的公允價值虧損	565	–
– Depreciation in excess of related depreciation allowance	– 折舊超出有關折舊撥備的金額	600	1,241
		6,145	8,157

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As at 31 December 2015 於二零一五年十二月三十一日

18. DEFERRED TAX (continued)

Deferred tax liabilities arising from:	下列各項產生的遞延稅項負債：
– Withholding tax on undistributed profits of Mainland China subsidiaries	– 中國大陸附屬公司未分派溢利的預扣稅
– Depreciation allowance in excess of related depreciation	– 折舊撥備超出有關折舊的金額
– Fair value gains on derivative financial instruments	– 衍生金融工具的公允價值得益
Deferred tax, net	遞延稅項淨額
Reflected in the consolidated statement of financial position:	於合併財務狀況表內反映：
– Deferred tax assets	– 遞延稅項資產
– Deferred tax liabilities	– 遞延稅項負債

As at 31 December 2015, other than the amount recognised in the consolidated financial statements, deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB319,247,000 at 31 December 2015 (2014: RMB234,618,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

18. 遞延稅項 (續)

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
(10,216)	(12,664)
(2,182)	(1,606)
–	(561)
(12,398)	(14,831)
(6,253)	(6,674)
5,935	7,596
(12,188)	(14,270)

於二零一五年十二月三十一日，除合併財務報表內確認的金額外，本集團並無就其在中國大陸成立的附屬公司須繳納預扣稅的未匯出盈利所應付的預扣稅確認遞延稅項。董事認為，該等附屬公司於可預見將來不大可能分派該等未匯出盈利。於二零一五年十二月三十一日，與於中國大陸附屬公司的投資有關而並無就此確認遞延稅項負債的暫時差異總額合共約為人民幣319,247,000元（二零一四年：人民幣234,618,000元）。

本公司向其股東派付股息並無附帶所得稅務後果。

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As at 31 December 2015 於二零一五年十二月三十一日

19. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

As at 31 December 2015, inventories with a carrying amount of RMB40,000,000 (2014: RMB40,000,000) were pledged to secure bank loans granted to the Group as set out in note 27(i).

20. TRADE AND NOTES RECEIVABLES

Trade receivables	應收貿易賬款
Notes receivable	應收票據
Impairment	減值

19. 存貨

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
178,318	208,587
32,741	27,623
129,843	60,894
340,902	297,104

如附註27(i)所載，於二零一五年十二月三十一日，賬面金額為人民幣40,000,000元（二零一四年：人民幣40,000,000元）的存貨已予質押，作為本集團獲授銀行貸款的擔保。

20. 應收貿易賬款及應收票據

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
226,473	169,676
82,263	64,032
(1,915)	(786)
306,821	232,922

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As at 31 December 2015 於二零一五年十二月三十一日

20. TRADE AND NOTES RECEIVABLES (continued)

Customers are normally granted credit terms ranging from 30 days to 150 days depending on the creditworthiness of the individual customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

The Group's notes receivable were all aged within six months and were neither past due nor impaired.

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

Within 1 month	一個月內
1 to 2 months	一個月至兩個月
2 to 3 months	兩個月至三個月
Over 3 months	三個月以上

20. 應收貿易賬款及應收票據 (續)

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。本集團力求持續嚴格控制未收回的應收款項，並設有信貸控制部以將信貸風險減至最低。高級管理層定期審閱逾期結餘。應收貿易賬款並不計息。

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。

於報告期末，本集團的應收貿易賬款按發票日分類並扣減撥備的賬齡分析如下：

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
191,785	68,129
11,969	35,939
13,201	33,132
7,603	31,690
224,558	168,890

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

20. TRADE AND NOTES RECEIVABLES (continued)

The movements in the provision for impairment of trade receivables are as follows:

At 1 January	於一月一日
Impairment losses accrued	累計減值虧損
Impairment losses reversed	減值虧損轉回

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB1,915,000 (2014: RMB786,000) with a carrying amount before provision of RMB3,643,000 (2014: RMB1,253,000).

The impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

Neither past due nor impaired	既無逾期亦無減值
Less than 1 month past due	逾期一個月內
1 to 3 months past due	逾期一個月至三個月
Over 3 months past due	逾期三個月以上

20. 應收貿易賬款及應收票據(續)

應收貿易賬款減值撥備變動如下:

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
786	1,015
1,129	-
-	(229)
1,915	786

上述應收貿易賬款減值撥備包括個別減值的應收貿易賬款撥備人民幣1,915,000元(二零一四年:人民幣786,000元),撥備前賬面金額為人民幣3,643,000元(二零一四年:人民幣1,253,000元)。

已減值應收貿易賬款與陷入財務困難的客戶有關,預計僅可收回部分應收款項。

並非個別或集體視為減值的應收貿易賬款的賬齡分析如下:

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
183,505	148,628
8,281	9,980
25,170	6,431
5,874	3,384
222,830	168,423

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As at 31 December 2015 於二零一五年十二月三十一日

20. TRADE AND NOTES RECEIVABLES (continued)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate 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 provision for 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 carrying amount of the trade and notes receivables approximates to their fair value due to their short term maturity.

Notes receivable that are not derecognised in their entirety

At 31 December 2015, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Endorsed Notes") with a carrying amount of RMB14,815,000 (31 December 2014: RMB12,026,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to these Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the endorsement, the Group does not retain any rights on the use of the Endorsed Notes, including sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Notes to which the suppliers have recourse was RMB14,815,000 (31 December 2014: RMB12,026,000) as at 31 December 2015.

20. 應收貿易賬款及應收票據 (續)

既無逾期亦無減值的應收款項與眾多不同客戶有關，該等客戶近期沒有違約歷史。

已逾期但未減值的應收款項與多名獨立客戶有關，該等客戶與本集團有良好的過往記錄。根據以往經驗，本公司董事認為無需對該等結餘作減值撥備，因為信貸質素無顯著變化且該等結餘仍被認為可以全部收回。

由於短期內到期，故應收貿易賬款及應收票據的賬面金額與其公允價值相若。

並無全數終止確認的應收票據

於二零一五年十二月三十一日，本集團向其若干供應商背書若干由中國的銀行接納的應收票據（「經背書票據」），賬面金額為人民幣14,815,000元（二零一四年十二月三十一日：人民幣12,026,000元），以結清應付該等供應商的應付貿易賬款（「背書」）。董事認為，本集團仍保留重大風險及回報，包括有關該等經背書票據的違約風險，故本集團繼續確認經背書票據及相關已結清應付貿易賬款的全部賬面金額。於背書後，本集團並無保留任何使用經背書票據的權利，包括向任何其他第三方出售、轉讓或質押經背書票據。以供應商具有追索權的經背書票據結清的應付貿易賬款於二零一五年十二月三十一日的賬面總額為人民幣14,815,000元（二零一四年十二月三十一日：人民幣12,026,000元）。

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20. TRADE AND NOTES RECEIVABLES (continued)

Notes receivable that are derecognised in their entirety

At 31 December 2015, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Derecognised Notes") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB8,942,000 (31 December 2014: RMB25,580,000). The Derecognised Notes had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

The Group has not recognised any gain or loss on the date of transfer of the Derecognised Notes in 2015 (2014: Nil). No gains or losses were recognised from the continuing involvement, both during the year or cumulatively. The Endorsement has been made evenly throughout the year.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments	預付款
Prepaid land lease payment due within one year	於一年內到期的土地租賃預付款項
Deposits and other receivables	押金及其他應收款項

20. 應收貿易賬款及應收票據 (續)

全數終止確認的應收票據

於二零一五年十二月三十一日，本集團向其若干供應商背書若干由中國的銀行接納的應收票據（「終止確認票據」），賬面總額為人民幣8,942,000元（二零一四年十二月三十一日：人民幣25,580,000元），以結清應付該等供應商的應付貿易賬款。終止確認票據由報告期末起計一至六個月內到期。根據中國票據法，經背書票據的持有人有權於中國的銀行違約時向本集團提出追索（「持續參與」）。董事認為，本集團已轉移有關終止確認票據的絕大部分風險及回報。因此，本集團已終止確認終止確認票據及相關應付貿易賬款的全部賬面金額。本集團持續參與終止確認票據及購回該等終止確認票據的未貼現現金流量的最高損失風險相等於有關賬面金額。董事認為，本集團持續參與終止確認票據的公允價值並不重大。

於二零一五年，本集團並未於轉讓終止確認票據當日確認任何得益或虧損（二零一四年：無）。本集團於年內或累計均無確認持續參與的任何得益或虧損。背書乃於年內平均作出。

21. 預付款、押金及其他應收款項

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
3,260	4,430
1,327	1,159
23,639	39,454
28,226	45,043

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As at 31 December 2015 於二零一五年十二月三十一日

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The above balances are unsecured and non-interest-bearing and have no fixed terms of repayment.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The carrying amount of prepayments, deposits and other receivables approximates to their fair value due to their short term maturity.

22. AMOUNT DUE TO AN ASSOCIATE

Huaning Flax 華凝亞麻

23. DERIVATIVE FINANCIAL INSTRUMENTS

(Liabilities)/Assets:	(負債)/資產:
Foreign exchange forward contracts	外匯遠期合約
– current	– 即期

The Group uses forward currency contracts to manage some of its foreign currency transaction exposures. These currency forward contracts are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistently with foreign currency transaction exposures, generally from one to twelve months. These contracts will mature within 2016.

The derivatives are measured at fair value as at 31 December 2015.

21. 預付款、押金及其他應收款項 (續)

上述結餘為無抵押、不計息及無固定還款期。

上述資產既未逾期亦無減值。計入上述結餘的金融資產與近期並無拖欠記錄的應收款項有關。

由於短期內到期，故預付款、押金及其他應收款項的賬面金額與其公允價值相若。

22. 應付一間聯營公司款項

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
<u>–</u>	<u>100</u>

23. 衍生金融工具

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
<u>(2,258)</u>	<u>2,244</u>

本集團使用貨幣遠期合約管理其部分外幣交易風險。該等貨幣遠期合約未指定為現金流量、公允價值或淨投資對沖，而訂立的期間與外幣交易風險一致（一般為一至十二個月）。該等合約將於二零一六年內到期。

於二零一五年十二月三十一日，衍生工具按公允價值計量。

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24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

24. 現金及現金等價物以及已抵押存款

		31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	297,565	286,371
Time deposits	定期存款	–	–
Less: Pledged deposits for bank loans	減：已就銀行貸款抵押的存款	(41,511)	(29,751)
Pledged deposits for forward contracts	已就遠期合約抵押的存款	(8,540)	(25,640)
Pledged deposits for notes payable	已就應付票據抵押的存款	(10,300)	(13,795)
Cash and cash equivalents	現金及現金等價物	237,214	217,185
Denominated in RMB	以人民幣計值	183,942	222,051
Denominated in HK\$	以港元計值	4,978	6,095
Denominated in EUR	以歐元計值	55,730	8,353
Denominated in USD	以美元計值	52,543	48,648
Denominated in other currencies	以其他貨幣計值	372	1,224
Cash and cash equivalents	現金及現金等價物	297,565	286,371

The 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.

At 31 December 2015, the Group's pledged deposits with a net carrying amount of approximately RMB41,511,000 (2014: RMB29,751,000) were pledged to secure bank loans granted to the Group as set out in note 27(i), a net carrying amount of approximately RMB10,300,000 (2014: RMB13,795,000) was pledged to secure notes payable and the rest of RMB8,540,000 (2014: RMB25,640,000) was pledged to secure forward contracts.

人民幣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》，本集團獲准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。

如附註27(i)所載，於二零一五年十二月三十一日，本集團賬面淨額約人民幣41,511,000元（二零一四年：人民幣29,751,000元）的已抵押存款已予質押，作為本集團獲授銀行貸款的擔保，賬面淨額約人民幣10,300,000元（二零一四年：人民幣13,795,000元）已予質押，作為應付票據的擔保，其餘人民幣8,540,000元（二零一四年：人民幣25,640,000元）亦已予質押，作為遠期合約的擔保。

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25. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at 31 December 2015, based on the payment due date, is as follows:

Due within 1 month or on demand	一個月內到期或於要求時償還
Due after 1 month but within 3 months	一個月以後但三個月內到期

The above balances are unsecured and non-interest-bearing. The carrying amount of trade and notes payables at the end of each reporting period approximates to their fair value due to their short term maturity.

26. OTHER PAYABLES AND ACCRUALS

Advances from customers	客戶墊款
Accruals	預提費用
Other payables	其他應付款項

The above balances are unsecured and non-interest-bearing. The carrying amount of other payables and accruals at the end of each reporting period approximates to their fair value due to their short term maturity.

25. 應付貿易賬款及應付票據

於二零一五年十二月三十一日，按付款到期日分類的應付貿易賬款及應付票據賬齡分析如下：

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
52,518	35,744
45,530	115,456
98,048	151,200

上述結餘為無抵押及不計息。於各報告期末，由於短期內到期，故應付貿易賬款及應付票據的賬面金額與其公允價值相若。

26. 其他應付款項及預提費用

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
8,411	13,506
3,707	2,545
39,344	41,541
51,462	57,592

上述結餘為無抵押及不計息。於各報告期末，由於短期內到期，故其他應付款項及預提費用的賬面金額與其公允價值相若。

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As at 31 December 2015 於二零一五年十二月三十一日

27. INTEREST-BEARING BANK BORROWINGS

27. 計息銀行借貸

		2015 二零一五年			2014 二零一四年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元
Current	即期						
Secured bank loans	有抵押銀行貸款	3.06 – 5.40	2016	90,708	6.00	2015	110,300
Unsecured bank loans	無抵押銀行貸款	1.97 – 5.09	2016	277,325	3.70 – 4.50	2015	120,575
Subtotal	小計			368,033			230,875
Non-current	非即期						
Secured bank loans	有抵押銀行貸款			–	7.36	2018	50,000
Total	總計			368,033			280,875

Analysed into:
Bank loans repayable:
Within one year
In the second year
In the third to fifth years, inclusive
Beyond five years

分析：
應償還銀行貸款：
一年內
第二年
第三至第五年（包括首尾兩年）
五年以上

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
368,033	230,875
–	–
–	50,000
–	–
368,033	280,875

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

27. INTEREST-BEARING BANK BORROWINGS (continued)

Note:

- (i) As at 31 December 2015, the current interest-bearing bank borrowings with a carrying amount of RMB90,708,000 were secured by certain property, plant and equipment, prepaid land lease payments, inventories and pledged deposits of the Group with carrying amounts of RMB70,282,000 (2014: RMB64,122,000), RMB28,598,000 (2014: RMB29,248,000), RMB40,000,000 (2014: RMB40,000,000) and RMB41,511,000 (2014: RMB29,751,000), respectively.
- (ii) As at 31 December 2015, there were no non-current interest-bearing bank borrowings. As at 31 December 2014, the non-current interest-bearing bank borrowings with a carrying amount of RMB50,000,000 were secured by certain property, plant and equipment with a carrying amount of RMB43,315,000

The carrying amount of the current interest-bearing bank loans of the Group approximates to their fair value due to their short term maturity.

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2014 was assessed to be insignificant. Management has assessed that the carrying amount of the non-current interest-bearing bank loans of the Group approximates to the fair value due to their floating interest rate.

27. 計息銀行借貸(續)

附註:

- (i) 於二零一五年十二月三十一日，賬面金額為人民幣90,708,000元的即期計息銀行借貸以本集團賬面金額分別為人民幣70,282,000元(二零一四年：人民幣64,122,000元)、人民幣28,598,000元(二零一四年：人民幣29,248,000元)、人民幣40,000,000元(二零一四年：人民幣40,000,000元)及人民幣41,511,000元(二零一四年：人民幣29,751,000元)的若干物業、廠房及設備、土地租賃預付款項、存貨及已抵押存款作抵押。
- (ii) 於二零一五年十二月三十一日，並無非即期計息銀行借貸。於二零一四年十二月三十一日，賬面金額為人民幣50,000,000元的非即期計息銀行借貸以賬面金額為人民幣43,315,000元的若干物業、廠房及設備作抵押。

由於短期內到期，故本集團即期計息銀行貸款的賬面金額與其公允價值相若。

非即期計息銀行借貸的公允價值按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。於二零一四年十二月三十一日，本集團本身對計息銀行借貸的不履約風險被評定為並不重大。按管理層的評估，本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

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As at 31 December 2015 於二零一五年十二月三十一日

28. ISSUED CAPITAL Group and Company

Authorised:

Ordinary shares of HK\$0.01 each

每股面值0.01港元的普通股

28. 已發行股本 本集團及本公司

法定：

2015 二零一五年		2014 二零一四年	
Number of shares 股份數目	Amount HK\$'000 金額 千港元	Number of shares 股份數目	Amount HK\$'000 金額 千港元
3,000,000,000	30,000	3,000,000,000	30,000

Issued and fully paid:

已發行及繳足：

		2015 二零一五年			2014 二零一四年		
	Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額		
		HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)		HK\$'000 千港元	RMB'000 equivalent 人民幣千元 (等值)	
At 1 January	於一月一日	631,600,000	6,316	6,345	631,600,000	6,316	6,345
Shares repurchased	購回股份	(1,922,000)	(19)	(16)	-	-	-
At 31 December	於十二月三十一日	629,678,000	6,297	6,329	631,600,000	6,316	6,345

The Company purchased 1,922,000 of its shares on the Stock Exchange in March and April 2015 at a total consideration of RMB2,034,000. The purchased shares were cancelled during the year and the issued capital of the Company was reduced by the par value thereof. The premium paid on the purchase of the shares of RMB2,018,000 has been charged to share premium of the Company.

於二零一五年三月及四月，本公司在聯交所購回其1,922,000股股份，總代價為人民幣2,034,000元。購回的股份已於年內註銷，而本公司已發行股本已按有關面值予以削減。購回股份時支付的溢價人民幣2,018,000元已自本公司股份溢價扣除。

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As at 31 December 2015 於二零一五年十二月三十一日

29. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors, including independent non-executive directors, other employees of the Group, suppliers, customers, agents, partners, advisers or contractors of the Company’s subsidiaries. The Scheme became effective on 15 November 2006 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$0.01 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than four years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the share.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

29. 購股權計劃

本公司設有一項購股權計劃（「計劃」），乃為對本集團業務成就作出貢獻的合資格參與人提供激勵及獎賞而設。計劃的合資格參與人包括本公司董事（包括獨立非執行董事）及隸屬於本公司附屬公司的本集團其他僱員、供應商、客戶、代理、夥伴、顧問或承建商。計劃自二零零六年十一月十五日起生效，除非被取消或修訂，否則將自該日起計十年有效。

根據計劃現時獲准授出的未行使購股權的最高數目，數額於行使時相等於本公司於任何時間已發行股份的10%。根據計劃內每名合資格參與人獲授的購股權而可予發行的最高股份數目，於任何十二個月期間內不可超過本公司於任何時間已發行股份的1%。授出超過此限的購股權須經股東於股東大會上批准。

授出購股權的要約可於提呈日期起計21日內由承授人支付名義代價合共0.01港元接納。授出的購股權的行使期由董事決定，並於一至三年歸屬期後開始，且於不遲於提呈購股權日期起四年內任何日子或計劃屆滿日期終止（以較早者為準）。

購股權行使價由董事釐定，惟不能低於下列各項的最高者：(i)於提呈購股權日期本公司股份於聯交所的收市價；及(ii)緊接提呈日期前五個交易日本公司股份於聯交所的平均收市價；及(iii)股份面值。

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

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29. SHARE OPTION SCHEME (continued)

The following share options were outstanding under the Scheme during the year:

At 1 January	於一月一日
Granted during the year	年內授出
At 31 December	於十二月三十一日

No share options were exercised during the year.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
6,675	2.0	24/2/2016-23/8/2019 二零一六年二月二十四日至二零一九年八月二十三日
15,575	2.0	24/8/2017-23/8/2019 二零一七年八月二十四日至二零一九年八月二十三日
<u>22,250</u>		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year was HK\$2,680,000 (equivalent to RMB2,208,000) (2014: Nil), of which the Group recognised a share option expense of HK\$1,986,000 (equivalent to RMB1,636,000) (2014: Nil) during the year ended 31 December 2015.

29. 購股權計劃 (續)

年內，計劃項下尚未行使的購股權如下：

2015 二零一五年	
Exercise price HK\$ per share 行使價 每股港元	Number of options '000 購股權數目 千份
—	—
2.00	22,250
2.00	22,250

年內並無購股權獲行使。

於報告期末尚未行使購股權的行使價及行使期如下：

* 在進行供股、發行紅股或本公司股本出現其他類似變動的情況下，購股權的行使價須作出調整。

年內授出的購股權的公允價值為2,680,000港元（相等於人民幣2,208,000元）（二零一四年：無），其中本集團於截至二零一五年十二月三十一日止年度確認購股權開支1,986,000港元（相等於人民幣1,636,000元）（二零一四年：無）。

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29. SHARE OPTION SCHEME (continued)

The fair value of equity-settled share options granted was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	Share options granted on 24 August 2015
Dividend yield (%)	5.86
Spot stock price (HK\$ per share)	1.28
Historical volatility (%)	41.49
Risk-free interest rate (%)	0.96
Expected life of options (year)	4.00
Weighted average share price (HK\$ per share)	1.47

Including in the newly granted share options in 2015, 2,500,000 share options were granted to one major supplier who is the Group's largest supplier, 8,000,000 share options were granted to four sales agencies who are the main agencies located in Europe and 4,500,000 share options were granted to three enterprise development consultants who provided the professional services to the Group. Since the services received by the Group from the supplier, sales agencies and enterprise development consultants cannot be measured reliably, the services are measured by reference to the fair value of the options granted which amounted to HK\$1,664,000 (equivalent to RMB1,371,000).

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At the end of the reporting period and at the date of approval of these financial statements, the Company had no share options exercised under the Scheme.

29. 購股權計劃 (續)

已授出的以權益結算購股權的公允價值乃於授出日期利用二項式模型估計，當中已考慮授出購股權的條款及條件。下表列出所用模型的輸入值：

	於二零一五年 八月二十四日 授出的購股權
股息率(%)	5.86
現貨股價(每股港元)	1.28
歷史波幅(%)	41.49
無風險利率(%)	0.96
購股權預計年期(年)	4.00
加權平均股價 (每股港元)	1.47

於二零一五年新授出的購股權當中，2,500,000份購股權乃授予一名主要供應商（亦是本集團的最大供應商），8,000,000份購股權授予四名銷售代理（於歐洲的主要代理），4,500,000份購股權授予三名向本集團提供專業服務的企業發展顧問。由於本集團從上述供應商、銷售代理及企業發展顧問獲得的服務不能可靠地計量，因此有關服務乃參考所授購股權的公允價值1,664,000港元（相等於人民幣1,371,000元）計量。

購股權預計期限乃根據過去三年的歷史數據釐定，未必能顯示可能出現的行使模式。預期波幅反映歷史波幅可顯示未來走勢的假設，惟實際結果或會有別。

於報告期末及於該等財務報表獲批准日期，本公司並無已根據計劃行使的購股權。

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30. RESERVES

The changes in the reserves of the Group during the year have been disclosed in the consolidated statement of changes in equity of the Group.

Merger reserve

Merger reserve represents the difference between the shareholders' total capital contributions to Hong Kong Kingdom over the nominal value of the shares issued by the Company in exchange therefor as at the date of a reorganisation (the "Reorganisation") of the Group to rationalise the group structure in preparation for the listing of the Company's shares on the Stock Exchange. Details of the Reorganisation are set out in the prospectus of the Company dated 30 November 2006.

PRC statutory reserve

General reserve fund

The subsidiaries in Mainland China are required to transfer at least 10% of their profit after taxation, as determined under the PRC accounting regulations, to the general reserve fund until the reserve balance reaches 50% of their respective registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

The general reserve fund can be used to make good losses and convert into share capital by the issue of new shares to shareholders in proportion to their existing equity holdings.

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas subsidiaries.

Share option reserve

Details of the Company's share option scheme and the share options issued under the Scheme are included in note 29 to the financial statements.

30. 儲備

年內本集團儲備變動已於本集團合併權益變動表內披露。

合併儲備

合併儲備指為籌備本公司股份於聯交所上市，本集團進行重組（「重組」）以精簡集團架構當日，香港金達的股東出資總額與本公司為交換而發行的股份面值的差額。重組詳情載於本公司日期為二零零六年十一月三十日的招股章程內。

中國法定儲備

一般儲備金

中國大陸的附屬公司須提撥其按中國會計規章釐定的除稅後溢利最少10%至一般儲備金，直至儲備結餘達到其各自註冊資本的50%為止。提撥此儲備須於分派股息予股東前進行。

一般儲備金可用作補償虧損及以按股東現有持股比例向其發行新股份的方式轉換為股本。

匯兌儲備

匯兌儲備包括換算海外附屬公司財務報表所產生的所有匯兌差額。

購股權儲備

本公司的購股權計劃及根據計劃已發行的購股權詳情，載於財務報表附註29。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

30. RESERVES (continued)

Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in share premium account are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay its debts as they fall due in the ordinary course of business.

31. OPERATING LEASE COMMITMENTS

(a) As lessor

The Group leases its investment property (note 14 to the financial statements) under operating lease arrangements, with leases negotiated for terms of two years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Less than one year	一年內
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30. 儲備 (續)

股份溢價

股份溢價賬的應用受開曼群島公司法監管。根據開曼群島公司法，倘緊隨建議分派股息日期後，本公司能夠於日常業務過程中清還到期債務，則股份溢價賬中的基金可分派予本公司股東。

31. 經營租賃承擔

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業（財務報表附註14），該等租賃經磋商的年期為兩年。此等租賃的條款一般亦規定租戶支付保證金及訂明可根據當時的市況定期對租金作出調整。

於二零一五年十二月三十一日，本集團根據與租戶訂立的不可撤銷經營租賃有以下年期內的未來最低租賃應收款項總額：

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
420	-
420	-

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31. OPERATING LEASE COMMITMENTS (continued)

(b) As lessee

The Group leases certain of its office properties and warehouse properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from three to five years, and those for office equipment are for terms ranging between two and five years.

Non-cancellable operating lease rentals were payable as follows:

Less than one year	一年內
In the second to fifth year	第二至第五年

The Group leases certain properties located in Mainland China, Hong Kong and Italy as the Group's offices. The leases run for an initial period of three to five years.

32. CAPITAL COMMITMENTS

Capital commitments in respect of the purchase of items of property, plant and equipment outstanding as at 31 December but not provided for in the financial statements were as follows:

Contracted for	已訂約
Authorised, but not contracted for	已授權但未訂約

31. 經營租賃承擔(續)

(b) 作為承租人

本集團根據經營租賃安排租用其若干辦公室物業及倉庫物業。該等物業的租賃經磋商之年期介乎三年至五年，而辦公室設備的租賃期則介乎兩年至五年。

不可撤銷經營租賃租金於以下年期應付：

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
2,211	1,779
812	771
3,023	2,550

本集團在中國大陸、香港及意大利租用若干物業作為本集團的辦公室，初始租賃期為三至五年。

32. 資本承擔

有關購置物業、廠房及設備項目於十二月三十一日尚未支付但並未在財務報表內計提撥備的資本承擔如下：

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
97,230	32,832
-	70,000

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33. RELATED PARTY TRANSACTIONS

(a) Transactions with the company controlled by one of the Company's directors

- (i) During the year ended 31 December 2015, the Group leased offices and manufacturing facilities located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB500,000 (2014: RMB500,000). Mr. Ren Weiming has a controlling equity interest in Kingdom Creative.
- (ii) On 1 July 2015, the Group disposed of the investment in Huaning Flax to Kingdom Creative and obtained a consideration of RMB5,891,000. Mr. Ren Weiming, has a controlling equity interest in Kingdom Creative.

The lease expenses were made according to published prices and conditions offered by the lessor to its major customers.

(b) Compensation of key management personnel of the Group

Short term employee benefits	短期僱員福利
Post-employment benefits	離職後福利

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

The related party transactions in respect of note (a) above also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

33. 關連方交易

(a) 與由本公司一名董事控制的公司進行的交易

- (i) 於截至二零一五年十二月三十一日止年度，本集團向浙江金達創業股份有限公司（「金達創業」）租用多個位於中國大陸的辦公室及製造廠房，所產生的經營租賃費用為人民幣500,000元（二零一四年：人民幣500,000元）。任維明先生擁有金達創業的控股權益。
- (ii) 於二零一五年七月一日，本集團已向金達創業出售其於華凝亞麻的投資，獲得代價人民幣5,891,000元。任維明先生擁有金達創業的控股權益。

租賃費用乃根據由出租人向其主要客戶提供的已公佈價格及條件作出。

(b) 本集團主要管理人員的補償

2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
4,579	4,516
153	157
4,732	4,673

董事及最高行政人員酬金的進一步詳情載於財務報表附註8。

上文附註(a)涉及的關連方交易亦構成關連交易（定義見上市規則第十四A章）。

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34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2015

Financial assets

Trade and notes receivables
Financial assets included in deposits and other receivables
Cash and cash equivalents
Pledged deposits

Financial liabilities

34. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

二零一五年

金融資產

應收貿易賬款及應收票據
計入押金及其他應收款項的金融資產
現金及現金等價物
已抵押存款

金融負債

Loans and receivables
貸款及應收款項
RMB'000
人民幣千元

306,821
23,639
237,214
60,351
628,025

Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
按攤銷成本列賬的金融負債	按公允價值計入損益的金融負債	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank loans	計息銀行貸款	368,033
Financial liabilities included in other payables	計入其他應付款項的金融負債	39,344
Trade and notes payables	應付貿易賬款及應付票據	98,048
Dividend payable	應付股息	187
Financial liabilities at fair value through profit or loss	按公允價值計入損益的金融負債	2,258
		2,258
		507,870
<u>505,612</u>	<u>2,258</u>	<u>507,870</u>

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As at 31 December 2015 於二零一五年十二月三十一日

34. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

2014

Financial assets

Trade and notes receivables
Financial assets included in
deposits and other receivables
Cash and cash equivalents
Pledged deposits
Financial assets at fair value
through profit or loss

應收貿易賬款及應收票據
計入押金及其他應收款項的
金融資產
現金及現金等價物
已抵押存款
按公允價值計入損益的
金融資產

34. 按類別分類的金融工具 (續)

二零一四年

金融資產

Loans and receivables	Financial assets at fair value through profit or loss 按公允價值 計入損益的 金融資產	Total 總計
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
232,922	–	232,922
39,454	–	39,454
217,185	–	217,185
69,186	–	69,186
–	2,244	2,244
<u>558,747</u>	<u>2,244</u>	<u>560,991</u>

Financial liabilities

Interest-bearing bank loans
Trade and notes payables
Dividend payable
Amount due to an associate
Financial liabilities included
in other payables and accruals

計息銀行貸款
應付貿易賬款及應付票據
應付股息
應付一間聯營公司款項
計入其他應付款項及預提費用的
金融負債

金融負債

Financial liabilities
at amortised cost
按攤銷成本列賬
的金融負債
RMB'000
人民幣千元

280,875
151,200
4
100
41,541
473,720

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35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

35. 金融工具的公允價值及公允價值等級架構

本集團金融工具的賬面金額及公允價值（其賬面金額與公允價值合理相若者除外）如下：

	Carrying amounts		Fair values	
	賬面金額		公允價值	
Financial (liabilities)/assets	2015	2014	2015	2014
Derivative financial instruments	二零一五年	二零一四年	二零一五年	二零一四年
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	(2,258)	2,244	(2,258)	2,244

Management has assessed that the fair values of cash and cash equivalents, trade and notes receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits, current interest-bearing bank loans, trade and notes payables, an amount due to an associate, a dividend payable, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments. The carrying amount of the non-current interest-bearing bank loans of the Group approximates to their fair value because the loans have a floating interest rate.

按管理層的評估，現金及現金等價物、應收貿易賬款及應收票據、計入預付款、押金及其他應收款項的金融資產、已抵押存款、即期計息銀行貸款、應付貿易賬款及應付票據、應付一間聯營公司款項、應付股息、計入其他應付款項及預提費用的金融負債的公允價值與其賬面金額相若，主要由於該等工具短期內到期所致。本集團的非即期計息銀行貸款由於按浮動利率計息，故其賬面金額與其公允價值相若。

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As at 31 December 2015 於二零一五年十二月三十一日

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

As at 31 December 2015, the marked to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

35. 金融工具的公允價值及公允價值等級架構 (續)

以本集團財務經理為首的財務部負責釐定金融工具公允價值計量的政策及程序。財務經理直接向財務總監及審核委員會匯報。於各報告日期，財務部分析金融工具的價值變動並釐定估值所採用的主要輸入值。估值由財務總監審閱及批准。審核委員會每年討論估值過程及結果兩次以進行中期及年度財務呈報。

金融資產及負債的公允價值按當前交易（強制或清算出售除外）中雙方自願交換工具的金額入賬。

本集團與多個對手方（主要為具AAA信貸評級的金融機構）訂立衍生金融工具。衍生金融工具（包括遠期貨幣合約）乃採用與遠期定價及掉期模型類似的估值技巧計量（採用現值計算）。該等模型納入了多項不同的市場可觀察輸入值，包括對手方的信貸素質、外匯即期及遠期匯率與利率曲線。遠期貨幣合約的賬面金額與其公允價值相同。

於二零一五年十二月三十一日，按市值標價的衍生資產狀況已扣除涉及衍生工具對手方違約風險應佔的信貸評估調整。對手方信貸風險的變動對按公允價值確認的金融工具並無重大影響。

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35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

Financial liabilities at fair value through profit or loss – foreign exchange forward contracts 按公允價值計入損益的金融負債—外匯遠期合約

35. 金融工具的公允價值及公允價值等級架構 (續)

公允價值等級架構

下表顯示本集團金融工具的公允價值計量等級架構：

按公允價值計量的資產：

Fair value measurement using
採用以下項目進行的公允價值計量

31 December 2015 二零一五年十二月三十一日 RMB'000 人民幣千元	Quoted prices in active markets Level 1 於活躍市場的報價 第一層 RMB'000 人民幣千元	Significant observable inputs Level 2 重大可觀察輸入值 第二層 RMB'000 人民幣千元	Significant unobservable inputs Level 3 重大不可觀察輸入值 第三層 RMB'000 人民幣千元
(2,258)	–	(2,258)	–
(2,258)	–	(2,258)	–

Fair value measurement using
採用以下項目進行的公允價值計量

31 December 2014 二零一四年十二月三十一日 RMB'000 人民幣千元	Quoted prices in active markets Level 1 於活躍市場的報價 第一層 RMB'000 人民幣千元	Significant observable inputs Level 2 重大可觀察輸入值 第二層 RMB'000 人民幣千元	Significant unobservable inputs Level 3 重大不可觀察輸入值 第三層 RMB'000 人民幣千元
50,000	–	50,000	–
2,244	–	2,244	–
52,244	–	52,244	–

Non-current interest-bearing bank borrowings 非即期計息銀行借貸

Financial assets at fair value through profit or loss – foreign exchange forward contracts 按公允價值計入損益的金融資產—外匯遠期合約

During the year ended 31 December 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

於截至二零一五年十二月三十一日止年度，公允價值計量在第一層及第二層之間概無轉移，亦無轉入第三層或自第三層轉出。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities other than derivatives comprise interest-bearing bank loans, trade and notes payables, a dividend payable, an amount due to an associate and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and notes receivables, prepayments, deposits and other receivables, pledged deposits and cash and cash equivalents that arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

36. 財務風險管理目標及政策

本集團的主要金融負債(衍生工具除外)包括計息銀行貸款、應付貿易賬款及應付票據、應付股息、應付一間聯營公司款項及其他應付款項。該等金融負債主要目的是為本集團提供經營業務所需資金。本集團擁有多種不同的金融資產，如應收貿易賬款及應收票據、預付款、押金及其他應收款項、已抵押存款以及現金及現金等價物，乃直接因經營業務而產生。

本集團亦進行衍生工具交易，主要包括遠期貨幣合約，旨在管理本集團營運及其融資來源產生的貨幣風險。

本集團的金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動性風險。董事會檢討並協定下文概述管理各風險的政策。本集團有關衍生工具的會計政策載於財務報表附註2.4。

利率風險

本集團的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款有關。本集團並無使用衍生金融工具對沖其利率風險。

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As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax for the year (through the impact on the floating rate borrowings). The change in interest rates has no impact on the Group's equity excluding retained profits.

2015	二零一五年
RMB	人民幣
RMB	人民幣
2014	二零一四年
RMB	人民幣
RMB	人民幣

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency sales and purchases and certain trade receivables, payables and bank balances that are denominated in US\$, EURs and HK\$, which are currencies other than the functional currencies of the Group, and expose the Group to foreign currency risk.

36. 財務風險管理目標及政策 (續)

利率風險 (續)

下表顯示當所有其他變數不變時，本集團年內除稅前溢利對利率合理可能變動的敏感度（透過對浮動利率借貸的影響）。利率變動對本集團的權益（保留溢利除外）並無影響。

Increase/ (decrease) in interest rate 利率 上升／（下跌）	Increase/ (decrease) in profit before tax 除稅前溢利 增加／（減少） RMB'000 人民幣千元
(1%)	132
1%	(132)
(1%)	108
1%	(108)

外幣風險

外幣風險為因外幣匯率變動而導致金融工具的公允價值或未來現金流量波動的風險。本集團的外幣買賣、若干應收貿易賬款、應付款項及銀行結餘並非以本集團的功能貨幣列值，而以美元、歐元及港元列值，使本集團面對外幣風險。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The Group manages its foreign currency risk by entering into foreign currency forward contracts to hedge its exposure to fluctuations on the translation into RMB of its foreign operations of sales in US\$ and EURs, as described in note 23. It is the Group's policy to ensure that the net exposure is kept to an acceptable level by buying or selling foreign currencies at a fixed rate where necessary to address short term imbalances. Management will continue to monitor foreign exchange exposure and will continue to consider hedging significant foreign currency exposure by using financial instruments such as foreign currency forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the US\$, EUR and HK\$ exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives). The change in foreign currency exchange rate has no impact on the equity excluding retained profits.

36. 財務風險管理目標及政策 (續)

外幣風險 (續)

如附註23所述，本集團透過訂立外匯遠期合約對沖其將海外業務以美元及歐元列值的銷售換算為人民幣時波動的風險，從而管理其外幣風險。本集團的政策為於有需要時透過按固定匯率買入或賣出外幣解決短期失衡，以確保風險淨額保持於可接受水平。管理層將繼續監控外匯風險，並繼續考慮透過使用金融工具（如外幣遠期合約）對沖重大外幣風險。

下表顯示當所有其他變數不變時，本集團除稅前溢利對美元、歐元及港元匯率合理可能變動的敏感度（由於貨幣資產及負債（包括外幣衍生工具）的公允價值變動）。外幣匯率變動對權益（保留溢利除外）並無影響。

		Increase/ (decrease) in foreign currency exchange rate 外幣匯率 上升／(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) RMB'000 人民幣千元
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度		
If RMB weakens against US\$	如人民幣兌美元轉弱	5	8,119
If RMB strengthens against US\$	如人民幣兌美元轉強	(5)	(8,119)

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As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

		Increase/ (decrease) in foreign currency exchange rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
Year ended 31 December 2014	截至二零一四年 十二月三十一日止年度		
If RMB weakens against US\$	如人民幣兌美元轉弱	5	2,751
If RMB strengthens against US\$	如人民幣兌美元轉強	(5)	(2,751)

		Increase/ (decrease) in foreign currency exchange rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度		
If RMB weakens against EUR	如人民幣兌歐元轉弱	5	(4,429)
If RMB strengthens against EUR	如人民幣兌歐元轉強	(5)	4,429

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As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

Year ended 31 December 2014

If RMB weakens against EUR

If RMB strengthens against EUR

截至二零一四年

十二月三十一日止年度

如人民幣兌歐元轉弱

如人民幣兌歐元轉強

Increase/ (decrease) in foreign currency exchange rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
---	--

5

2,621

(5)

(2,621)

Increase/ (decrease) in foreign currency exchange rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
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Year ended 31 December 2015

If RMB weakens against HK\$

If RMB strengthens against HK\$

截至二零一五年

十二月三十一日止年度

如人民幣兌港元轉弱

如人民幣兌港元轉強

5

(1,972)

(5)

1,972

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As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

Year ended 31 December 2014

If RMB weakens against HK\$
If RMB strengthens against HK\$

截至二零一四年
十二月三十一日止年度
如人民幣兌港元轉弱
如人民幣兌港元轉強

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is primarily attributable to trade and notes receivables and deposits and other receivables. Management has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed through credit verification procedures.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and pledged deposits, have a maximum exposure equal to the carrying amounts of these instruments.

36. 財務風險管理目標及政策 (續)

外幣風險 (續)

Increase/ (decrease) in foreign currency exchange rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
---	--

5

(5)

305

(305)

信貸風險

信貸風險乃指因對手方將未能履行其於金融工具或客戶合約項下的責任而導致財務損失的風險。本集團的信貸風險主要來自應收貿易賬款及應收票據以及押金及其他應收款項。管理層已制訂信貸政策，並持續監控信貸風險。本集團對要求信貸高於若干金額的所有客戶進行信貸評估。

客戶信貸風險按本集團有關客戶信貸風險管理的既定政策、程序及監控進行管理。客戶的信貸質素透過信用核實程序進行評估。

本集團其他金融資產（包括現金及現金等價物、已抵押存款）最高的信貸風險相等於該等工具的賬面金額。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and notes receivables are disclosed in note 20 to the financial statements.

Liquidity risk

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, was as follows:

Interest-bearing bank loans	計息銀行貸款	-	78,684	295,819	-	-	374,503
Trade and notes payables	應付貿易賬款及應付票據	52,518	45,530	-	-	-	98,048
Dividend payable	應付股息	187	-	-	-	-	187
Other payables and accruals	其他應付款項及預提費用	39,344	-	-	-	-	39,344
		92,049	124,214	295,819	-	-	512,082

36. 財務風險管理目標及政策 (續)

信貸風險 (續)

由於本集團僅與獲認可且信譽良好的第三方進行交易，因此毋須收取抵押品。信貸集中風險乃按客戶／對手方管理。由於本集團應收貿易賬款的客戶基礎廣泛分散，故本集團並無重大信貸集中風險。

有關本集團來自應收貿易賬款及應收票據的信貸風險的進一步量化數據於財務報表附註20披露。

流動性風險

下列為本集團於報告期末的金融負債到期情況（按合約未折現付款）：

	As at 31 December 2015					Total
	於二零一五年十二月三十一日					
On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years		
按要求	少於三個月	三至十二個月	一至五年	多於五年	總計	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
-	78,684	295,819	-	-	374,503	
52,518	45,530	-	-	-	98,048	
187	-	-	-	-	187	
39,344	-	-	-	-	39,344	
92,049	124,214	295,819	-	-	512,082	

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As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

		As at 31 December 2014 於二零一四年十二月三十一日					
		Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Interest-bearing bank loans	計息銀行貸款	-	30,854	210,583	59,276	300,713	
Trade and notes payables	應付貿易賬款及應付票據	35,744	115,456	-	-	151,200	
Dividend payable	應付股息	4	-	-	-	4	
Other payables and accruals	其他應付款項及預提費用	41,541	-	-	-	41,541	
		<u>77,289</u>	<u>146,310</u>	<u>210,583</u>	<u>59,276</u>	<u>493,458</u>	

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the Group's objectives, policies or processes for managing capital during the years ended 31 December 2015 and 31 December 2014.

36. 財務風險管理目標及政策 (續)

流動性風險 (續)

		As at 31 December 2014 於二零一四年十二月三十一日					
		Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Interest-bearing bank loans	計息銀行貸款	-	30,854	210,583	59,276	300,713	
Trade and notes payables	應付貿易賬款及應付票據	35,744	115,456	-	-	151,200	
Dividend payable	應付股息	4	-	-	-	4	
Other payables and accruals	其他應付款項及預提費用	41,541	-	-	-	41,541	
		<u>77,289</u>	<u>146,310</u>	<u>210,583</u>	<u>59,276</u>	<u>493,458</u>	

資本管理

本集團資本管理的首要目標為保障本集團持續經營的能力，並維持穩健的資本比率，以支持其業務及為股東爭取最大價值。

本集團管理其資本架構，並視乎經濟狀況的變動作出調整。為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退還資本或發行新股份。於截至二零一五年十二月三十一日及二零一四年十二月三十一日止年度，本集團並無對資本管理的目標、政策或程序作出改變。

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing bank loans, trade and notes payables, amount due to an associate and other payables and accruals, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

Interest-bearing bank loans	計息銀行貸款
Trade and notes payables	應付貿易賬款及應付票據
Amount due to an associate	應付一間聯營公司款項
Other payables and accruals	其他應付款項及預提費用
Less: Cash and cash equivalents	減：現金及現金等價物
Net debt	債務淨額
Total equity	權益總額
Capital and net debt	資本及債務淨額
Gearing ratio	負債比率

36. 財務風險管理目標及政策 (續)

資本管理 (續)

本集團使用負債比率監控資本，負債比率界定為債務淨額除以資本總額加債務淨額。債務淨額包括計息銀行貸款、應付貿易賬款及應付票據、應付一間聯營公司款項以及其他應付款項及預提費用，減去現金及現金等價物。資本包括母公司擁有人應佔權益。於報告期末的負債比率如下：

31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
368,033	280,875
98,048	151,200
-	100
43,051	57,592
(237,214)	(217,185)
271,918	272,582
1,043,978	961,662
1,315,896	1,234,244
21%	22%

37. EVENTS AFTER THE REPORTING PERIOD

On 18 March 2016, the board of directors of the Company proposed a final dividend of HK8.0 cents per ordinary share totalling approximately RMB42,204,000 for the year ended 31 December 2015, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting (note 11).

37. 報告期後事項

於二零一六年三月十八日，本公司董事會建議就截至二零一五年十二月三十一日止年度派發每股普通股8.0港仙的末期股息，合共約人民幣42,204,000元。股息須經本公司股東於應屆股東週年大會上批准（附註11）。

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財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

38. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	372,791	372,791
Total non-current assets	非流動資產總值	372,791	372,791
CURRENT ASSETS	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	319,847	284,532
Cash and cash equivalents	現金及現金等價物	2,946	619
Total current assets	流動資產總值	322,793	285,151
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	-	199
Interest-bearing bank borrowings	計息銀行借貸	38,538	-
Dividend payables	應付股息	187	4
Amount due to subsidiaries	應付附屬公司款項	6,874	4,971
Total current liabilities	流動負債總值	45,599	5,174
NET CURRENT ASSETS	流動資產淨值	277,194	279,977
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	649,985	652,768
Net assets	資產淨值	649,985	652,768
EQUITY	權益		
Issued capital	已發行股本	6,329	6,345
Reserves (note)	儲備(附註)	643,656	646,423
Total equity	權益總額	649,985	652,768

Ren Weiming
任維明
Director
董事

Shen Yueming
沈躍明
Director
董事

Notes to Financial Statements

財務報表附註

As at 31 December 2015 於二零一五年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

(a) Company

		Share premium	Contributed surplus	Share option reserve	(Accumulated losses)/ retained profits	Total
		股份溢價	繳入盈餘	購股權儲備	(累計虧損)/ 保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2014	於二零一四年一月一日	273,407	370,213	–	(34,115)	609,505
Profit for the year	年內溢利	–	–	–	36,918*	36,918
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	273,407	370,213	–	2,803	646,423
Profit for the year	年內溢利	–	–	–	34,985*	34,985
Final 2014 dividend declared	已宣派二零一四年末期股息	–	–	–	(37,370)	(37,370)
Stock repurchase	購回股份	(2,018)	–	–	–	(2,018)
Equity-settled share option arrangements	以權益結算購股權安排	–	–	1,636	–	1,636
At 31 December 2015	於二零一五年十二月三十一日	271,389	370,213	1,636	418	643,656

Contributed surplus

Contributed surplus represents the excess of the fair value of the shares of Hong Kong Kingdom at the date of the Reorganisation over the nominal value of the shares issued by the Company in exchange therefor.

* Profit for the year of 2015 includes dividends from subsidiaries attributable to previous years' profits RMB39,625,000 (2014: RMB39,500,000)

38. 本公司財務狀況表 (續)

附註：

本公司儲備概述如下：

(a) 本公司

		Share premium	Contributed surplus	Share option reserve	(Accumulated losses)/ retained profits	Total
		股份溢價	繳入盈餘	購股權儲備	(累計虧損)/ 保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2014	於二零一四年一月一日	273,407	370,213	–	(34,115)	609,505
Profit for the year	年內溢利	–	–	–	36,918*	36,918
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	273,407	370,213	–	2,803	646,423
Profit for the year	年內溢利	–	–	–	34,985*	34,985
Final 2014 dividend declared	已宣派二零一四年末期股息	–	–	–	(37,370)	(37,370)
Stock repurchase	購回股份	(2,018)	–	–	–	(2,018)
Equity-settled share option arrangements	以權益結算購股權安排	–	–	1,636	–	1,636
At 31 December 2015	於二零一五年十二月三十一日	271,389	370,213	1,636	418	643,656

繳入盈餘

繳入盈餘指於重組日期香港金達股份的公允價值超出本公司為交換而發行的股份面值的數額。

* 二零一五年年內溢利包括源自附屬公司應佔過往年度溢利的股息人民幣39,625,000元(二零一四年：人民幣39,500,000元)

39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 18 March 2016.

39. 批准合併財務報表

董事會已於二零一六年三月十八日批准及授權刊發本合併財務報表。



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