



CARRY

W E A L T H HOLDINGS LIMITED

恒 富 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 643)

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年 度 報 告
Annual Report

We **Carry** quality apparel with
A **Wealth** of Human Resources



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CARRY WEALTH HOLDINGS LIMITED

manufactures and trades garment products for internationally renowned brand names and engages in securities investment. The Group has production facilities in Mainland China.

Headquartered in Hong Kong, Carry Wealth Holdings Limited has been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 2000.

The Chinese name of the Company means “enduring prosperity”. The Group is committed to maximizing the return of its shareholders for their ongoing support.

恒富控股有限公司為多個國際知名品牌生產及買賣成衣產品並從事證券投資。本集團於中國大陸有生產設施。

恒富控股有限公司的總部設於香港，於二零零零年在香港聯合交易所有限公司主板上市。

本公司取名恒富，喻意「恒久富足」。本集團致力爭取最佳回報，回饋一直鼎力支持本集團的股東們。

Corporate Information 公司資料

Executive Directors

Mr Li Haifeng (*Chairman*)
Mr Lee Sheng Kuang, James (*Managing Director*)
Mr Tang Chak Lam, Charlie

Independent Non-Executive Directors

Mr Liu Run
Ms Su Zhengyu
Mr Yau Wing Yiu

Audit Committee

Mr Yau Wing Yiu (*Committee Chairman*)
Mr Liu Run
Ms Su Zhengyu

Remuneration Committee

Mr Yau Wing Yiu (*Committee Chairman*)
Mr Liu Run
Ms Su Zhengyu
Mr Tang Chak Lam, Charlie

Nomination Committee

Mr Li Haifeng (*Committee Chairman*)
Mr Liu Run
Ms Su Zhengyu
Mr Yau Wing Yiu

Investment Committee

Mr Li Haifeng (*Committee Chairman*)
Mr Lee Sheng Kuang, James
Mr Tang Chak Lam, Charlie

Company Secretary

Ms Kung Yuk Lan

Auditor

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

執行董事

李海楓先生(*主席*)
李勝光先生(*董事總經理*)
鄧澤霖先生

獨立非執行董事

劉潤先生
蘇征宇女士
邱永耀先生

審核委員會

邱永耀先生(*委員會主席*)
劉潤先生
蘇征宇女士

薪酬委員會

邱永耀先生(*委員會主席*)
劉潤先生
蘇征宇女士
鄧澤霖先生

提名委員會

李海楓先生(*委員會主席*)
劉潤先生
蘇征宇女士
邱永耀先生

投資委員會

李海楓先生(*委員會主席*)
李勝光先生
鄧澤霖先生

公司秘書

鞏玉蘭女士

核數師

羅兵咸永道會計師事務所
香港中環
太子大廈22樓

Corporate Information 公司資料

Principal Bankers

China CITIC Bank International Limited
Standard Chartered Bank

Principal Share Registrar and Transfer Agent

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

Branch Share Registrar and Transfer Agent in Hong Kong

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

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Head Office and Principal Place of Business in Hong Kong

Suite 2001, 20/F
Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong
Tel: (852) 2310 8180
Fax: (852) 2310 8797

Website

www.carrywealth.com

E-mail Address

info@carrywealth.com

Stock Code

643

Board Lot Size

10,000 shares

主要往來銀行

中信銀行(國際)有限公司
渣打銀行

主要股份登記及過戶處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

香港股份登記及過戶分處

卓佳雅柏勤有限公司
香港皇后大道東183號
合和中心22樓

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

總辦事處及香港主要營業地點

香港灣仔
港灣道6-8號
瑞安中心
20樓2001室
電話：(852) 2310 8180
傳真：(852) 2310 8797

網站

www.carrywealth.com

電子郵箱

info@carrywealth.com

股份代號

643

每手買賣單位

10,000股股份

Information for Shareholders and Investors 股東及投資者資訊

Results Announcement Date

Interim results

17 August 2016 (Wednesday)

Annual results

6 March 2017 (Monday)

Financial Calendar

Deadline for lodging share transfer documents for entitlement to attend and vote at Annual General Meeting

13 April 2017 (Thursday)

at 4:30 p.m.

Closure of register of members

18 April 2017 (Tuesday) to

21 April 2017 (Friday)

Annual General Meeting

21 April 2017 (Friday)

at 10:00 a.m.

Shareholder Enquiries

Any matters relating to your shareholding, such as transfer of shares, change of address, loss of share certificates, should be addressed to the Branch Share Registrar and Transfer Agent in Hong Kong, contact details of which are set out as follows:

Tricor Abacus Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2890 9350

業績公布日期

中期業績

二零一六年八月十七日(星期三)

全年業績

二零一七年三月六日(星期一)

財務日誌

如欲有權出席股東週年大會並於會上投票，遞交股份過戶文件之限期

二零一七年四月十三日(星期四)

下午四時三十分

暫停股份過戶登記

二零一七年四月十八日(星期二)至

二零一七年四月二十一日(星期五)

股東週年大會

二零一七年四月二十一日(星期五)

上午十時正

股東查詢

如有任何有關閣下持有股份之事宜，包括股份過戶、更改地址、遺失股票等，敬請聯絡香港股份登記及過戶分處，聯絡資料如下：

卓佳雅柏勤有限公司
香港皇后大道東183號
合和中心22樓
電話：(852) 2980 1333
傳真：(852) 2890 9350

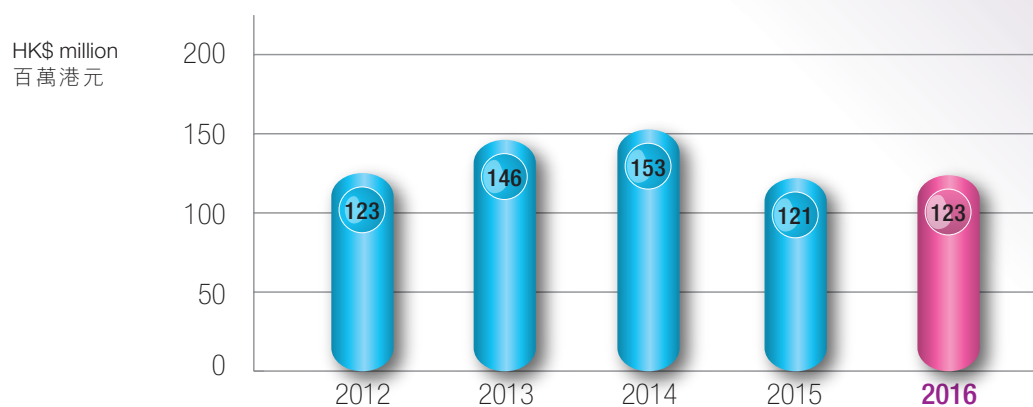
Financial Highlights 財務摘要

FIVE YEAR FINANCIAL SUMMARY 五年財務摘要

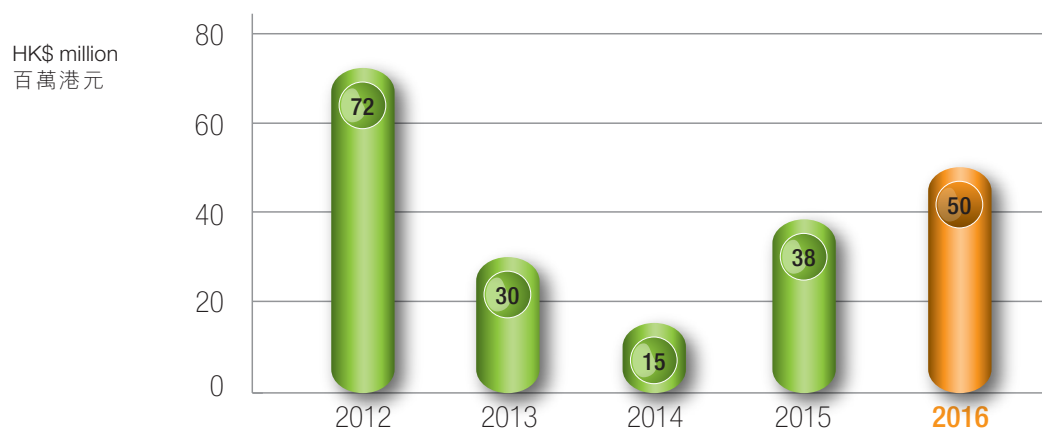
		Results				
		業績				
		Year ended 31 December				
		截至十二月三十一日止年度				
		2016	2015	2014	2013	2012
		二零一六年	二零一五年	二零一四年	二零一三年	二零一二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收益	123,105	120,695	153,176	145,838	122,737
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(49,719)	(37,983)	(14,724)	(30,216)	(71,502)
		Assets and liabilities				
		資產及負債				
		As at 31 December				
		於十二月三十一日				
		2016	2015	2014	2013	2012
		二零一六年	二零一五年	二零一四年	二零一三年	二零一二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	268,305	315,102	357,103	233,120	222,446
Total liabilities	總負債	(40,112)	(34,474)	(43,007)	(39,688)	(34,120)
Total equity	總權益	228,193	280,628	314,096	193,432	188,326

Financial Highlights 財務摘要

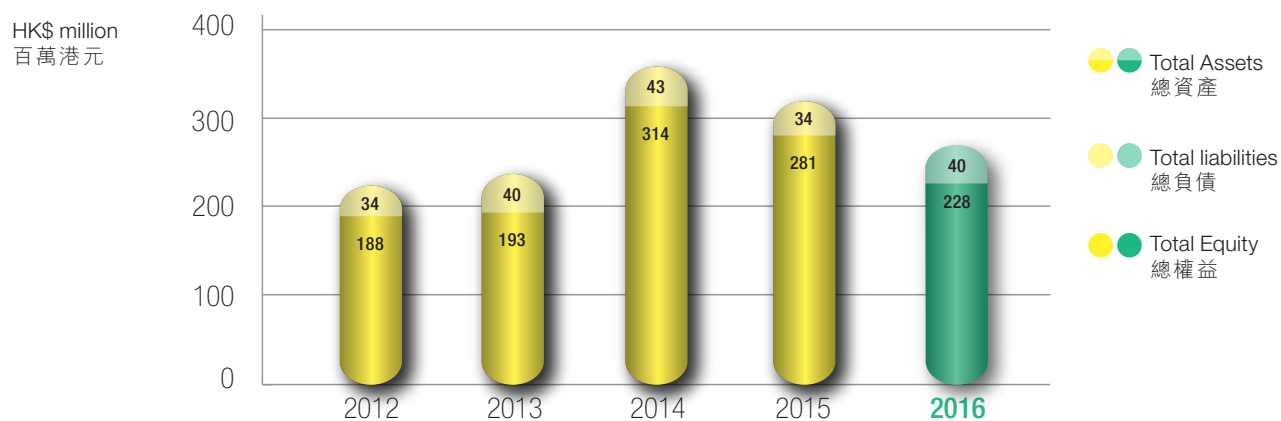
REVENUE 收益



LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY 本公司權益持有人應佔虧損



TOTAL ASSETS, TOTAL LIABILITIES AND TOTAL EQUITY 總資產、總負債及總權益



Financial Highlights 財務摘要

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	Changes 變化幅度
Operating results	經營業績			
Revenue	收益	123,105	120,695	2.0%
Gross (loss)/profit	毛(損)/利	(229)	9,126	-102.5%
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(49,719)	(37,983)	30.9%
Financial position at year end	於年終之財務狀況			
Properties, plant and equipment	物業、廠房及設備	50,263	52,763	-4.7%
Cash and cash equivalents	現金及現金等值項目	21,534	88,378	-75.6%
Net current assets	流動資產淨值	150,742	220,634	-31.7%
Total assets	總資產	268,305	315,102	-14.9%
Total liabilities	總負債	40,112	34,474	16.4%
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔之資本及儲備	228,193	280,628	-18.7%
Per share information	每股資料			
Basic and diluted loss per share (Hong Kong cents)	每股基本及攤薄虧損 (港仙)	(6.08)	(4.68)	29.9%
Capital and reserves attributable to the Company's equity holders per share (Hong Kong cents)	每股由本公司權益持有人應佔之資本及儲備 (港仙)	27.9	34.3	-18.7%
Ratio analysis	比率分析			
Profitability	盈利水平			
Gross (loss)/profit margin	毛(損)/利率	(0.2%)	7.6%	-7.8%
Net loss margin	淨虧損率	(40.4%)	(31.5%)	-8.9%
Return on the Company's equity holders	本公司權益持有人資金回報	(21.8%)	(13.5%)	-8.3%
Liquidity	流動狀況			
Current ratio	流動比率	5.6	9.1	-38.5%
Gearing ratio*	資本負債比率*	N/A不適用	N/A不適用	N/A不適用
Operating efficiency	經營效益			
Inventory turnover period (days)	存貨周轉(日數)	71	78	-9.0%
Trade receivable turnover (days)	貿易應收款項周轉(日數)	46	49	-6.1%
Trade payable turnover (days)	貿易應付款項周轉(日數)	39	41	-4.9%

* As at 31 December 2016 and 2015, the Group did not have bank borrowings.

* 於二零一六年及二零一五年十二月三十一日，本集團並無銀行貸款。

Chairman's Statement 主席報告

On behalf of the Board of Directors of the Company, I am pleased to present to our shareholders the annual report of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2016.

In the US, the Federal Reserve has taken a cautious approach towards interest rate hikes. The US economy has become a Goldilocks economy which started displaying stronger signals of recovery. The unemployment rate dropped to 4.7% in 2016 and is expected to dip to 4.5% in 2017. The increase in GDP in 2016 reflected greater consumer spending and residential investment as well as higher state and local government spending. Prices of goods and services purchased by US residents increased 1 percent in 2016, compared with a rise of 0.4 percent in 2015. In general, economists were optimistic with the view that more business opportunities would arise following the election of new president Donald Trump.

In the Euro zone, the economic recovery continued to be bumpy and the recovery pace was slow primarily due to unsatisfactory results of structural reform, increased geopolitical tensions and slower-than-expected growth in emerging markets. On a positive note, the influential purchasing managers' index of the Euro zone rose to 54.9 in December, its highest level since 2011. Employment also increased as companies translated rising orders and output into new hiring.

The economy of Mainland China continued to experience fluctuations and downward pressure during the transformation stage of its structural reform. Both national consumption and performance of exports showed signs of deterioration. Although its fourth-quarter economic growth rate of 6.8% reversed a downward trend in quarterly growth figures after more than two years, Mainland China's economy was still hindered by industrial overcapacity, high local government debts and capital outflow caused by devaluation of the Renminbi.

Amidst this unfavourable environment compounded by the increase in production cost, though the Group's garment manufacturing and trading business recorded a 9.4% increase in revenue to HK\$133.1 million in 2016, the respective gross profit margin decreased by 0.9% to 7.4% as compared with last year.

本人謹代表本公司董事會，欣然向股東提呈本公司及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度之年度報告。

在美國，美聯儲對於加息秉持謹慎態度。美國「金髮女孩經濟」的復蘇跡象更趨明顯。失業率於2016年下降至4.7%，並預期於2017年降低至4.5%。2016年國內生產總值上揚，反映消費性開支、住宅投資以及中央及地方政府開支均有增長。2016年美國居民消費價格指數上漲百分之一，高於2015年百分之零點四的增幅。整體而言，經濟學家持樂觀態度，認為唐納德·特朗普當選新總統後，市場將會湧現更多商機。

在歐元區，經濟復蘇之路依然崎嶇，經濟回暖速度緩慢，主要是由於結構性改革成效不盡理想、地緣政治緊張加劇以及新興市場增長速度低於預期。但從積極的角度來說，頗具影響力的歐元區採購經理人指數於12月攀升至54.9，為2011年以來的最高位。隨著訂單及產量上升，各公司紛紛招募新人手，就業率亦隨之提高。

中國大陸經濟依然面臨結構性改革轉型時期的波動和下行壓力。國民消費與出口表現雙雙呈現下滑跡象。儘管中國第四季度經濟增長率為6.8%，扭轉了兩年多來季度增長率環比一路向下的趨勢，中國大陸經濟仍受到工業產能過剩、地方政府債台高築及人民幣貶值導致資金外流等因素掣肘。

儘管受不利的外圍環境以及生產成本上升的影響，於二零一六年本集團的成衣製造及貿易業務錄得9.4%的收益增長至一億三千三百一十萬港元，惟相應毛利率則較去年同期下降0.9%至7.4%。

Chairman's Statement 主席報告

In respect of the Group's securities investment business, the Hong Kong stock market was very volatile, especially influenced by the US interest rate hikes, the slowdown of Mainland China's economic growth and British vote to leave the European Union. Given the volatility of the market, the Group recorded a gross loss of 10.0 million.

LOOKING AHEAD

Looking ahead, the recovery of the global economy remains slow and challenging. Major risks and uncertainties include the policies of the new US administration, the pace of US interest rate hikes, concerns about the political stability in the Euro zone and the slowdown of economic growth in Mainland China. To address these multiple challenges, the Group will further strengthen the relationship with its existing customers. In addition, we are enhancing our competitive edge by collaborating with fabric mills in providing innovative and complete apparel solutions to customers. The Group continues to closely monitor market conditions and its operations while seeking new business opportunities that might arise. With a solid foundation, our business would be better able to benefit from the gradual economic recovery.

The Group acknowledges the importance of environmental, social responsibilities and corporate governance as the key elements in enhancing its value to shareholders. We are dedicated to improving corporate governance policies and compliance with regulatory requirements and operations in accordance with internationally-recommended practices. To effectively execute its corporate strategy and achieve such goals, the Company has continuously reviewed its deployment of resources for optimisation, reorganised management teams, formulated policies and in particular, has established the Risk Management Steering Committee and Environmental, Social and Governance Committee. We will continue to strengthen internal training and seek professional advice, when necessary, for recommendations to the Board of Directors so as to safeguard interests of the Group and its stakeholders.

在本集團的證券投資業務方面，香港股市極為波動，特別受美國加息、中國大陸經濟增長放緩以及英國公投脫歐影響尤甚。在市場波動的影響下，本集團錄得毛損一千萬港元。

展望

展望未來，全球經濟復蘇的道路漫長且充滿挑戰。主要的風險及不明朗因素包括美國新任政府的政策取向、美國加息步伐、對於歐元區政局穩定性的擔憂以及中國大陸經濟增長的放緩。面對重重挑戰，本集團將進一步鞏固與現有客戶的關係。此外，為加強自身競爭優勢，我們亦正與織布廠合作為客戶提供創新及完整的服裝方案。本集團將繼續緊密監察市場環境及營運狀況，同時物色可能湧現的新商機。憑藉既有的堅實基礎，我們的業務將更能夠從經濟逐步復蘇中受惠。

本集團認同環境、社會責任及企業管治乃提升股東價值之關鍵要素。我們致力改善企業管治政策、以遵守相應監管規定及符合國際建議慣例。為了有效實施企業策略及實現上述目標，本公司已對其資源配置進行持續性評核，使之實現最優化，同時亦重組管理團隊，並制定多項政策，尤其已設立風險管理督導委員會及環境、社會及企業管治委員會。我們將繼續加強內部培訓，並在需要時徵詢專業意見，向董事會提出建議，以保障本集團及其持份者的權益。

APPRECIATION

I would like to convey my heartfelt gratitude and appreciation to my fellow directors and all of our staff for their diligence, dedication and enthusiasm in helping the Group and their contributions to meet and overcome the challenges we have encountered. I would also like to thank all of our customers, suppliers, business partners and shareholders for their unwavering confidence, unfailing trust and steadfast support over the years.

Li Haifeng
Chairman

6 March 2017

致謝

本人衷心感謝及感激董事全人及全體員工盡忠職守、竭誠服務、熱心貢獻，協助本集團面對並克服重重挑戰。本人亦謹此感謝各客戶、供應商、業務夥伴及股東多年來始終如一之信心、信任及堅定支持。

主席
李海楓

二零一七年三月六日

Management Discussion and Analysis 管理層討論及分析

RESULTS AND BUSINESS REVIEW

For the year ended 31 December 2016, the Group's revenue amounted to HK\$123.1 million (2015: HK\$120.7 million) while gross loss was HK\$0.2 million (2015: gross profit of HK\$9.1 million). Loss attributable to equity holders was HK\$49.7 million (2015: HK\$38.0 million). The basic and diluted loss per share were both 6.08 HK cents (2015: both were 4.68 HK cents).

In the first ten months of the year under review, the US economy remained tepid. Following Donald Trump's victory in the presidential election in November, many believed there would be individual and corporate tax reductions, new infrastructure construction and reform on regulations which would lift up productivity and boost economic growth. Consumer optimism reached the highest level in December 2016. While in the Euro zone, the economy as a whole continued to stagnate. In Mainland China, although overall gross domestic product ("GDP") growth was maintained at the government target of 6.7%, consumer confidence and consumption was still very weak with fierce competition to secure domestic customer orders. Despite these divergent market conditions, thanks to the efforts of our sales teams, the Group's revenue from the garment manufacturing and trading business managed to increase by 9.4% to HK\$133.1 million (2015: HK\$121.7 million) and the gross profit margin slightly decreased by 0.9% to 7.4% (2015: 8.3%) while the gross profit amounted to HK\$9.8 million (2015: HK\$10.1 million).

Influenced by the slowdown of Mainland China's economy, the Renminbi depreciation, US interest rate hikes as well as two black swan incidents namely Brexit and Donald Trump's election as US President, the Hong Kong stock market was highly volatile in 2016. The Group's securities investment business recorded negative revenue and a gross loss of HK\$10.0 million (2015: HK\$1.0 million).

The ratio of selling expenses to the garment manufacturing and trading revenue was 2.2% (2015: 2.3%) while administrative expenses slightly increased to HK\$42.1 million (2015: HK\$41.6 million).

業績及業務回顧

本集團截至二零一六年十二月三十一日止年度之收益為一億二千三百一十萬港元(二零一五年：一億二千零七十萬港元)，毛損為二十萬港元(二零一五年：毛利九百一十萬港元)。權益持有人應佔虧損為四千九百七十萬港元(二零一五年：三千八百萬港元)，而每股基本及攤薄虧損均為6.08港仙(二零一五年：均為4.68港仙)。

於回顧年度內首十個月，美國經濟仍然處於溫和。繼唐納德·特朗普於十一月總統選舉獲勝後，很多人認為美國將會有個人稅及企業稅之削減，新基礎設施建設及法規改革，從而提高生產效率及刺激經濟增長。消費者的樂觀情緒於二零一六年十二月達到最高點。而在歐元區，經濟整體性繼續停滯不前。在中國大陸，雖然整體國內生產總值增長維持在政府目標的6.7%，但消費者信心及消費水平仍十分疲弱，爭取國內客戶訂單的競爭亦十分激烈。儘管市場格局分化，在本集團的銷售團隊的努力下，成衣製造及貿易業務之收益增加9.4%至一億三千三百一十萬港元(二零一五年：一億二千一百七十萬港元)而毛利率則輕微減少0.9%至7.4%(二零一五年：8.3%)，毛利為九百八十萬港元(二零一五年：一千零一十萬港元)。

受中國大陸經濟下滑，人民幣貶值，美元利率上升以及兩件黑天鵝事件(即英國退出歐盟及唐納德·特朗普當選美國總統)的影響，香港股票市場於二零一六年非常波動。本集團證券投資業務錄得負收益及毛損一千萬港元(二零一五年：一百萬港元)。

銷售開支對成衣製造及貿易的收益比率為2.2%(二零一五年：2.3%)，而行政開支輕微增至四千二百一十萬港元(二零一五年：四千一百六十萬港元)。

Segmental Analysis

a) *Garment manufacturing and trading segment*

In the year under review, the Group's factory in Heshan, Mainland China accounted for its entire garment production.

The US job market continued to improve during the review year. The unemployment rate reached 4.7%, the lowest level since 2009. The US annual GDP also grew at a rate of 1.6%. Taking advantage of the emerging opportunity, through the concerted efforts of our sale teams, the Group increased its revenue from US customers by 44.6% to HK\$75.3 million (2015: HK\$52.1 million), accounting for 56.6% (2015: 42.8%) of the segment revenue.

In the Euro zone, the economy gradually stabilised after the Brexit referendum in June 2016. The European Central Bank extended the bond-purchase programme to stimulate the economy and the overall feedback from the market was positive. The Group managed to increase the revenue from European customers by 107.2% to HK\$27.7 million (2015: HK\$13.3 million) which accounted for 20.8% (2015: 11.0%) of the segment revenue.

In Mainland China, the slowdown of economic growth worried investors. The value of the Renminbi was weakening and capital outflow was surging. The Group encountered an increasingly significant downward pricing pressure from domestic customers and promptly adjusted by diversifying to customers located overseas. Revenue derived from Mainland China customers decreased by 60.3% to HK\$19.1 million (2015: HK\$48.0 million), accounting for 14.3% (2015: 39.4%) of the segment revenue.

In summary, revenue from the garment manufacturing and trading segment increased by 9.4% to HK\$133.1 million (2015: HK\$121.7 million) and recorded a loss of HK\$12.1 million (2015: HK\$13.2 million).

分部分析

a) *成衣製造及貿易分部*

於回顧年度內，本集團位於中國大陸鶴山市之廠房負責其全部成衣生產。

於回顧年度內，美國就業市場繼續改善。失業率達4.7%，為二零零九年以來最低點。美國國內生產總值亦以年均1.6%的速度增長。受惠於新興的機遇，透過我們銷售團隊的齊心努力，本集團來自美國客戶之收益增加44.6%至七千五百三十萬港元(二零一五年：五千二百一十萬港元)，佔分部收益的56.6%(二零一五年：42.8%)。

在歐元區，自二零一六年六月英國退出歐盟公投後，經濟逐步穩定。歐洲中央銀行擴大購債計劃以刺激經濟，市場反饋整體正面。本集團成功令來自歐洲客戶之收益增加107.2%至二千七百七十萬港元(二零一五年：一千三百三十萬港元)，佔分部收益的20.8%(二零一五年：11.0%)。

在中國大陸，經濟增長的放緩令投資者擔憂。人民幣幣值正疲弱而資本流出在加劇中。本集團面對來自國內客戶價格下行的壓力日益顯著，並及時進行調整，將壓力分散至海外客戶。來自中國大陸客戶之收益下跌60.3%至一千九百一十萬港元(二零一五年：四千八百萬港元)，佔分部收益的14.3%(二零一五年：39.4%)。

概括而言，成衣製造及貿易分部之收益增長9.4%至一億三千三百一十萬港元(二零一五年：一億二千一百七十萬港元)，錄得虧損一千二百一十萬港元(二零一五年：一千三百二十萬港元)。

Management Discussion and Analysis 管理層討論及分析

b) *Securities investment segment*

The Hang Seng Index rose by 0.4% compared to the year 2015 and closed at 22,000 points on 31 December 2016 (31 December 2015: 21,914 points). In early 2016, the Hong Kong stock market declined due to concern about further slowdown of the economy of Mainland China and volatility in the Renminbi. Since July 2016 the Hong Kong stock market has rebounded on expectations of a delay in US interest rate hikes. With the launch of the Shenzhen-Hong Kong Stock Connect and the news about Mainland China insurers being allowed to invest in Hong Kong stocks through the Stock Connect, market sentiment further improved. Despite these developments, gains in the market were capped by the correction in the Mainland China markets. Coupled with the outcome of the Brexit referendum and Donald Trump's unexpected victory in the US president election, Hong Kong stock market remained highly volatile. Under such market conditions, the Group's securities investment recorded a net fair value loss of HK\$11.7 million (2015: HK\$2.5 million) and a segment loss of HK\$20.8 million (2015: HK\$10.0 million) respectively during the review year.

b) 證券投資分部

於二零一六年十二月三十一日，恒生指數較二零一五年上升0.4%，收市報22,000點(二零一五年十二月三十一日：21,914點)。於二零一六年年初，由於憂慮中國大陸經濟進一步下滑及受人民幣波動的影響，香港股票市場下跌。自二零一六年七月開始，香港股票市場因預期之美國加息推遲而反彈。隨著深港通的啟動以及中國大陸保險公司獲准通過深港通投資香港股票的消息，市場氣氛進一步改善。儘管具備上述的發展，市場獲利仍受中國大陸市場調整所抑制，再加上英國脫歐公投的結果及唐納德·特朗普於美國總統選舉的出人意料之外勝出，香港股票市場仍然非常波動。在該等市況下，於回顧年度內，本集團的證券投資分別錄得公允值虧損淨額一千一百七十萬港元(二零一五年：二百五十萬港元)及分部虧損二千零八十萬港元(二零一五年：一千萬港元)。

Management Discussion and Analysis 管理層討論及分析

As at 31 December 2016, the Group's financial assets at fair value through profit or loss amounted to HK\$108.2 million (31 December 2015: HK\$121.6 million) which comprised 23 (31 December 2015: 24) Hong Kong listed corporations across diversified industries. Details of the top five largest listed equity securities held by the Group in terms of market value as at 31 December 2016 are as follows:

於二零一六年十二月三十一日，本集團按公允值計入損益賬之金融資產為一億零八百二十萬港元(二零一五年十二月三十一日：一億二千一百六十萬港元)，包括23間(二零一五年十二月三十一日：24間)香港不同行業之上市企業。於二零一六年十二月三十一日，本集團持有按市場價值計前五大之上市股本證券詳情如下：

Stock code	Listed company	Industry classification	Number of shares	Investment cost	Market value	Market value to the Group's total assets
股票代號	上市公司	行業分類	股份數目 Thousands 千股	投資成本 HK\$'000 千港元	市值 HK\$'000 千港元	市值 佔本集團 總資產
01918	Sunac China Holdings Limited 融創中國控股有限公司	Properties and construction — property development 地產及建築 — 房地產發展	1,762	10,549	11,365	4.2%
00966	China Taiping Insurance Holdings Company Limited 中國太平保險控股有限公司	Financials — insurance 金融 — 保險	628	13,009	10,043	3.7%
00700	Tencent Holdings Limited 騰訊控股有限公司	Information technology — e-commerce and internet services 資訊科技 — 電子商務及互聯網服務	50	7,706	9,485	3.5%
00570	China Traditional Chinese Medicine Holdings Co. Limited 中國中藥控股有限公司	Consumer goods — pharmaceuticals 消費品 — 藥品	2,552	12,617	9,162	3.4%
06869	Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司	Information technology — telecommunication equipment 資訊科技 — 電訊設備	491	7,536	7,178	2.7%
				51,417	47,233	17.5%

* For identification purpose only

* 僅供識別

Management Discussion and Analysis 管理層討論及分析

Details of the top five (losses)/gains of listed equity securities held by the Group for the year ended 31 December 2016 are as follows:

截至二零一六年十二月三十一日止年度本集團持有前五大之上市股本證券(虧損)/收益詳情如下:

Stock code	Listed company	Industry classification	Realised (losses)/ gains 已變現(虧損)/收益 HK\$'000 千港元	Unrealised losses 未變現虧損 HK\$'000 千港元	Total (losses)/ gains (虧損)/收益總額 HK\$'000 千港元	Dividends received 已收股息 HK\$'000 千港元
股票代號	上市公司	行業分類				
01236	National Agricultural Holdings Limited 國農控股有限公司	Information technology — software 資訊科技 — 軟件	(5,274)	—	(5,274)	—
01317	China Maple Leaf Educational Systems Limited 中國楓葉教育集團有限公司	Consumer services — support services 消費者服務 — 支援服務	5,164	(3)	5,161	208
00570	China Traditional Chinese Medicine Holdings Co. Limited 中國中藥控股有限公司	Consumer goods — pharmaceuticals 消費者商品 — 藥物	(224)	(3,455)	(3,679)	164
00966	China Taiping Insurance Holdings Company Limited 中國太平保險控股有限公司	Financials — insurance 金融 — 保險	(260)	(2,966)	(3,226)	—
00806	Value Partners Group Limited 惠理集團有限公司	Financials — investment and asset management 金融 — 投資及資產管理	(1,340)	(1,506)	(2,846)	171
			(1,934)	(7,930)	(9,864)	543

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During the year under review, the Group completed the acquisition of 24.75% equity interest in Phoenix Cloud (Beijing) Technologies Company Limited* (“Phoenix Cloud”), formerly known as Phoenix Cloud Technologies (Beijing) Company Limited*. Phoenix Cloud is engaged in the sale and development of smart card application products and its business in Mainland China was at the initial start-up stage in establishing a customer base. For the year ended 31 December 2016, the Group shared a loss of HK\$ 3.6 million related to Phoenix Cloud’s operation.

* For identification purpose only

* 僅供識別

LIQUIDITY AND FINANCIAL RESOURCES

Adhering to a conservative financial management methodology, the Group continued to maintain a healthy financial position. As at 31 December 2016, the Group’s cash and cash equivalents totalled HK\$21.5 million (31 December 2015: HK\$88.4 million). Working capital represented by net current assets amounted to HK\$150.7 million (31 December 2015: HK\$220.6 million) of which HK\$108.2 million (31 December 2015: HK\$121.6 million) were Hong Kong listed equity securities. The Group’s current ratio was 5.6 (31 December 2015: 9.1).

As at 31 December 2016 and 2015, the Group had no bank borrowings.

CAPITAL EXPENDITURE

For the year under review, the Group incurred a total capital expenditure of HK\$3.7 million (2015: HK\$1.9 million), which was mainly for additions to leasehold improvement and motor vehicles.

於回顧年度內，本集團完成了收購鳳凰雲(北京)科技股份有限公司(「鳳凰雲」)(前稱為鳳凰雲科技(北京)有限公司)24.75%的股權。鳳凰雲致力於智能卡應用產品的銷售及開發，其在中國大陸的業務正處於建立客戶基礎的初始階段。截至二零一六年十二月三十一日止年度，本集團就鳳凰雲的營運分攤了三百六十萬港元虧損。

流動資金及財務資源

本集團秉持審慎之財務管理方法，得以繼續保持健全之財務狀況。於二零一六年十二月三十一日，本集團之現金及現金等值項目合共為二千一百五十萬港元(二零一五年十二月三十一日：八千八百四十萬港元)。營運資金(即流動資產淨值)為一億五千零七十萬港元(二零一五年十二月三十一日：二億二千零六十萬港元)，其中一億零八百二十萬港元(二零一五年十二月三十一日：一億二千一百六十萬港元)為香港上市股本證券。本集團之流動比率為5.6(二零一五年十二月三十一日：9.1)。

於二零一六年及二零一五年十二月三十一日，本集團並無銀行借款。

資本開支

於回顧年度內，本集團產生之資本開支總額為三百七十萬港元(二零一五年：一百九十萬港元)，主要用作租賃裝修及添置汽車。

FOREIGN EXCHANGE EXPOSURE

The Group's sales are principally transacted in US dollars and Renminbi. With a factory located in Mainland China and offices in Hong Kong and Mainland China, operating expenses of the Group are primarily denominated in Hong Kong dollars and Renminbi with some expenses in US dollars. The Group is mainly exposed to US dollar risk arising from sales transactions of its garments. As the US dollar is pegged to the Hong Kong dollar, exposure to foreign exchange risk is minimal.

The Group will closely monitor fluctuations of the US dollar exchange rates and, if necessary, will enter into forward exchange contracts to reduce currency exchange fluctuation risks.

CREDIT POLICY

Consistent with prevailing industry practice, the Group's business was transacted on an open account basis with its long-standing customers. The credit ratings of customers are constantly reviewed and their respective credit limits adjusted, as and when necessary.

CHARGES ON ASSETS

As at 31 December 2016 and 2015, the Group had no charges on assets.

CONTINGENT LIABILITIES

As at 31 December 2016 and 2015, the Group had no contingent liabilities.

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group provides a harmonious and professional working environment to employees whose commitment and expertise are critical to the long-term success of its business. It also offers employees rewarding careers and provides them with a variety of training programmes aimed at enhancing their professionalism. The Group remunerates employees according to prevailing market practices, individual experience and performance. To attract and retain high calibre employees, it also offers discretionary bonuses and share options to staff members based on performance of the individual as well as the Group.

外匯風險

本集團之銷售主要以美元及人民幣交易。本集團於中國大陸設有一間廠房，並於香港及中國大陸設有辦事處，本集團之經營開支主要以港元及人民幣結算，部分開支以美元結算。本集團主要面對由成衣銷售交易引致之美元匯兌風險。由於美元和港元掛鈎，故外匯風險較低。

本集團將會密切監察美元之匯率波動情況，並於有需要時訂立遠期外匯合約以減低匯兌波動風險。

信貸政策

與現時行業慣例相符，本集團與已建立長遠穩定關係之客戶以記賬形式進行業務交易。本集團定期審閱客戶之信貸評級，並於有需要時調整彼等之個別信貸額。

資產抵押

於二零一六年及二零一五年十二月三十一日，本集團並無資產被抵押。

或然負債

於二零一六年及二零一五年十二月三十一日，本集團並無或然負債。

人力資源及薪酬政策

本集團為僱員提供和諧及專業之工作環境，其業務之長期成功全賴僱員之竭誠投入工作及其專業技能。本集團給予僱員具價值之事業及提供旨在加強其專業技能之不同培訓課程。本集團僱員薪酬福利乃根據現行市場慣例及按其個人經驗與表現而釐定。為吸引及挽留高質素僱員，本集團亦按個別僱員之表現及本集團之業績向個別僱員授予酌情花紅及購股權。

Management Discussion and Analysis 管理層討論及分析

As at 31 December 2016, the Group had a total of 875 (31 December 2015: 901) full-time employees in Mainland China and Hong Kong.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. During the year, the Group has established an environmental, social and governance (“ESG”) management team to manage, monitor, recommend and report on environmental and social aspects. An ESG report is being prepared with reference to Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and will be published on the Company’s and the Stock Exchange’s websites.

The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone’s participation and contribution. Towards that end, it has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

OUTLOOK

Uncertainties continue to shroud the world economy in 2017. With the British parliament authorising the start of negotiations to exit the European Union and the newly-inaugurated US president Donald Trump implementing changes in the US foreign and economic policies, the world economy is expected to face unpredictable changes.

於二零一六年十二月三十一日，本集團在中國大陸及香港共僱用875名(二零一五年十二月三十一日：901名)全職僱員。

環境、社會及企業管治

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。於年內，本集團已成立環境、社會及管治(「環境、社會及管治」)管理團隊，在環保及社會層面進行管理、監控、建議及報告工作。環境、社會及管治報告乃經參考香港聯合交易所有限公司(「聯交所」)證券上市規則之附錄二十七環境、社會及管治報告指引而在編製中，並將於本公司及聯交所網站刊發。

本集團已遵守所有與其業務有關的相關法例及法規，包括健康及安全、工作環境、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵僱員、客戶、供應商及其他持份者參與環境保護及社會活動，惠及整個社區。

本集團與其僱員維持緊密關係，加強與其供應商之間的合作，並為其客戶提供優質產品及服務，以確保可持續發展。

前景

二零一七年，不確定因素持續籠罩全球經濟。隨著英國議會開始授權脫歐談判以及美國新任總統唐納德•特朗普就美國外交及經濟政策實施改革，預計全球經濟將面臨不可預測的變動。

Management Discussion and Analysis 管理層討論及分析

In his inauguration speech, Donald Trump's statement that the "American First" strategy is at the top of the agenda and his promise to raise US economic growth to 4% annually have stimulated market sentiments. Positive feedback has been received from large firms such as General Motors Company to invest more in the US. Both consumer and small business confidence have also shot up. Though Trump's protectionist policies may create some hurdles on economic growth, the Group believes the restoration of confidence is important in developing a healthier US market.

Within the Euro zone, the regional economic situation in 2017 depends to a substantial extent on the coming election results within major European countries such as Italy, France and Germany. There is a possibility that these elections will yield unexpected results, as we have seen in 2016, which will inevitably affect the regional economy. Another issue is that the arrival of millions of refugees in the Euro zone could be a catalyst in the local labour market to push up the economy or lead to social and political instability in the region.

While in Mainland China, growth of its economy has decelerated over the last few years and the 2016 GDP only expanded by 6.7 percent, the slowest in 26 years. Although the Central Government has implemented measures to ensure Mainland China's economy remains stable and continues steady growth, the market conditions are still weak. The structural reforms have been implemented for years. Industrial oversupply, local government debts and over-reliance on exports still persist and hinder sound economic growth. Recent government measures including the tightening of liquidity so as to keep the Renminbi stable has encouraged expectations of further currency depreciation and intensified currency outflows. As a result of these factors, investors have concerns about Mainland China's economic outlook. Without firm signs of an economic recovery, the Group believes the Mainland China market will be extremely difficult.

Against such a backdrop, the Group's garment manufacturing and trading business will continue to be challenging and face strong competition in 2017. To prepare for the challenge ahead, the Group will seize every emerging opportunity. With the recent signs of solid economic growth in the US, the Group has further adjusted its strategy and will explore the US garment market more actively. Meanwhile, the Group will continue to streamline its operation and implement cost control measures.

在其就職演說中，唐納德·特朗普聲明「美國至上」策略為最優先的議題，其承諾將美國每年的經濟增長率提升至4%已刺激了市場情緒。此舉得到了大型企業(如通用汽車公司)的積極反饋，表明將加大其於美國的投資。消費者及小型企業信心均高漲。儘管特朗普的保護主義政策可能對經濟增長造成一些障礙，但本集團相信，重塑信心對建設更健康的美國市場甚為重要。

二零一七年歐元區內的地區經濟形勢很大程度上取決於歐洲主要國家(如意大利、法國及德國)即將揭曉的選舉結果。該等選舉亦可能如同二零一六年出現意料之外的結果，從而不可避免地影響到該區經濟。另一個問題則是數以百萬計的難民湧入歐元區或會刺激當地勞動市場，推動經濟發展或導致該地區的社會及政治動盪不安。

至於中國大陸過去數年經濟增長放緩，二零一六年的國內生產總值僅增長6.7%，為二十六年來最低增長率。儘管中央政府已採取措施確保中國大陸的經濟維持穩定並持續穩步增長，市場狀況仍然疲弱。結構性改革已實施多年，工業供應過剩、地方政府債務及過度依賴出口的問題依然存在，阻礙了經濟的良好增長。政府近期包括收緊流動性以保持人民幣穩定的措施已鼓勵了貨幣進一步貶值的預期及加劇了貨幣外流。該等因素導致了投資者對中國大陸的經濟前景的擔憂。本集團相信，若沒有經濟復蘇的確定跡象，中國大陸市場將舉步維艱。

在該背景下，二零一七年，本集團的成衣製造及貿易業務將持續面臨挑戰及激烈的競爭。面對未來的挑戰，本集團將抓住每一個新興機遇。隨著美國近期出現經濟穩健的經濟增長跡象，本集團已進一步調整其策略，更為積極地開拓美國成衣市場。與此同時，本集團將繼續精簡其營運及實施成本控制措施。

Management Discussion and Analysis 管理層討論及分析

As for the Hong Kong stock market in 2017, it is expected to remain volatile in light of a number of uncertainties and risks. The US Federal Reserve has indicated that the interest rate rises will be stepped up in 2017. The US dollar may continue to strengthen which could trigger capital outflow from emerging markets. Meanwhile, President Trump's protectionist policies, along with the upcoming European elections, Brexit negotiations and the concerns of Mainland China's economic growth momentum, suggest that the stock markets could be highly volatile in the year ahead. However, the Group believes the Hong Kong stock market will benefit from the increasing southbound capital flow from Mainland China. Facing these risks and opportunities, the Group continues to identify those equity securities with fundamental values and will manage the portfolio cautiously.

Despite the challenging economic situation in 2017, the Group will continue to maintain its niches in production expertise and scale of operations as well as exploring any valuable opportunity for diversification so as to maximise returns to its shareholders.

鑒於眾多不明朗因素及風險，預期香港股市於二零一七年仍然波動。美國聯邦儲備表示，二零一七年將進一步上調利率，美元或會持續走強，從而可能引發新興市場資本流出。與此同時，特朗普總統的保護主義政策加上即將到來的歐洲選舉、英國退出歐盟談判以及對中國大陸經濟增長勢頭的擔憂，顯示股市在未來一年可能非常波動。然而，本集團相信香港股市將受惠於中國大陸日益增加的南下資金。面對該等風險及機遇，本集團將持續發掘具基礎價值的股票，並謹慎管理投資組合。

儘管二零一七年的經濟形勢極具挑戰性，本集團將繼續保持其在生產技能及業務營運規模方面的優勢，並探索任何富價值的多元化機會，以提高股東回報。

Corporate Governance Report 企業管治報告

The board of directors of the Company (the “Board”) is committed to maintaining and ensuring high standards of corporate governance as good corporate governance can safeguard the interests of all shareholders and enhance corporate value. The Company continuously reviews and improves the corporate governance practices and standards of the Group from time to time to ensure that business activities and decision making processes are regulated in a proper manner.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2016.

THE BOARD OF DIRECTORS

Board Composition

The Board is led by the Chairman and currently comprises three executive directors (one of whom is the Chairman) and three independent non-executive directors as follows:

Executive Directors

Mr Li Haifeng (*Chairman*)
Mr Lee Sheng Kuang, James (*Managing Director*)
Mr Tang Chak Lam, Charlie

Independent Non-Executive Directors

Mr Liu Run
Ms Su Zhengyu
(*appointed on 4 July 2016*)
Mr Yau Wing Yiu
Mr Tong Tang, Joseph
(*ceased appointment on 4 July 2016*)

本公司董事會(「董事會」)致力維持及確保高水平之企業管治，因良好之企業管治可保障全體股東利益及提高企業價值。本公司持續不時檢討及改善本集團之企業管治常規及標準，以確保業務活動及決策過程受到適當規管。

企業管治常規

於截至二零一六年十二月三十一日止年度內，本公司一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「企業管治守則」)之所有守則條文。

董事會

董事會之組成

董事會由主席領導，現由下列三名執行董事(其中一名為主席)及三名獨立非執行董事組成：

執行董事

李海楓先生(*主席*)
李勝光先生(*董事總經理*)
鄧澤霖先生

獨立非執行董事

劉潤先生
蘇征宇女士
(*於二零一六年七月四日獲委任*)
邱永耀先生
唐登先生
(*於二零一六年七月四日終止委任*)

Corporate Governance Report 企業管治報告

The biographical details of the directors are set out on pages 44 to 46 of this Annual Report. The Board possesses a balance of skill and experience which is appropriate for the requirements of the business of the Group. A balanced composition of executive and non-executive directors also generates a strong independent element on the Board, which can exercise independent judgement effectively and make decision objectively for the best interests of the Company.

The Company does not at present have any officer with the title of “chief executive officer” (“CEO”) but instead the duties of a CEO are performed by the Managing Director. In order to have a clear division between the management of the Board and the day-to-day management of the business operation of the Company, the role of the Chairman is separate from that of the Managing Director. The Chairman focuses on overall corporate development and strategic direction of the Group and provides leadership for the Board and oversees the efficient functioning of the Board. The Managing Director is responsible for all day-to-day corporate management matters as well as planning and developing the Group’s strategy. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority. There is no relationship (including financial, business, family or other material or relevant relationship) among members of the Board and in particular, between the Chairman and the Managing Director.

All the independent non-executive directors of the Company have appropriate qualifications and their professional opinions raised in the Board meetings facilitate the maintenance of good corporate governance practices. The Company has received from each of the independent non-executive directors an annual confirmation of his independence. All the independent non-executive directors meet the guidelines for assessment of independence as set out in Rule 3.13 of the Listing Rules.

董事簡歷載於本年度報告第44頁至第46頁。董事會具備適合本集團業務所需之技能及經驗。執行董事及非執行董事之均衡組成，亦使董事會具備強大之獨立元素，以便有效率地進行獨立判斷及客觀地作出決策，以符合本公司之最佳利益。

本公司現時並無設有「行政總裁」（「行政總裁」）一職，然而，行政總裁之職務由董事總經理履行。為將管理董事會及管理本公司日常業務運作兩者作清晰劃分，主席及董事總經理之角色已予區分。主席專注本集團之整體企業發展及策略方針，並領導董事會及監察董事會之運作效能。董事總經理則專責處理一切日常企業管理事務，以及計劃及發展本集團之策略。此等責任劃分有助於增強兩者之獨立性及確保在權力及授權上取得平衡。董事會各成員之間（尤其是主席及董事總經理之間）概無任何關係（包括財政、業務、家族或其他重大或相關關係）。

本公司全體獨立非執行董事均具備合適之資格，而彼等於董事會會議上提出之專業意見亦有助維持良好之企業管治常規。本公司已接獲各獨立非執行董事之年度獨立確認書。全體獨立非執行董事均符合上市規則第3.13條所載之獨立性評估指引。

Appointments and Re-election of Directors

The Board is empowered under the Company's Bye-laws to appoint any person as a director either to fill a casual vacancy on or as an additional member of the Board. The selection criteria are mainly based on the professional qualification and experience of the candidate and the recommendations of the Nomination Committee. All directors are engaged on service contracts for a term of three years. A newly appointed director must retire and be re-elected at the first general meeting after his/her appointment.

At each annual general meeting of the Company, one-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation. Every director shall be subject to retirement by rotation at least once every three years. The directors to retire every year will be those who have been the longest in office since their last re-election or appointment. As such, no director has a term of appointment longer than three years. A retiring director shall be eligible for re-election. During the year, Ms Su Zhengyu was appointed as an independent non-executive director of the Company.

Board and Management

To enable all directors to make informed decisions in the Board meetings and to discharge their duties and responsibilities, appropriate, complete and reliable information prepared by the management are provided in a timely manner. All directors are kept informed on a timely basis of major changes that may affect the Group's business, including relevant rules and regulations. To reinforce independence, the Board and each director can have separate and independent access to the management of the Company if additional information is required. To further assist the directors to discharge their duties to the Company, the Board has also established a written procedure to enable directors to seek independent professional advice at the Company's expenses. No request was made by any director for such independent professional advice in 2016.

委任及重選董事

董事會獲本公司之章程細則授權委任任何人士為董事，以填補臨時空缺或成為董事會新成員。甄選因素主要以候選人之專業資格及經驗以及提名委員會之建議為基準。全體董事均按服務合約委聘，為期三年。新委任董事須於彼獲委任後首個股東大會上退任及膺選連任。

本公司於每屆股東週年大會上，三分之一在任董事(或倘其數目並非三或三之倍數，則必須為最接近但不少於三分之一之人數)須輪值退任。每名董事須至少每三年輪值退任一次。就此每年退任董事為自上次重選或任職時間最長者。因此，概無董事之委任任期超過三年。退任董事將符合資格膺選連任。於年內，蘇征宇女士獲委任為本公司之獨立非執行董事。

董事會及管理層

管理層須適時提供由彼等編製之適合、完整及可靠資訊，以確保全體董事於董事會會議上作出知情決定及履行彼等之職務及職責。本公司若有可能影響本集團業務的重大變動(包括相關法例及法規)將會適時知會全體董事。為增強獨立性，董事會及各董事可於需要更多資訊時自行透過獨立途徑接觸本公司之管理層。為進一步協助董事對本公司履行彼等之職務，董事會亦已設立一套書面程序，使董事可尋求獨立專業意見，費用由本公司支付。董事於二零一六年並無要求諮詢上述獨立專業意見。

Corporate Governance Report 企業管治報告

In order to have a clear principle in relation to the matters specifically reserved to the Board for decisions, functions between the Board and the management are formalized. The Board has established a written guideline determining which issues require a decision of the Board and those delegated to the management. The guideline is reviewed by the Board on a regular basis and has been posted on the intranet of the Company. Matters reserved to the Board for decision include the making of significant financial and legal commitments, mergers and acquisitions, material asset acquisitions or disposals, the change of share capital, the approval of financial reporting, budgeting, management succession and representation to shareholders. The management is responsible for the day-to-day running of the Group. The management is required to submit reports on the operations to the Board on a regular basis and make recommendations to the Board on the development of major projects or business proposals and their respective implementation. The Board is of the view that such division of responsibilities can enhance the corporate governance of the Company.

The Company has arranged appropriate insurance cover in respect of any possible legal action against its directors and officers and the insurance coverage is reviewed on an annual basis.

Board Meetings

At least four regular Board meetings are held a year with at least fourteen days' notice given to all directors to approve annual and interim results, review the business operation and the risk management and internal control systems of the Group and the meeting schedule will be fixed at the beginning of each year to facilitate fullest possible attendance. Between regular meetings, other Board meetings are held to approve major issues when necessary. Agendas and accompanying Board papers are sent not less than three days before the date of Board meetings to ensure that the directors are given sufficient review time. Draft minutes of Board meetings and Board committee meetings are circulated to directors for their review and comment while final version of the said minutes, duly signed, are sent to all members for their records. All said minutes are kept by the Company Secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any director.

為就特別須董事會作決定之事項提供明確原則，董事會及管理層之職能已予界定。董事會已訂立一份書面指引，釐定須由董事會決定及授權予管理層之議題。指引定期由董事會審閱，並已於本公司內聯網上登載。須董事會作決定之事項包括重要財務及法律承擔、合併及收購、重大資產收購或出售、更改股本、審批財務報告、編訂預算、管理層繼任及向股東作出陳述等。管理層負責本集團之日常營運。管理層須定期向董事會呈交營運報告，並就發展主要項目或業務計劃書及彼等各自之落實情況向董事會提出建議。董事會認為，如此職責劃分可增強本公司之企業管治。

本公司已就其董事及高級人員任何可能會面對之法律行動作適當之投保安排，投保範圍乃按年檢討。

董事會會議

定期召開之董事會會議每年至少舉行四次及每次均向全體董事發出最少十四天通知，以便審批全年及中期業績、檢討本集團之業務運作及風險管理與內部監控系統。為盡可能促使全體董事出席，會議時間表將於每年年初訂定。於各定期召開之會議之間，亦會舉行其他董事會會議以審批重大議題(於需要時)。會議議程及隨附之董事會文件須於董事會會議日期最少三天前送交董事，以確保董事有充分時間進行審閱。董事會會議及董事委員會會議之會議記錄初稿須向董事傳閱，以便審閱及評核，上述會議記錄經正式簽署之最終定稿則會送交全體成員作其存檔之用。上述所有會議記錄由本公司之公司秘書備存，並在任何董事發出合理通知下可於任何合理時間供公開查閱。

Corporate Governance Report 企業管治報告

During the year, four Board meetings were held and the attendance records of directors are set out on page 32 of this Annual Report.

Directors' Continuous Professional Development

The Company provides briefings and other training to develop and refresh the directors' knowledge and skills. As part of an ongoing process of directors' training, the Company Secretary continuously updates all directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. The Company Secretary also circulates details of training courses which may be of interest to directors. All directors are encouraged to attend training courses at the Company's expense. All directors provided the Company their training records for the year ended 31 December 2016.

During the year, the Company organized and funded several training sessions conducted by its legal counsel for the directors and officers of the Company which covered various topics under the Listing Rules, Securities and Futures Ordinance and Code on Takeovers and Mergers.

Securities Transactions of Directors and Relevant Employees

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year.

Details of the directors' interests in the shares of the Company as at 31 December 2016 are set out on pages 48 and 49 of this Annual Report.

於年內曾舉行四次董事會會議，董事之出席記錄載於本年度報告第32頁。

董事之持續專業發展

本公司提供簡介及其他培訓，以提升及更新董事的知識及技能。作為董事培訓持續過程之一部份，公司秘書持續向全體董事提供有關上市規則及其他適用監管規定之最新發展訊息，以確保遵守各規則並提高董事對良好企業管治常規之意識。公司秘書亦會分發可能符合董事興趣之培訓課程詳情，並鼓勵全體董事出席培訓課程，費用由本公司支付。全體董事均向本公司提供彼等截至二零一六年十二月三十一日止年度出席培訓之記錄。

於年內，本公司為本公司董事及高級人員籌辦及資助多個由其法律顧問主講之培訓課程，涵蓋課題包括上市規則、證券及期貨條例及合併守則。

董事及相關僱員進行之證券交易

本公司已採納一套有關董事進行證券交易之行為守則，其規定標準不低於上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）。經向本公司全體董事作出特定查詢後，全體董事均已確認，彼等於年內已符合標準守則及本公司有關董事進行證券交易之行為守則所載之規定標準。

有關董事於二零一六年十二月三十一日擁有本公司股份之權益之詳情已載於本年度報告第48頁及49頁。

Corporate Governance Report 企業管治報告

In accordance with Code A.6.4 of the CG Code, the Board has also established a written guideline on no less exacting terms than the Model Code for employees of the Company or director or employee of the Company's subsidiaries or holding company who are likely to possess inside information in relation to the Group or securities of the Company. No incident of non-compliance was noted by the Company in 2016.

BOARD COMMITTEES

Audit Committee

The Board set up the Audit Committee in 2000 with specific written terms of reference which deals clearly with its authority and duties. The terms of reference were revised in 2015 and maintained on both the websites of the Company and the Stock Exchange. The Audit Committee is to review the Group's financial reporting, the external auditor's independence, risk management, internal controls and corporate governance issues and make recommendations to the Board.

The current members of the Audit Committee are:

Mr Yau Wing Yiu (*Committee Chairman*)
Mr Liu Run
Ms Su Zhengyu

All Audit Committee members are independent non-executive directors. During the year, the Audit Committee held five meetings and the attendance records of members are set out on page 32 of this Annual Report.

The Audit Committee had mainly performed the following work during the year:

- (i) reviewed the effectiveness of the audit process in accordance with the applicable standards;
- (ii) reviewed the draft interim and annual financial statements and the related draft results announcements;
- (iii) reviewed the change in accounting standards and assessment of potential impacts on the Group's financial statements;

根據企業管治守則A.6.4條，董事會亦已就可能擁有關於本集團或本公司證券之內幕資料之本公司僱員或本公司之附屬公司或控股公司之董事或僱員訂立一套書面指引，其規定標準不低於標準守則。本公司於二零一六年並不知悉任何不遵守書面指引之事件。

董事委員會

審核委員會

董事會於二零零零年成立審核委員會，書面職權範圍已闡明其權力與職務。職權範圍已於二零一五年作出修訂，並在本公司及聯交所網站上登載。審核委員會負責審閱本集團之財務報告、外聘核數師之獨立性、風險管理、內部監控及企業管治事宜，並向董事會提出建議。

審核委員會現有成員包括：

邱永耀先生(*委員會主席*)
劉潤先生
蘇征宇女士

所有審核委員會成員均為獨立非執行董事。於年內，審核委員會曾舉行五次會議，成員之出席記錄載於本年度報告第32頁。

於年內，審核委員會曾主要執行下列工作：

- (i) 按適用基準檢討審計過程之有效性；
- (ii) 審閱中期及全年財務報表草擬稿，以及相關業績公布草擬稿；
- (iii) 審閱會計準則之變動，以及評估對本集團財務報表之潛在影響；

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- (iv) reviewed the Company's policies and practices on corporate governance and made recommendations to the Board;
 - (v) oversaw and monitored the operation of Risk Management and Steering Committee and reviewed the Group's financial controls, risk management and internal control systems;
 - (vi) discussed the risk management and internal control systems with management including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions;
 - (vii) made recommendation on the appointment or reappointment of the external auditors and approved their terms of engagement; and
 - (viii) reviewed and monitored the training and continuous professional development of directors.
- (iv) 檢討本公司之企業管治政策及常規，並向董事會提出建議；
 - (v) 監督及監察風險管理及督導委員會之運作及審閱本集團之財務監控、風險管理及內部監控系統；
 - (vi) 與管理層商討風險管理及內部監控系統，包括本集團在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗、以及員工培訓課程及有關預算是否足夠；
 - (vii) 就委任或續聘外聘核數師提出建議，並審批其聘用條款；及
 - (viii) 檢討及監察董事之培訓及持續專業發展。

Remuneration Committee

The Board set up the Remuneration Committee in 2005 with specific written terms of reference which deal clearly with its authority and duties. The terms of reference are maintained on both the websites of the Company and the Stock Exchange. The Remuneration Committee's role is to make recommendations to the Board on the remuneration policy and structure for directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders. The principal duties of the Remuneration Committee include reviewing and making recommendations to the Board on the specific remuneration packages of all directors and senior management as well as performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

薪酬委員會

董事會於二零零五年成立薪酬委員會，書面職權範圍已闡明其權力與職務。職權範圍已於本公司及聯交所網站上登載。薪酬委員會之角色為按董事及高級管理人員之薪酬政策及架構向董事會提出建議，以及已考慮到股東利益之情況下，確保彼等已按各自對本集團整體表現之貢獻得到公平回報。薪酬委員會之主要職務包括檢討全體董事及高級管理人員之指定薪酬待遇，以及參考董事會不時議決之企業目標及宗旨，審閱按表現釐定之酬金並向董事會提出建議。

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The current members of the Remuneration Committee are:

Mr Yau Wing Yiu (*Committee Chairman*)
Mr Liu Run
Ms Su Zhengyu
Mr Tang Chak Lam, Charlie

Except for Mr Tang Chak Lam, Charlie who is an executive director, all Remuneration Committee members are independent non-executive directors. The remuneration of each of the directors was determined in accordance with the remuneration policy.

The main principles of remuneration policy of the Company are:

- (i) to retain and motivate executive directors and senior management by linking their compensation with performance as measured against corporate objectives;
- (ii) to align executive directors' and senior management's remuneration with shareholders' interests; and
- (iii) to ensure that no director or senior management or any of his/her associate is involved in deciding his/her own remuneration.

When fixing the remuneration packages of executive directors, considerations have been given to the qualifications and experience of the executive directors, their duties and responsibilities with and contributions to the Group, the level of directors' remuneration of other comparable listed companies in Hong Kong, the Group's performance and the prevailing market condition. The principal elements of the remuneration packages of executive directors of the Company include salary, director's fee, double pay, discretionary bonus and share options.

Details of the remuneration of each director, on a named basis, are disclosed in Note 13 to the financial statements on pages 105 to 107 of this Annual Report. Reimbursement is provided for out-of-pocket expenses incurred (including traveling and hotel expenses) in connection with the performance of directors' duties.

薪酬委員會現有成員包括：

邱永耀先生(委員會主席)
劉潤先生
蘇征宇女士
鄧澤霖先生

除鄧澤霖先生為執行董事外，薪酬委員會全體成員均為獨立非執行董事。每位董事之薪酬根據薪酬政策而釐定。

本公司薪酬政策之主要原則包括：

- (i) 為挽留及激勵執行董事及高級管理人員，將彼等之薪酬與按企業目標之表現掛鉤；
- (ii) 將執行董事及高級管理人員之薪酬與股東利益達成一致；及
- (iii) 確保並無董事或高級管理人員或其任何聯繫人士參與釐定其本人之薪酬。

訂立執行董事之薪酬待遇時，已考慮該等執行董事之資歷及經驗、彼等之職務及職責和對本集團之貢獻、香港其他同類型上市公司之董事薪酬水平、本集團之業績及現行市場情況。本公司執行董事薪酬待遇之主要元素包括薪金、董事袍金、雙糧、酌情花紅及購股權。

有關以記名方式列明每名董事薪酬之詳情，於本年度報告第105頁至第107頁財務報表附註13內披露。彼等亦可獲償付一切於履行董事職務時所產生之實報實銷費用(包括差旅及酒店費用)。

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During the year, the Remuneration Committee held one meeting and had reviewed the remuneration policy of the Company, recommended to the Board on the appointment of Ms Su Zhengyu as an independent non-executive director and a member of the Audit Committee, Remuneration Committee and Nomination Committee and the approval of her remuneration package. The attendance records of members are set out on page 32 of this Annual Report.

Nomination Committee

The Board set up the Nomination Committee in 2012 with specific written terms of reference which deal clearly with its authority and duties. The terms of reference are maintained on both the websites of the Company and the Stock Exchange. The role of the Nomination Committee is to formulate policy and make recommendations to the Board on matters including nomination and appointment of directors, and structure and composition of the Board.

During the year, the Board had maintained a board diversity policy setting out the approach to achieve diversity on the Board.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The current members of the Nomination Committee are:

Mr Li Haifeng (*Committee Chairman*)
Mr Liu Run
Ms Su Zhengyu
Mr Yau Wing Yiu

於年內，薪酬委員會曾舉行一次會議，並審閱本公司之薪酬政策及向董事會推薦委任蘇征宇女士為獨立非執行董事，以及審核委員會、薪酬委員會和提名委員會之成員，並且批准其薪酬待遇。成員之出席記錄載於本年度報告第32頁。

提名委員會

董事會於二零一二年成立提名委員會，書面職權範圍已闡明其權力與職務。其職權範圍已於本公司及聯交所網站上登載。提名委員會之角色為制訂政策及就提名及委任董事以及董事會之架構及組成等事項向董事會提出建議。

於年內，董事會維持董事會成員多元化政策，列載為達致成員多元化之方針。

為達致持續及平衡之發展，本公司視提升董事會層面之成員多元化方針為達到其策略目標及持續發展為之主要元素。在策劃董事會之組成架構方面，董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資。董事會所有委任均以用人唯才為原則，並參照客觀標準及審慎考慮董事會成員多元化的裨益下，以甄別各候選人。

提名委員會現時成員包括：

李海楓先生(*委員會主席*)
劉潤先生
蘇征宇女士
邱永耀先生

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Except for Mr Li Haifeng who is an executive director, all Nomination Committee members are independent non-executive directors. During the year, the Nomination Committee held one meeting to review the structure, size and composition and succession planning of the Board and assess the independence of the independent non-executive directors. It also recommended the Board on the appointment of Ms Su Zhengyu as an independent non-executive director, a member of the Audit Committee, Remuneration Committee and Nomination Committee and Mr Yau Wing Yiu's re-designation as the chairman of the Remuneration Committee of the Company. The attendance records of members are set out on page 32 of this Annual Report.

Investment Committee

The Board set up the Investment Committee in 2014 with specific written terms of reference which deal clearly with its authority and duties. The primary role of the Investment Committee is to review and approve the investment policy and monitor the securities investment business as it deems proper to meet the latest development of the Group or changes in the securities market.

The current members of the Investment Committee are:

Mr Li Haifeng (*Committee Chairman*)
Mr Lee Sheng Kuang, James
Mr Tang Chak Lam, Charlie

During the year, the Investment Committee held one meeting and the attendance records of members are set out on page 32 of this Annual Report.

The Investment Committee had mainly performed the following work during the year:

- (i) approved and updated the investment policy including objectives and strategy that direct investment activities;
- (ii) oversaw investment activities of the Group and controlled the associated risk levels to assure adherence to the investment policy; and
- (iii) monitored the performance of the investment portfolio and approved the re-appointment of the external investment professionals.

除李海楓先生為執行董事外，提名委員會全體成員均為獨立非執行董事。於年內，提名委員會曾舉行一次會議，並已檢討董事會架構、人數及組成及繼任計劃，以及評估獨立非執行董事之獨立性。提名委員會並向董事會推薦分別委任蘇征宇女士為獨立非執行董事、審核委員會、薪酬委員會及提名委員會之成員，以及調任邱永耀先生為本公司薪酬委員會之主席。成員之出席記錄載於本年度報告第32頁。

投資委員會

董事會於二零一四年成立投資委員會，書面職權範圍已闡明其權力與職務。投資委員會之主要角色為按其認為合適時審閱及批准投資政策及監察證券投資業務，以配合本集團之最新發展及證券市場之變化。

投資委員會現有成員包括：

李海楓先生(*委員會主席*)
李勝光先生
鄧澤霖先生

於年內，投資委員會曾舉行一次會議而成員之出席紀錄載於本年度報告第32頁。

投資委員會於年內主要完成以下工作：

- (i) 批准及更新投資政策，包括指引投資活動之目的及策略；
- (ii) 監督本集團之投資活動及控制相關風險程度以確保遵循投資政策；及
- (iii) 監察投資組合之表現及批准重新委任外聘投資專材。

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

董事及委員會成員之出席記錄

The attendance of individual Board member in Board, Board committees and general meetings for the year ended 31 December 2016 is set out in the table below:

截至二零一六年十二月三十一日止年度，個別董事會成員於董事會、董事委員會及股東大會之出席記錄載於下表：

	Number of meetings attended/held 出席／舉行會議次數					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Investment Committee	General Meeting
	董事會	審核委員會	薪酬委員會	提名委員會	投資委員會	股東大會
Executive Directors 執行董事						
Mr Li Haifeng 李海楓先生	4/4	N/A 不適用	N/A 不適用	1/1	1/1	1/1
Mr Lee Sheng Kuang, James 李勝光先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Mr Tang Chak Lam, Charlie 鄧澤霖先生	4/4	N/A 不適用	1/1	N/A 不適用	1/1	1/1
Independent Non-Executive Directors 獨立非執行董事						
Mr Liu Run 劉潤先生	3/4	4/5	1/1	1/1	N/A 不適用	1/1
Ms Su Zhengyu (appointed on 4 July 2016) 蘇征宇女士 (於二零一六年七月四日獲委任)	3/3	3/3	1/1	1/1	N/A 不適用	N/A 不適用
Mr Yau Wing Yiu 邱永耀先生	4/4	5/5	1/1	1/1	N/A 不適用	1/1
Mr Tong Tang, Joseph (Ceased appointment on 4 July 2016) 唐登先生 (於二零一六年七月四日終止委任)	1/1	2/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1

RESPONSIBILITY FOR PREPARATION AND REPORTING OF FINANCIAL STATEMENTS

The directors of the Company acknowledge their responsibility for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The directors will select suitable accounting policies and apply them consistently, make judgements and estimates that are prudent, fair and reasonable and prepare the financial statements on a going concern basis. The Board's responsibility to present a balanced, clear and understandable assessment extends to annual and interim reports, other inside information announcements and other financial disclosures required under the Listing Rules as well as the information required to be disclosed pursuant to statutory requirements.

The statement of the auditor of the Company regarding their reporting responsibilities for the financial statements of the Group is set out on pages 53 to 62 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks the Group is willing to take in achieving its strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems, ensuring strict compliance with relevant rules and regulations and reporting to the Board.

To facilitate and support the Audit Committee and Board in discharging their duties, the Risk Management Steering Committee ("RMSC") has been established and delegated to design, implement and monitor the Group's risk management and internal control systems. RMSC comprises management of different business units collaborating together to perform risk management and internal audit aspects and report to the Audit Committee and Board about the Group's risk management and internal control issues together with remedial action plans.

編製及呈報財務報表之責任

本公司董事確認彼等編製本集團財務報表之責任，而該等財務報表乃根據法定要求及適用會計準則編製。董事將選用合適會計政策及貫徹運用、作出審慎、公平及合理之判斷及估計，並按持續經營為基準編製財務報表。董事會之責任乃清晰公正及明確地評估年度報告及中期報告、其他內幕消息公布及根據上市規則規定須予披露之其他財務資料，以及根據法例規定須予披露的資料。

本公司核數師就彼等有關本集團之財務報表之呈報責任所作之聲明載於本年度報告第53頁至第62頁內。

風險管理及內部監控

董事會負責評估並決定本集團在實現其策略目標時願意承擔之風險之性質及程度，並確保本集團建立及維持適當及有效之風險管理及內部監控系統。審核委員會負責審閱風險管理及內部監控系統之有效性，確保嚴格遵守相關規則及條例，並向董事會報告情況。

為促進及支持審核委員會及董事會履行其職責，本公司成立風險管理督導委員會（「風險管理督導委員會」），並指派其設計、實施並監督本集團之風險管理及內部監控系統。風險管理督導委員會包括不同業務部門之管理層，共同合作以執行風險管理及內部審計方面之事務，並向審核委員會及董事會匯報本集團風險管理及內部監控問題，同時提出補救行動計劃。

The Group's risk management and internal control systems have been developed with reference to Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of Treadway Commission in the US in 2013 ("2013 COSO Framework") and Internal Control and Risk Management – A Basic Framework issued by the Hong Kong Institute of Certified Public Accountants. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group understands that risk management and internal control systems are not merely about policies and manuals, but about people and the actions they take at every level of the Group. To support all employees in ever – changing markets, regular training is provided to strengthen their awareness of risk and capability to manage risks. During the year, the Board together with the Audit Committee, reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, and were satisfied with the results of the review.

All in all, the Board continues to enhance and oversee the Group's risk management and internal control systems with the support of the Audit Committee and RMSC. Below are the review process and results regarding the Group's risk management and internal control systems for the year ended 31 December 2016.

Review of Risk Management and Internal Control Systems

RMSC designed, implemented and monitored the Group's risk management and internal control systems by considering the five integrated components of 2013 COSO Framework, namely, control environment, risk assessment, control activities, information and communication and monitoring activities.

本集團之風險管理及內部監控系統乃參考 Committee of Sponsoring Organizations of Treadway Commission 於二零一三年在美國發佈之《內部控制整體框架》[二零一三年 COSO 框架]及香港會計師公會發佈之《內部控制及風險管理—基本框架》而形成。該等系統旨在管理而非消除未能達成業務目標之風險而設，並只能就重大的失實陳述或損失作出合理而非絕對之保證。

本集團認為風險管理及內部監控系統不僅有關政策及手冊，亦關乎本集團各層級人士及其採取之行動。為支持所有僱員適應不斷變化之市場，本集團向其提供常規培訓以加強其風險意識及風險管理能力。於年內，董事會及審核委員會一同審閱在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗，以及員工培訓課程及有關預算是否足夠，並對本次審閱結果表示滿意。

總而言之，董事會在審核委員會及風險管理督導委員會之支持下繼續加強及監管本集團之風險管理及內部監控系統。以下為本集團截至二零一六年十二月三十一日止年度之風險管理及內部監控系統之審核過程及結果。

風險管理及內部監控系統審核

經考慮二零一三年 COSO 框架下之五個互相關連之元素，即監控環境、風險評估、監控活動、信息的溝通與交流以及對活動之監察，風險管理督導委員會設計、執行並監察本集團之風險管理及內部監控系統。

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During the risk assessment process, RMSC identified the significant risks facing the Group. A risk matrix report was prepared which prioritised risks according to the likelihood of their occurrence and the significance of their impact on the business of the Group.

Following the review and endorsement of the risk matrix report by the Audit Committee and the Board, RMSC developed an annual internal audit plan to evaluate the effectiveness of the Group's risk management and internal control systems. RMSC investigated and assessed what internal control procedures were to be executed to ensure the identified significant risks were managed within the acceptable level. These internal control procedures covered material controls designed to provide reasonable assurance as to the achievement of the Group's objectives including financial, operational and compliance controls. A monthly Independent internal audit was performed by RMSC members to test and evaluate whether the selected internal controls were effective. During the year, RMSC members had performed internal audit on the Group's business cycles including compliance, revenue, purchase, human resources and information technology management.

In addition, each existing business segment was required to perform assessment on the effectiveness of its risk management and internal control systems on an annual basis. The assessment questionnaire sets out key factors in each of the five integrated components of 2013 COSO Framework.

With the assessment questionnaires from each business segment, monthly, quarterly and annual reports from RMSC, the Audit Committee closely monitored the effectiveness of the Group's risk management and internal control systems and reported to the Board on an ongoing basis. For the year ended 31 December 2016, both the Audit Committee and the Board were not aware of any material internal control defects and were satisfied that the risk management and internal control systems of the Group have been effective and adequate.

於風險評估過程中，風險管理督導委員會確定本集團面臨之重大風險。風險管理督導委員會編製出一份風險矩陣報告，根據出現風險之可能性及其對本集團業務之影響重大程度列出優先級別。

於審核委員會及董事會審查及認可風險矩陣報告後，風險管理督導委員會制定出一份年度內部審核計劃，以評估本集團風險管理及內部監控系統之有效性。風險管理督導委員會調查及評估實施之內部監控程序，以確保在可予接受之範圍內管理已識別之重大風險。該等內部監控程序已涵蓋設計之重大監控，從而為實現本集團之目標提供合理保證，包括財務、運作及合規之監控。風險管理督導委員會成員每月進行獨立之內部審核，以測試及評估選擇之內部監控是否有效。於年內，風險管理督導委員會成員已對本集團之商業週期進行內部審核，包括合規、收益、採購、人力資源及信息技術管理。

此外，各現有業務分部須每年評估其風險管理及內部監控系統之有效性。評估問卷列出二零一三年COSO框架之五個組成部分各部分之關鍵因素。

藉著各業務分部之評估問卷、風險管理指導委員會月度報告、季度報告及年度報告，審核委員會密切監察本集團風險管理及內部監控系統之有效性，並持續向董事會匯報。截至二零一六年十二月三十一日止年度，審核委員會及董事會並不知悉任何重大內部監控缺陷，並信納本集團之風險管理及內部監控系統有效且足夠。

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Company formulated the inside information policy as a guideline to handle and disseminate inside information. The inside information policy contains a strict prohibition on unauthorised use of inside information and sets out, inter alia, establishment of the inside information identification, reporting and disclosure protocol and procedures. For the year ended 31 December 2016, inside information was disseminated in accordance with the inside information policy and the applicable laws and regulations.

AUDITOR'S REMUNERATION

PricewaterhouseCoopers is the external auditor of the Company. For the year ended 31 December 2016, the external auditor received the following remuneration for audit and non-audit services provided to the Group:

		HK\$'000 千港元
Audit services	審計服務	1,265
Non-audit services	非審計服務	
Agreed upon procedures on interim reporting	就中期報告之約定審閱程序	135
Taxation services	稅務服務	126
		<hr/> 1,526

The Audit Committee received written confirmation from the external auditor on its independence and objectivity as required by the Hong Kong Institute of Certified Public Accountants.

處理及發布內幕消息之程序及內部監控

本公司已制定內幕消息政策作為處理及發布內幕消息之指南。內幕消息政策包括嚴格禁止未經授權使用內幕消息，以及載列(其中包括)設置內幕消息識別、報告及披露協議及程序。截至二零一六年十二月三十一日止年度，內幕消息乃根據內幕消息政策及適用法律及法規發布。

核數師酬金

羅兵咸永道會計師事務所為本公司之外聘核數師。截至二零一六年十二月三十一日止年度，外聘核數師已就向本集團提供之審計及非審計服務收取下列酬金：

審核委員會已接獲外聘核數師就其獨立性及客觀性發出之書面確認書，表示其已符合香港會計師公會之規定。

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

Shareholders to Convene a Special General Meeting

According to the Bye-laws of the Company, 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, can by written requisition to the Board or the Company Secretary of the Company to convene a special general meeting for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. In compliance with the requirements of the Listing Rules, any annual general meeting, and general meeting at which the passing of a special resolution is to be considered shall be called by at least 20 clear business days' notice, whilst others may be called by at least 10 clear business days' notice.

To further enhance the minority shareholders' right, all resolutions at any general meeting are decided on poll and such practice has been adopted since 2005. The chairman of any general meetings ensures that the shareholders are informed of the detailed procedures for conducting a poll by way of making the explanation at the commencement of the general meetings. The chairman of general meetings also ensures full compliance with the requirements about voting by poll contained in the Listing Rules and the Bye-laws of the Company.

Shareholders to Propose a Person for Election as a Director

The procedures for a shareholder to propose a person for election as a Director can be found on the website of the Company. Shareholders representing not less than one-twentieth of the total voting rights of all shareholders having at the date of the requisition a right to vote at the general meeting or who are no less than 100 shareholders can submit a written requisition to the Board or the Company Secretary to propose a resolution relating to other matters at a general meeting. The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and contain the signatures of all the requisitionists (which may be contained in one document or in several

股東權利及投資者關係

股東召開股東特別大會

根據本公司之章程細則，任何於發出要求當日持有有權於本公司股東大會上投票之本公司繳足股本不少於十分之一的股東，可向董事會或本公司公司秘書作出書面要求召開股東特別大會，以處理該等要求列明之任何事項，而有關大會須於發出有關要求後兩個月內舉行。為符合上市規則之規定，任何股東週年大會以及用以考慮通過特別決議案之股東大會須以至少足20個營業日之通知召開，而其他股東大會則須以至少足10個營業日之通知召開。

為進一步提高少數股東之權利，所有股東大會上之一切決議案均以投票方式表決，此常規自二零零五年起已採納。任何股東大會主席須確保已透過於股東大會開始時作出詳細闡釋之方式，使股東知悉以投票方式表決之程序。股東大會主席亦須確保全面符合上市規則及本公司之章程細則中有關以投票方式表決之規定。

股東提名人選參選董事

股東提名人選參選董事之程序可於本公司網站上瀏覽。於發出要求當日，擁有於股東大會上投票權利之全體股東總投票權不少於二十分之一之股東或不少於一百名股東，可向董事會或公司秘書提呈書面要求以於股東大會上提呈有關其他事宜之決議案。書面要求須列明決議案，連同一份不多於一千字有關所提呈決議案提述之事宜或將於股東大會上處理之事務並由全體作出要求之人士簽署（可載於一份文件或多份相符格式之文件內）之陳述書。倘作出須發出決議案通知之要求，則有關要求須於股東大會不少於六個星期前送達本公司之註冊辦事

documents in like form). Such requisition must be deposited at the Company's registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda not less than six weeks before the general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition and be accompanied by a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules.

Communication with Shareholders

In order to maintain an on-going dialogue with shareholders, shareholders are encouraged to attend annual general meeting of the Company at which the Chairman of the Board and the chairmen of the Board committees are pleased to answer questions related to the Group's business.

Shareholders' comments and suggestions are welcome and such comments can be sent in writing to the Company Secretary at the Company's address in Hong Kong or by e-mail to the Company's website. The Board endeavors to answer all invaluable questions of the shareholders.

As a channel of further promoting effective communication, the corporate website, www.carrywealth.com, is maintained by the Company to disseminate information on a timely basis and the published information will be maintained at the above website for at least five years. A shareholders communication policy was adopted in March 2012 and has been posted on the Company's website.

CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year.

處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda；倘屬任何其他要求，則須於股東大會不少於一個星期前送達，並須連同一筆用於支付本公司根據適用法例及規則規定而向全體股東送達決議案通知及傳閱作出要求人士提交之陳述書所產生開支之合理且足夠款項。

與股東溝通

為與股東保持持續對話，茲鼓勵股東出席本公司之股東週年大會，而董事會主席及各董事委員會主席均樂意解答與本集團業務有關之提問。

本公司歡迎股東提出意見及提議，而該等意見可以投函至本公司之香港地址予公司秘書，或以電子郵件方式寄往本公司之網站。董事會將盡力解答股東一切寶貴提問。

作為進一步促進有效溝通之渠道，本公司已設有公司網站 www.carrywealth.com，以適時發放資料，而已公布之資料將於上述網站保留最少五年。二零一二年三月採納之股東通訊政策，已於本公司網站上登載。

憲章文件

於年內，本公司之憲章文件並無變動。

Report of the Directors 董事會報告

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 29 to the financial statements.

An analysis of the Group's performance for the year by operating segment is set out in Note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 63.

The directors did not declare any interim dividend for the six months ended 30 June 2016 (2015: Nil).

The directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company had no reserve (31 December 2015: Nil) available for distribution as computed in accordance with the Companies Act 1981 of Bermuda. However, the Company's share premium account in the amount of HK\$217,761,000 as at 31 December 2016 (31 December 2015: HK\$217,761,000) may be distributed in the form of fully paid bonus shares, subject to the shareholders' approval of the Company and compliance with provision of the Companies Act 1981 of Bermuda and the Bye-laws of the Company.

Movements in the reserves of the Group and of the Company during the year are set out in Notes 26 and 31(a) to the financial statements.

董事會提呈其報告，連同截至二零一六年十二月三十一日止年度之經審核財務報表。

主要業務及營運之地域分析

本公司之主要業務為投資控股。附屬公司之業務載於財務報表附註29。

本集團於本年度之業績按營運分部之分析載於財務報表附註5。

業績及分派

本集團之本年度業績載於第63頁之綜合收入報表。

董事不宣派截至二零一六年六月三十日止六個月之中期股息(二零一五年：無)。

董事不建議派付截至二零一六年十二月三十一日止年度之末期股息(二零一五年：無)。

可分派儲備

本公司於二零一六年十二月三十一日沒有儲備(二零一五年：無)可根據一九八一年百慕達公司法計算而分派。然而，本公司股本溢價賬於二零一六年十二月三十一日錄得二億一千七百七十六萬一千港元(二零一五年：二億一千七百七十六萬一千港元)，在獲得本公司股東同意及符合一九八一年百慕達公司法條款及本公司章程細則情況下，以繳足紅股的形式進行分配。

於年內，本集團及本公司儲備之變動情況載於財務報表附註26及31(a)。

EQUITY-LINKED AGREEMENT

Share Options granted to directors and selected employees

Details of share options granted in prior years are set out in Note 25 to the financial statements. No share options were granted during the year ended 31 December 2016.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 29 to the financial statements.

BANK BORROWINGS

As at 31 December 2016 and 2015, the Group had no bank borrowings.

FIVE YEAR 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 6 of this Annual Report.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

SHARE OPTIONS

On 22 May 2012, the shareholders of the Company approved the adoption of a share option scheme (the "Scheme"). A summary of the principal terms of the Scheme, as disclosed in accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") is as follows:

(i) Purpose

The purpose of the Scheme is to enable the Company to grant options to participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of the subsidiaries.

權益掛鈎協議

授予與董事和挑選僱員之購股權

在本年度授出購股權之詳情載於本財務報表附註25，截至二零一六年十二月三十一日止年度，概無購股權獲授出。

附屬公司

本公司主要附屬公司之詳細資料載於財務報表附註29。

銀行貸款

於二零一六年及二零一五年十二月三十一日，本集團概無銀行貸款。

五年財務摘要

本集團於過去五個財政年度之業績與資產及負債摘要載於本年度報告第6頁。

購買、出售或贖回本公司之上市證券

於年內，本公司及其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

購股權

於二零一二年五月二十二日，本公司股東批准採納購股權計劃（「該計劃」）。按照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）須予披露之該計劃主要條款概要如下：

(i) 目的

該計劃之目的為使本公司可向參與者授出購股權，以鼓勵或回饋彼等對本公司及／或任何附屬公司作出或可能作出之貢獻。

(ii) Qualifying participants

Any person being an employee, director (including executive, non-executive director or independent non-executive director), consultant, representative, professional adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to, the Company or any subsidiary, and any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons.

(iii) Maximum number of shares

The total number of shares available for issue under the Scheme is 80,470,023 which is 9.83% of the issued share capital of the Company as at the date of this Annual Report.

(iv) Maximum entitlement of each qualifying participant

No qualifying participant shall be granted any options which, if exercised in full, would result in such person's maximum entitlement exceeding 1% of the aggregate number of shares for the time being issued and issuable under the Scheme in the 12-month period up to and including the proposed grant date unless such grant is approved in advance by the shareholders in general meeting.

No qualifying participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates shall be granted any options, which, if exercised in full, would result in the shares issued and issuable to such person under the Scheme in the 12-month period up to and including the proposed grant date for such options, unless such grant of options is approved in advance by the shareholders of the Company in general meeting:

- (a) representing in aggregate over 0.1% of the number of shares then in issue; and

(ii) 合資格參與人士

本公司或任何附屬公司之僱員、董事(包括執行董事、非執行董事或獨立非執行董事)、顧問、代表、專業顧問、客戶、業務夥伴、合營夥伴、策略性夥伴、業主或租客或向本公司或任何附屬公司提供貨品或服務之任何供應商或提供者及任何酌情信託之受託人(該信託之一位或多位受益人須隸屬上述任何一種類別之人士)之任何人士。

(iii) 最高股份數目

根據該計劃可予發行之股份總數為80,470,023股股份，相當於本年度報告日期本公司已發行股本之9.83%。

(iv) 每位合資格參與者可獲授權益上限

倘若授予合資格參與者之購股權於截至建議授出日期(包括當日)止12個月期間獲全面行使，將導致該人士可獲授權益上限超逾當時根據該計劃已發行股份及可發行股份總數之1%，則該合資格參與者不獲授予購股權，惟獲股東於股東大會上預先批准者除外。

如合資格參與者為本公司之主要股東或獨立非執行董事或任何彼等各自之聯繫人士及符合以下情況，均不得獲授購股權(惟購股權授予已經本公司股東在股東大會上預先批准者除外)：根據該計劃，已經及將會授予該等人士之購股權獲全面行使後將導致已經及將予發行股份之數目於截至及包括預計授出日期止前12個月期間(包括授出日期)：

- (a) 合計超逾已發行股份數目0.1%；及

Report of the Directors 董事會報告

(b) having an aggregate value, based on the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to such person under the relevant scheme, in excess of HK\$5 million.

(v) Option period

In respect of any particular option, such period commencing on the date of grant or such later date as the directors may decide and expiring on such date as the directors may determine, such period not to exceed 10 years from the date of grant.

(vi) Acceptance of offer

An offer of the grant of an option shall remain open for acceptance for a period of 30 days from the date of the letter containing the grant. An offer of the grant of the option shall be regarded as having been accepted when the duplicate of the grant letter duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

(vii) Subscription price

The subscription price in respect of any particular option shall be such price as the directors may determine at the date of grant of the relevant option but shall be at least the highest of:

- (a) The closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day;
- (b) The average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) The nominal value of the Company's shares.

(b) 根據相關購股權計劃，每次授出購股權予該人士之有關日期於聯交所之每日報價表所列之股份收市價計算，總值超逾五百萬港元。

(v) 購股權有效期

就任何特定之購股權而言，有效期由授出日期或董事決定之較後日期起計，及至董事決定之日期屆滿，惟該有效期由授出購股權日期起計不得超逾十年。

(vi) 接納建議

接納授出購股權建議之開放期，由發出載有授出購股權之函件之日期起計，為期三十日。本公司一經收到由獲授人正式簽署載有授出函件副本連同付予本公司1.00港元之款項作為授出購股權之代價後，授出購股權建議即被視作已獲接納。

(vii) 認購價

任何特定購股權之認購價為董事於授出相關購股權日期時所釐定之價格，惟不可少於下列三項之最高者：

- (a) 於購股權授出當日(其須為營業日)，本公司股份在聯交所每日報價表所列之收市價；
- (b) 本公司股份在緊接授出購股權日期前五個營業日在聯交所每日報價表所列之平均收市價；及
- (c) 本公司股份之面值。

Report of the Directors 董事會報告

(viii) The remaining life of the Scheme

The directors shall be entitled at any time within 10 years commencing on 22 May 2012 to offer the grant of an option to any qualifying participants.

No share options were outstanding as at 1 January 2016 and 31 December 2016. No share options were granted, exercised, cancelled or lapsed during the year.

DIRECTORS

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

Mr Li Haifeng (*Chairman*)
Mr Lee Sheng Kuang, James (*Managing Director*)
Mr Tang Chak Lam, Charlie
Mr Liu Run[#]
Ms Su Zhengyu[#]
— appointed on 4 July 2016
Mr Yau Wing Yiu[#]
Mr Tong Tang, Joseph[#]
— ceased appointment on 4 July 2016

[#] Independent Non-Executive Director

In accordance with bye-law 86(2) of the Company's Bye-laws, Ms Su Zhengyu, shall retire from office at the forthcoming annual general meeting and, being eligible, will offer herself for re-election.

In accordance with bye-law 87 of the Company's Bye-laws, Mr Lee Sheng Kuang, James and Mr Yau Wing Yiu shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Mr Tong Tang, Joseph ceased appointment on 4 July 2016 as an independent non-executive director of the Company. Mr Tong Tang, Joseph has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

Mr Liu Run, Ms Su Zhengyu and Mr Yau Wing Yiu are independent non-executive directors of the Company and all of them were appointed for a three-year term.

(viii) 該計劃尚餘有效期

董事有權於二零一二年五月二十二日起計十年內隨時向任何合資格參與者建議授出購股權。

於二零一六年一月一日及二零一六年十二月三十一日，並無尚未行使之購股權。於年內，概無購股權獲授出、行使、註銷或失效。

董事

於年內及截至本報告之日期，本公司之董事如下：

李海楓先生(*主席*)
李勝光先生(*董事總經理*)
鄧澤霖先生
劉潤先生[#]
蘇征宇女士[#]
— 於二零一六年七月四日獲委任
邱永耀先生[#]
唐登先生[#]
— 於二零一六年七月四日終止委任

[#] 獨立非執行董事

根據本公司之章程細則第86(2)條，蘇征宇女士須於應屆股東週年大會退任，並符合資格亦願意膺選連任。

根據本公司之章程細則第87條，李勝光先生及邱永耀先生須輪值退任，並符合資格亦願意於應屆股東週年大會上膺選連任。

唐登先生於二零一六年七月四日終止委任為本公司獨立非執行董事。唐登先生已確認彼與董事會並無意見分歧，亦無就有關本公司事務而須請本公司股東垂注。

劉潤先生、蘇征宇女士及邱永耀先生均為本公司之獨立非執行董事，其委任期皆為三年。

DIRECTORS' BIOGRAPHICAL DETAILS

Mr Li Haifeng

Chairman

Mr Li Haifeng, aged 46, was appointed as the Chairman and an executive director in June 2011 and is the Chairman of both the Nomination Committee and Investment Committee of the Company. He is also the sole director of Dragon Peace Limited, a substantial shareholder of the Company. Mr Li is responsible for overall corporate and business development, and strategic direction of the Group and provides leadership for the board of directors of the Company. Mr Li has extensive experience in information technology and waste water treatment industries. He is currently an executive director and a vice president of Beijing Enterprises Water Group Limited ("BEWG") (a company listed on the main board of the Stock Exchange) and the chairman of the Supervisory Committee of BEWG Environmental Group Co., Ltd, a wholly owned subsidiary of BEWG, and is mainly responsible for both the PRC and overseas water markets. Mr Li holds a Bachelor degree in Law from the Faculty of Law in Peking University in 1992.

Mr Lee Sheng Kuang, James

Managing Director

Mr Lee Sheng Kuang, James, aged 70, is a founder of the Group and the Managing Director and a member of the Investment Committee of the Company. Mr Lee is responsible for all day-to-day corporate management matters. He is also responsible for planning and developing the Group's strategy. Mr Lee has over thirty years of experience in the manufacture and distribution of apparel products.

董事簡歷

李海楓先生

主席

李海楓先生，46歲，於二零一一年六月獲委任為主席兼執行董事及現為本公司提名委員會及投資委員會之主席。彼亦為本公司主要股東Dragon Peace Limited之唯一董事。李先生負責本集團之整體企業及業務發展以及策略方針，並領導本公司之董事會。李先生於資訊科技及污水處理行業擁有豐富經驗。彼現為北控水務集團有限公司（「北控水務」）（一家於聯交所主板上市之公司）之執行董事兼副總裁，並為北控中科成環保集團有限公司（北控水務之全資附屬公司）之監事會主席，主要負責中國及海外水務市場。李先生於一九九二年獲得北京大學法律學系法學學士學位。

李勝光先生

董事總經理

李勝光先生，70歲，乃本集團之創辦人兼本公司董事總經理及投資委員會成員。李先生專責一切日常企業管理業務。彼亦負責計劃及發展本集團之策略。李先生在生產及分銷成衣產品方面積逾30年經驗。

Report of the Directors 董事會報告

Mr Tang Chak Lam, Charlie

Executive Director

Mr Tang Chak Lam, Charlie, aged 55, is a member of both the Remuneration Committee and the Investment Committee of the Company. He is responsible for the overall financial operation of the Group. He has extensive audit experience with one of the big four international accounting firms. Prior to joining the Group in November 1999, Mr Tang was the head of finance and accounting of a conglomerate with subsidiaries listed on the NASDAQ in the United States and the Australian Stock Exchange Limited and the China division of another conglomerate listed on the Stock Exchange. Mr Tang is a certified public accountant in Hong Kong, and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom.

Mr Liu Run

Independent Non-Executive Director

Mr Liu Run, aged 40, was appointed as an independent non-executive director in May 2015 and is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has extensive experience in IT and internet industry and corporate management. He was the Strategic Alliance Director of Microsoft (China) Co., Ltd., where he had worked as project manager, team manager and general manager of Microsoft Technology Centers in Jiangxi, Shenzhen and Jiangsu for about 14 years. In 2013, Mr Liu founded the Shanghai Run2Me Management Consulting Co., Ltd., which currently provides private or strategic consultancy to senior executives of listed companies, large multinational companies and internet entrepreneurs. He has been a council member of Shanghai Song Ching Ling Foundation, a special member of Hong Kong Centum Charitas Foundation, a co-founder of Quangongyi and the founder of Donate Hour Charity. Mr Liu was named in the Marquis Who's Who in the World of 2009. He is active in writing articles and books, giving seminars and training and through consultancy, helping traditional companies in transforming to internet age. He is the author of many bestselling books. Mr. Liu holds a Bachelor of Sciences degree from Nanjing University and MBA from Fudan University.

鄧澤霖先生

執行董事

鄧澤霖先生，55歲，現為本公司薪酬委員會及投資委員會成員。彼專責本集團之整體財務事宜。彼擁有豐富之審計經驗，曾在四大國際會計師行之一任職。一九九九年十一月加盟本集團前，鄧先生為一間綜合企業之財務及會計部主管，該集團旗下多間附屬公司在美國納斯達克股票交易所及澳洲證券交易所有限公司上市，亦曾在另一間在聯交所上市之綜合企業出任中國業務部主管。鄧先生為香港執業會計師，亦為香港會計師公會及英國特許公認會計師公會之資深會員。

劉潤先生

獨立非執行董事

劉潤先生，40歲，於二零一五年五月獲委任為獨立非執行董事，並分別為本公司審核委員會、薪酬委員會及提名委員會之成員。彼在資訊科技及互聯網行業及企業管理具備豐富經驗。劉先生曾為微軟(中國)有限公司之戰略合作總監，並先後出任江西、深圳及江蘇微軟技術中心之項目經理、團隊經理及總經理約十四年。於二零一三年劉先生創立上海潤米管理諮詢有限公司，現時為上市公司、大型跨國企業及互聯網企業家之高級行政人員提供私人或戰略顧問服務。彼為上海宋慶齡基金會理事、香港百仁基金特邀會員、泉公益聯合創始人、捐獻時間公益組織創始人。劉先生被收錄於二零零九年馬奎斯世界名人錄。劉先生用文章、著書、演講、培訓、諮詢等方式致力幫助傳統企業互聯網化轉型。彼為眾多暢銷書之作家。劉先生持有南京大學理學學士，復旦大學工商管理碩士學位。

Ms Su Zhengyu

Independent Non-Executive Director

Ms Su Zhengyu, aged 49, was appointed as an independent non-executive director in July 2016 and is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. She has over 20 years of experience in accounting, finance and corporate management. While serving as chief financial officer and managing director of various corporations, Ms Su had been in charge of the acquisitions of a number of companies including pre-listing strategic planning and post-listing internal control restructuring. She was the chief financial officer of Beijing Handinfo Group Co., Ltd. and responsible for its listing on Nasdaq, internal control and compliance management. Ms Su is currently the chief financial officer of Shanghai Yiqizuoye Information Technology Co., Ltd. She holds a Bachelor's Degree of Library Information Science from Wuhan University in the People's Republic of China.

Mr Yau Wing Yiu

Independent Non-Executive Director

Mr Yau Wing Yiu, aged 50, was appointed as an independent non-executive director in July 2011 and is the Chairman of both the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. He has extensive experience in financial management, corporate finance and investment. Mr Yau was the partner and chief financial officer of AID Partners Capital Limited which is a private equity investment fund. Mr Yau also worked for various listed companies in Hong Kong and overseas and a number of international investment banks. He was an executive director, independent non-executive director and chief financial officer of China Everbright Water Limited (formerly known as HanKore Environment Tech Group Limited), whose shares are listed on the Singapore Exchange Securities Trading Limited. Mr Yau is a member of both American Institute of Certified Public Accountant and Hong Kong Institute of Certified Public Accountant. He holds a Master Degree of Business Administration in Finance from The Hong Kong University of Science and Technology, Graduate School of Business and a BA (Hons) in Business Studies from The City University of Hong Kong.

蘇征宇女士

獨立非執行董事

蘇征宇女士，49歲，於二零一六年七月獲委任為獨立非執行董事，並分別為本公司審核委員會、薪酬委員會及提名委員會之成員。彼在會計、金融及企業管理具備逾20年之經驗。蘇女士於不同公司擔任首席財務官及董事總經理時曾負責收購多家公司，包括上市前之策略性計劃及上市後內控重組。彼曾為北京掌訊集團之首席財務官並負責其於納斯達克上市、內部監控及合規管理。蘇女士現為上海一起作業資訊科技有限公司的首席財務官，彼持有中國武漢大學圖書資訊科學學士學位。

邱永耀先生

獨立非執行董事

邱永耀先生，50歲，於二零一一年七月獲委任為獨立非執行董事，並為本公司審核委員會及薪酬委員會之主席及提名委員會之成員。彼於財務管理、企業融資及投資方面擁有豐富經驗。邱先生曾為私人股本投資基金AID Partners Capital Limited之合夥人兼財務總監。邱先生亦曾於多間香港及海外上市公司及多間國際投資銀行任職。彼曾為中國光大水務有限公司(前稱為HanKore Environment Tech Group Limited，其股份於新加坡證券交易所有限公司上市)之執行董事、獨立非執行董事及財務總監。邱先生均為美國註冊會計師協會及香港會計師公會之會員。彼持有香港科技大學商學院金融專業工商管理碩士學位，以及香港城市大學商業榮譽學士學位。

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the directors of the Company has engaged in or were interested in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year.

董事之服務合約

被提名於應屆股東週年大會上重選之董事，概無與本公司訂立任何本公司不能於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

董事在對公司業務而言屬於重要的交易、安排及合同中的重大權益

本公司董事及其關連人士概無與本公司任何附屬公司訂立而與本集團業務有重大關係，且於本年度結束或於年內任何時間仍然有效之交易、安排及合約中直接或間接擁有重大權益。

董事於競爭業務之權益

於年內，概無本公司董事直接或間接參與正與或可能與本集團業務構成競爭之任何業務或於該業務中直接或間接擁有權益。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2016, the interests of the directors of the Company in the shares of the Company as recorded in the register required to be kept under section 352 of Part XV of the Securities and Futures Ordinance (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") were as follows:

Long positions in the ordinary shares of HK\$0.10 each in the share capital of the Company

董事及最高行政人員於本公司或本公司的任何指明企業或任何其他有聯繫法團之股份、相關股份及債權證之權益及／或淡倉

於二零一六年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第XV部第352條規定須予備存之登記冊所記錄或根據上市發行人董事進行證券交易的標準守則（「標準守則」）向本公司及聯交所發出之通知，本公司董事擁有本公司股份之權益如下：

於本公司股本中每股面值0.10港元之普通股之好倉

Name of director 董事姓名	Capacity 身份	Number of shares held 持有股份數目			Percentage of issued share capital 佔已發行股本百分比
		Personal interests 個人權益	Corporate interests 公司權益	Total interests 總權益	
Mr Li Haifeng 李海楓先生	Interest of a controlled corporation 受控制法團之權益	—	404,944,690 (Note) (附註)	404,944,690 (Note) (附註)	49.5
	Beneficial owner 實益擁有人	4,235,294	—	4,235,294	0.51
Mr Lee Sheng Kuang, James 李勝光先生	Beneficial owner 實益擁有人	3,176,471	—	3,176,471	0.38
Mr Tang Chak Lam, Charlie 鄧澤霖先生	Beneficial owner 實益擁有人	1,058,824	—	1,058,824	0.12
Mr Yau Wing Yiu 邱永耀先生	Beneficial owner 實益擁有人	698,235	—	698,235	0.08

Note: The shares were held by Dragon Peace Limited, which was wholly owned by Mr Li Haifeng.

附註：該等股份由Dragon Peace Limited持有，而該公司則由李海楓先生全資擁有。

Report of the Directors 董事會報告

All the interests stated above represent long positions. Save as disclosed above, at no time during the year was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporation.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2016, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

Long positions in the ordinary shares of HK\$0.10 each in the share capital of the Company

Name of shareholder	Capacity	Number of shares	Percentage of issued share capital
股東名稱	身份	普通股股份數目	佔已發行股本百分比
Dragon Peace Limited	Beneficial owner	404,944,690	49.5
	實益擁有人	(Note)	(Note)
		(附註)	(附註)

Note: The shares were held by Dragon Peace Limited, which was wholly owned by Mr Li Haifeng. These interests were duplicated with the interests of Mr Li Haifeng as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION".

上文所述之所有權益均屬好倉。除上文所披露者外，本年度內任何時間，本公司、其子公司、同系子公司、控股公司或其其他有聯繫法團沒有成為某些安排的其中一方，而該等安排使公司的董事及最高行政人員(包括其配偶及18歲以下子女)於本公司、其指明企業或其其他有聯繫法團之股份、相關股份或債權證中擁有任何權益或淡倉。

主要股東在本公司股份、相關股份之權益及／或淡倉

於二零一六年十二月三十一日，根據證券及期貨條例第XV部第336條規定須予備存之主要股東名冊所記錄，本公司已獲以下佔本公司5%或以上已發行股本之主要股東通知其權益及／或淡倉。此等權益乃不包括上述就董事及最高行政人員所披露之權益。

於本公司股本中每股面值0.10港元之普通股之好倉

附註：該等股份由Dragon Peace Limited全資持有，而該公司則由李海楓先生全資擁有。此等權益與「董事及最高行政人員於本公司或本公司的任何指明企業或其其他有聯繫法團之股份、相關股份及債權證之權益及／或淡倉」一節所披露李海楓先生之權益重複。

Report of the Directors 董事會報告

All the interests stated above represent long positions. Save as disclosed above, as at 31 December 2016, none of the substantial shareholders, other than directors or chief executives, of the Company had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO.

INTERESTS OF OTHER PERSONS

Save as disclosed in the sections headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION” and “SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY” above, the register required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2016, the Company had not been notified of any other person who had an interest or short position in the shares and underlying shares of the Company.

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 SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year attributable to the Group’s major suppliers and customers are as follows:

(i) Purchases	採購	
– the largest supplier	– 最大供應商	41.4%
– five largest suppliers in aggregate	– 五大供應商合計	77.7%
(ii) Sales	銷售	
– the largest customer	– 最大客戶	81.4%
– five largest customers in aggregate	– 五大客戶合計	99.5%

上文所述之所有權益均屬好倉。除上文所披露者外，根據證券及期貨條例第XV部第336條規定須予備存之登記冊所記錄，於二零一六年十二月三十一日，本公司之主要股東(除董事或最高行政人員外)於本公司股份或相關股份中概無擁有任何權益或淡倉。

其他人士權益

除本上文「董事及最高行政人員於本公司或本公司的任何指明企業或任何其他有聯繫法團之股份、相關股份及債權證之權益及／或淡倉」及「主要股東在本公司股份、相關股份之權益及／或淡倉」兩節所披露者外，根據證券及期貨條例第XV部第336條規定須予備存之登記冊所顯示，於二零一六年十二月三十一日，本公司並無獲通知有任何其他人士擁有本公司股份及相關股份之權益或淡倉。

管理合約

年內並無訂立或存有有關本公司整體或任何重大部份業務之管理及行政合約。

主要供應商及客戶

本集團主要供應商及客戶於年內所佔之採購及銷售百分比如下：

Report of the Directors 董事會報告

None of the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this Annual Report, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Laws of Bermuda.

ADDITIONAL INFORMATION OF BUSINESS REVIEW

Addition information of business review is set out on pages 12 to 21 under Management Discussion and Analysis of this Annual Report.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's Bye-laws, Directors shall 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 they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to the Directors. Such provisions were in force during the year ended 31 December 2016 and remained in force as of the date of this report.

本公司董事、彼等之聯繫人士或任何股東(據董事所知於本公司股本中擁有5%以上權益者)概無於主要供應商或客戶中擁有權益。

足夠公眾持股量

據本公司可公開獲取之資料以及據本公司董事所知，於本年度報告日期，本公司確認已具備至少其已發行股份中25%之公眾持股量。

優先認股權

本公司之章程細則或百慕達法例均無優先認股權之規定。

業務回顧的其他資料

尚有業務回顧的其他資料載於本年報第12頁至21頁「管理層討論和分析」一節。

獲准許的彌償條文

根據本公司的章程細則，董事因執行職務或受託之職責或據稱職責或因就此而作出、贊同作出或沒有作出之任何行動而將會或可能承擔或蒙受之所有訴訟、成本、押記、虧損、損害及開支獲得以本公司之資產及溢利出之彌償保證及免受損害，惟本彌償保證不延伸至任何與董事欺詐或不忠誠有關的事宜。該等條文於截至二零一六年十二月三十一日止年度期間生效，並於本報告日期繼續生效。

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting.

On behalf of the Board
Lee Sheng Kuang, James
Managing Director

Hong Kong, 6 March 2017

核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿退任，並表示願意於應屆股東週年大會應聘連任。

代表董事會
董事總經理
李勝光

香港，二零一七年三月六日

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

TO THE SHAREHOLDERS OF CARRY WEALTH HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Carry Wealth Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 63 to 132, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

致恒富控股有限公司股東

(於百慕達註冊成立之有限公司)

意見

我們已審計的內容

恒富控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)列載於第63至132的綜合財務報表，包括：

- 於二零一六年十二月三十一日綜合資產負債表；
- 截至該日止年度的綜合收入報表；
- 截至該日止年度的綜合全面收入報表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量轉表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Impairment review of investment in a joint venture
- Impairment review of non-current assets of the garment manufacturing and trading segment

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計感證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 於一間合營企業之投資的減值檢討
- 成衣製造及貿易分部非流動資產的減值檢討

KEY AUDIT MATTER

關鍵審計事項

Impairment review of investment in a joint venture 於一間合營企業之投資的減值檢討

Refer to Note 4 and 15 to the consolidated financial statements

參閱綜合財務報表附註4及15

Investment in a joint venture of approximately HK\$25,581,000 was recognised upon the acquisition of 24.75% equity interest in 鳳凰雲(北京)科技股份有限公司 (formerly known as 鳳凰雲科技(北京)有限公司) (Phoenix Cloud (Beijing) Technologies Company Limited*, (formerly known as Phoenix Cloud Technologies (Beijing) Company Limited*) ("Phoenix Cloud")) on 19 May 2016. The goodwill attributable to this investment was approximately HK\$16,740,000, which is embedded within the investment in a joint venture balance. As at 31 December 2016, the carrying amount of investment in a joint venture was HK\$20,978,000.

於一間合營企業之投資約二千五百五十八萬一千港元已於二零一六年五月十九日收購鳳凰雲(北京)科技股份有限公司(前稱鳳凰雲科技(北京)有限公司)(「鳳凰雲」)24.75%股權後確認。此次投資產生的商譽為約一千六百七十四萬港元，已嵌入於一間合營企業之投資結餘。於二零一六年十二月三十一日，於一間合營企業之投資的賬面值為二千零九十七萬八千港元。

Losses generated by the joint venture amounted to HK\$14,658,000 for the year ended 31 December 2016 (since the date of acquisition), which is considered as an indicator of impairment by the management.

該合營企業於截至二零一六年十二月三十一日止年度(自收購日起)產生虧損達一千四百六十五萬八千港元；而管理層將其視作減值跡象。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

Specific works that we performed over management's assessment on the recoverable amount of the investment in Phoenix Cloud included:

我們針對管理層對於鳳凰雲投資的可收回金額的評估所開展的具體工作包括：

- engaged our in-house valuation expert to assess the appropriateness of valuation methodology applied in the valuation reports of Phoenix Cloud prepared by the independent external valuation expert, as well as the accuracy of the valuation of the recoverable amount derived;
安排內部估值專家評估獨立外聘估值專家編製鳳凰雲估值報告時所應用估值方法的適當性，以及所得出可收回金額估值的準確性；
- assessed the qualification, independence and reputation of the independent external valuation expert;
評估獨立外聘估值專家的資格、獨立性及聲譽；
- compared the assumptions on expected revenue growth rates and expected gross margin used within the calculation of value-in-use to approved budgets and business plans and other evidence of future intentions for the joint venture;
對比計算使用價值所用預期收益增長率及預期毛利率假設與該合營企業的核定預算及業務計劃以及其未來意向的其他證據；
- assessed reliability of the joint venture's forecast by comparing historical budget to actual performance and challenging its management on any significant variances;
通過對比過往預算與實際表現以及就任何顯著差異向管理層提出質疑而評估該合營企業預測的可靠性；
- benchmarked key assumptions including revenue growth rates and discount rate against industry data; and
對照行業數據衡量收益增長率及貼現率等關鍵假設；及
- performed sensitivity analysis over key assumptions used in order to assess the potential impact of a range of possible outcomes.
針對所用關鍵假設開展敏感性分析，以評估一系列可能結果的潛在影響。

* For identification purpose
僅供識別

Impairment review of investment in a joint venture 於一間合營企業之投資的減值檢討 **How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項**

In light of the above impairment indicator, management determined the recoverable amount (based on value-in-use valuation model) of the joint venture with the assistance from an independent external valuation expert, which involved the following assumptions:

鑒於出現上述減值跡象，管理層在獨立外聘估值專家的協助下確定了該合營企業的可收回金額(基於使用價值估值模型)，當中涉及以下假設：

- expected revenue growth rates;
預期收益增長率；
- expected gross margin; and
預期毛利率；及
- discount rate.
貼現率。

Based on the valuation prepared by management, no impairment on the investment in a joint venture was required.

根據管理層所編製之估值，無須對於一間合營企業之投資作減值處理。

This area was of most significance to our audit due to the significance of the investment in a joint venture as of 31 December 2016, and management's assessment of the recoverable amount involved significant judgements and estimates towards future results of the joint venture's business.

上述方面對我們的審計而言最為重要，此乃由於截至二零一六年十二月三十一日於一間合營企業之投資金額巨大，且管理層對可收回金額的評估涉及對該合營企業未來業績作出重大判斷及估計。

We found the judgements and estimates made by management in assessing the recoverable amount of investment in a joint venture to be reasonable based on the evidence obtained.

根據已取得之證據，吾等認為管理層在評估於一間合營企業之投資的可收回金額時所作的判斷及估計屬合理。

Impairment review of non-current assets of the garment manufacturing and trading segment **How our audit addressed the Key Audit Matter**
成衣製造及貿易分部非流動資產的減值檢討 **我們的審計如何處理關鍵審計事項**

Refer to Note 4 and 5 to the consolidated financial statements

參閱綜合財務報表附註4及5

The carrying amount of non-current assets attributable to the garment manufacturing and trading segment is approximately HK\$60,342,000 as at 31 December 2016, of which HK\$42,556,000 and HK\$12,849,000 related to buildings and land use rights, respectively.

於二零一六年十二月三十一日，成衣製造及貿易分部應佔非流動資產的賬面值為約六千零三十四萬二千港元，其中四千二百五十五萬六千港元及一千二百八十四萬九千港元分別為樓宇及土地使用權。

As at 31 December 2016, management identified the following indicators of impairment relating to the garment manufacturing and trading segment:

於二零一六年十二月三十一日，管理層已識別以下與成衣製造及貿易分部有關的減值跡象：

- losses generated by the segment of HK\$12,107,000 for the year ended 31 December 2016; and
該分部於截至二零一六年十二月三十一日止年度產生虧損一千二百一十萬七千港元；及
- declining gross profit margin of the segment from 8.3% for the year ended 31 December 2015 to 7.4% for the year ended 31 December 2016.
該分部毛利率由截至二零一五年十二月三十一日止年度的8.3%下降至截至二零一六年十二月三十一日止年度的7.4%。

Specific work that we performed over management's determination of the recoverable value of land use rights of this segment included:

我們針對管理層確認該分部下的土地使用權可收回金額的過程所開展的具體工作包括：

- assessed the appropriateness of valuation methodology applied in the valuation report ("Report") for land prepared by the independent external valuation expert;
評估獨立外聘估值專家編製土地估值報告(「報告」)時所應用估值方法的適當性；
- assessed the qualification, independence and reputation of the independent external valuation expert; and
評估獨立外聘估值專家的資格、獨立性及聲譽；及
- compared the key observable market data used in the Report with independent source data.
對比報告內所用關鍵可觀察市場數據與獨立來源的數據。

Impairment review of non-current assets of the garment manufacturing and trading segment **How our audit addressed the Key Audit Matter**
成衣製造及貿易分部非流動資產的減值檢討 **我們的審計如何處理關鍵審計事項**

Buildings are revalued annually and carried at fair value, hence management considered there to be no impairment.

樓宇每年重估，並按公允值列賬，因此，管理層認為樓宇並無減值。

In light of the above impairment indicators, management determined the recoverable amount of land use rights of this segment carried at amortised cost, with the assistance from an independent external valuation expert. 鑒於出現上述減值跡象，管理層在獨立外聘估值專家的協助下確定了該分部下按攤銷成本列賬的土地使用權的可收回金額。

Based on the valuation prepared by management under market approach, no impairment on land use rights of the garment manufacturing and trading segment was required.

根據管理層按市場法所編製之估值，無須對成衣製造及貿易分部下的土地使用權作減值處理。

This area was of most significance to our audit due to the significance of the land use rights, and the fact that management's assessment of the recoverable amount of land use rights involved significant judgement based on observable market data.

上述方面對我們的審計而言最為重要，此乃由於土地使用權金額巨大，且管理層對土地使用權可收回金額的評估涉及對可觀察市場數據作出重大判斷。

We found the judgements and estimates made by management in assessing the recoverable amount of land use rights of the garment manufacturing and trading segment to be reasonable based on the evidence obtained.

根據已取得之證據，我們認為管理層在評估成衣製造及貿易分部下土地使用權的可收回金額時所作的判斷及估計屬合理。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

管治層須負責監督貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)說明按照相關司法管轄區下的法定審計規定。例如，在百慕達註冊成立的公司：按照百慕達《一九八一年公司法》第90條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report 獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

Independent Auditor's Report 獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Hin Gay Gabriel.

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

出具本獨立核數師報告的審計項目合夥人為陳顯基先生。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 6 March 2017

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月六日

Consolidated Income Statement 綜合收入報表

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

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		Note 附註		
Revenue	收益	5	123,105	120,695
Cost of sales	銷售成本	7	(123,334)	(111,569)
Gross (loss)/profit	毛(損)/利		(229)	9,126
Other losses	其他虧損	6	(42)	(215)
Selling expenses	銷售開支	7	(2,972)	(2,804)
Administrative expenses	行政開支	7	(42,103)	(41,581)
Impairment loss of properties, plant and equipment	物業、廠房及設備之減值虧損	14	—	(2,035)
Operating loss	經營虧損		(45,346)	(37,509)
Finance income	融資收入	8	108	560
Share of result of a joint venture	應佔一間合營企業之業績	15	(3,628)	—
Loss before income tax	除所得稅前虧損		(48,866)	(36,949)
Income tax expenses	所得稅開支	9	(853)	(1,034)
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年度虧損		(49,719)	(37,983)
Loss per share attributable to the equity holders of the Company for the year	年內由本公司權益持有人應佔之虧損之每股虧損			
— basic (HK cents)	— 基本(港仙)	10	(6.08)	(4.68)
— diluted (HK cents)	— 攤薄(港仙)	10	(6.08)	(4.68)

The notes on pages 70 to 132 are an integral part of these consolidated financial statements.

第70頁至第132頁之附註乃此綜合財務報表一部份。

Consolidated Statement of Comprehensive Income 綜合全面收入報表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year	年度虧損	(49,719)	(37,983)
Other comprehensive income/(loss):	其他全面收入/(虧損):		
<i>Items that will not be reclassified subsequently to profit or loss</i>	其後不可重新分類至損益賬之項目		
Fair value gain, net of tax:	公允值收益，扣除稅項:		
— properties, plant and equipment	— 物業、廠房及設備	502	1,104
<i>Item that may be reclassified to profit or loss</i>	可重新分類至損益賬之項目		
Currency translation differences	匯兌差額	(3,218)	(1,872)
Other comprehensive loss for the year, net of tax	年度其他全面虧損，扣除稅項	(2,716)	(768)
Total comprehensive loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年度全面虧損總額	(52,435)	(38,751)

The notes on pages 70 to 132 are an integral part of these consolidated financial statements.

第70頁至第132頁之附註乃此綜合財務報表一部份。

Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年	2015 二零一五年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Properties, plant and equipment	物業、廠房及設備	14	50,263	52,763
Investment in a joint venture	於一間合營企業之投資	15	20,978	—
Land use rights	土地使用權	16	12,849	14,358
Deposits	按金	19	655	—
			84,745	67,121
Current assets	流動資產			
Inventories	存貨	18	25,127	22,585
Trade and other receivables	貿易及其他應收款項	19	28,657	15,379
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	20	108,242	121,639
Cash and cash equivalents	現金及現金等值項目	21	21,534	88,378
			183,560	247,981
Total assets	總資產		268,305	315,102
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	由本公司權益持有人應佔之資本及儲備			
Share capital	股本	24	81,804	81,804
Other reserves	其他儲備	26	203,185	205,901
Accumulated losses	累計虧損		(56,796)	(7,077)
Total equity	總權益		228,193	280,628

Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年	2015 二零一五年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅負債	22	<u>7,294</u>	<u>7,127</u>
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	29,450	24,832
Income tax payable	應付所得稅		3,368	2,515
			<u>32,818</u>	<u>27,347</u>
Total liabilities	總負債		<u>40,112</u>	<u>34,474</u>
Total equity and liabilities	總權益及負債		<u>268,305</u>	<u>315,102</u>

Lee Sheng Kuang, James

李勝光

Managing Director

董事總經理

Tang Chak Lam, Charlie

鄧澤霖

Executive Director

執行董事

The financial statements on pages 63 to 132 were approved by the Board of Director on 6 March 2017 and were signed on its behalf.

The notes on pages 70 to 132 are an integral part of these consolidated financial statements.

第63頁至第132頁的財務報表已由董事會於二零一七年三月六日批核，並代表董事會簽署。

第70頁至第132頁之附註乃此等綜合財務報表一部份。

Consolidated Statement of Changes in Equity 綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔			Total
		Share capital 股本	Other reserves 其他儲備 (Note 26) (附註26)	Retained earnings/ (accumulated losses) 保留盈利/ (累計虧損)	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日結餘	80,470	202,720	30,906	314,096
Comprehensive loss	全面虧損				
Loss for the year	年度虧損	—	—	(37,983)	(37,983)
Other comprehensive income/(loss)	其他全面收入/(虧損)				
Fair value gain, net of tax:	公允價值收益，扣除稅項：				
— properties, plant and equipment	— 物業、廠房及設備	—	1,104	—	1,104
Currency translation differences	匯兌差額	—	(1,872)	—	(1,872)
Total other comprehensive loss	其他全面虧損總額	—	(768)	—	(768)
Total comprehensive loss	全面虧損總額	—	(768)	(37,983)	(38,751)
Transactions with owners	與擁有人進行之交易				
Employees share option scheme	僱員購股權計劃				
— Exercise of share options	— 行使購股權	1,334	3,949	—	5,283
Total transactions with owners, recognised directly in equity	與擁有人進行之交易總額， 直接於權益確認	1,334	3,949	—	5,283
Balance at 31 December 2015	於二零一五年十二月三十一日結餘	81,804	205,901	(7,077)	280,628

The notes on pages 70 to 132 are an integral part of these consolidated financial statements.

第70頁至第132頁之附註乃此綜合財務報表一部份。

Consolidated Statement of Changes in Equity 綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔			
		Share capital 股本	Other reserves 其他儲備 (Note 26) (附註26)	Accumulated losses 累計虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2016	於二零一六年一月一日結餘	81,804	205,901	(7,077)	280,628
Comprehensive loss	全面虧損				
Loss for the year	年度虧損	—	—	(49,719)	(49,719)
Other comprehensive income/(loss)	其他全面收入/(虧損)				
Fair value gain, net of tax:	公允值收益，扣除稅項：				
— properties, plant and equipment	— 物業、廠房及設備	—	502	—	502
Currency translation differences	匯兌差額	—	(3,218)	—	(3,218)
Total other comprehensive loss	其他全面虧損總額	—	(2,716)	—	(2,716)
Total comprehensive loss	全面虧損總額	—	(2,716)	(49,719)	(52,435)
Balance at 31 December 2016	於二零一六年十二月三十一日結餘	81,804	203,185	(56,796)	228,193

The notes on pages 70 to 132 are an integral part of these consolidated financial statements.

第70頁至第132頁之附註乃此綜合財務報表一部份。

Consolidated Cash Flow Statement 綜合現金流轉表

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

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流轉			
Net cash used in operations	經營所用之現金	27	(38,744)	(35,423)
Net cash used in operating activities	經營活動所用現金淨額		(38,744)	(35,423)
Cash flows from investing activities	投資活動之現金流轉			
Decrease in bank deposits	減少銀行存款		—	7,949
Purchase of properties, plant and equipment	購置物業、廠房及設備		(3,685)	(1,879)
Proceeds from disposal of properties, plant and equipment	出售物資、廠房及設備所得款項		11	224
Investment in a joint venture	於一間合營企業之投資		(25,581)	—
Interest received	已收利息		108	560
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額		(29,147)	6,854
Cash flows from financing activity	融資活動之現金流轉			
Proceeds from exercise of share options	行使購股權所得款項		—	5,283
Net cash generated from financing activity	融資活動產生現金淨額		—	5,283
Net decrease in cash and cash equivalents	現金及現金等值項目之淨減少		(67,891)	(23,286)
Cash and cash equivalents at beginning of the year	年初現金及現金等值項目		88,378	110,625
Exchange gains on cash and cash equivalents	現金及現金等值項目之匯兌收益		1,047	1,039
Cash and cash equivalents at end of the year	年終現金及現金等值項目		21,534	88,378

The notes on pages 70 to 132 are an integral part of these consolidated financial statements.

第70頁至第132頁之附註乃此綜合財務報表一部份。

Notes to the Financial Statements 財務報表附註

1 GENERAL INFORMATION

Carry Wealth Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) manufacture and trade garment products and engage in securities investment. The Group has production facilities in Mainland China.

The Company is a limited liability company incorporated in Bermuda and is listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

These consolidated financial statements are presented in units of Hong Kong dollars (“HK\$”), unless otherwise stated.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of preparation and the principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings (Note 2.5 and 14) and financial assets at fair value through profit or loss (Notes 2.8 and 20), which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

1 一般資料

恒富控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」)生產及買賣成衣產品以及從事證券投資。本集團於中國大陸有生產設施。

本公司是一間於百慕達註冊成立的有限公司，並於香港聯合交易所有限公司上市。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

除另有說明外，此等綜合財務報表均以港元為呈列單位。

2 編製基準及主要會計政策概要

編製此等綜合財務報表所採納之編製基準及主要會計政策載於下文。除另有說明外，此等政策已於所有呈報年度貫徹應用。

2.1 編製基準

本集團之綜合財務報表乃按照所有適用之香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章之要求而編製。有關綜合財務報表乃根據歷史成本法而編製，並就重估之樓宇(附註2.5及14)及按公允值計入損益賬之金融資產(按公允值列賬)(附註2.8及20)而予以修訂。

編製符合香港財務報告準則之財務報表時須作出若干關鍵會計估算。同時，在應用本集團會計政策之過程中，需要管理層行使其判斷。涉及須作出更多判斷或更複雜之範疇，或對綜合財務報表而言屬重大之假設及估計之範疇於附註4中披露。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

- Amendment to HKAS 1, “Disclosure initiative”
- Amendments to HKAS 16 and HKAS 38, “Clarification of acceptable methods of depreciation and amortisation”
- Amendments to HKAS 16 and HKAS 41, “Agriculture: bearer plants”
- Amendment to HKAS 27, “Equity method in separate financial statements”
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28, “Investment entities: applying the consolidation exception”
- Amendment to HKFRS 11, “Accounting for acquisitions of interests in joint operations”
- HKFRS 14, “Regulatory deferral accounts”
- Annual Improvement Project, “Annual improvements 2014”

The adoption of these amendments did not have any impact on the current year or any prior period.

2 編製基準及主要會計政策概要 (續)

2.1 編製基準(續)

2.1.1 會計政策及披露之變動

(a) 本集團已採納之新訂及經修訂準則

本集團於二零一六年一月一日開始或之後的財政年度首次採納了以下經修訂之準則：

- 香港會計準則第1號「披露計劃」之修訂
- 香港會計準則第16號及香港會計準則第38號「澄清可接納之折舊及攤銷方式」之修訂
- 香港會計準則第16號及香港會計準則第41號「農業：結果實的植物」之修訂
- 香港會計準則第27號「獨立財務報表中使用權益法」之修訂
- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號「投資實體：應用綜合入賬之例外情況」之修訂
- 香港財務報告準則第11號「收購共同經營權益之會計法」之修訂
- 香港財務報告準則第14號「監管遞延賬戶」
- 年度改進項目「二零一四年年度改進」

採納該等修訂不會對本年度或以前任何期間產生任何影響。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted

- Amendment to HKAS 7, "Statement of cash flows"¹
- Amendment to HKAS 12, "Income taxes"¹
- Amendments to HKFRS 2, "Classification and measurement of share-based payment transactions"²
- HKFRS 9, "Financial instruments"²
- Amendments to HKFRS 10 and HKAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"⁴
- HKFRS 15, "Revenue from contracts with customers"²
- HKFRS 16, "Leases"³

¹ effective for annual period beginning on or after 1 January 2017

² effective for annual period beginning on or after 1 January 2018

³ effective for annual period beginning on or after 1 January 2019

⁴ to be determined

The Group is in the process of making an assessment of the impact of adoption of the above new and amended standards but is not yet in a position to state whether they would have a significant impact on its results of operation and financial position.

2 編製基準及主要會計政策概要 (續)

2.1 編製基準(續)

2.1.1會計政策及披露之變動(續)

(b) 已頒布但於二零一六年一月一日開始之財政年度尚未生效，且並無提前採納之新訂及經修訂準則

- 香港會計準則第7號「現金流轉報告」之修訂¹
- 香港會計準則第12號「所得稅」之修訂¹
- 香港財務報告準則第2號「分類及計量以股份為基礎的付款交易」之修訂²
- 香港財務報告準則第9號「金融工具」²
- 香港財務報告準則第10號及香港會計準則第28號「關於投資者與其聯營公司或合營企業之資產出售或出資」之修訂⁴
- 香港財務報告準則第15號「來自客戶合約之收益」²
- 香港財務報告準則第16號「租賃」³

¹ 於二零一七年一月一日或之後開始之年度期間生效

² 於二零一八年一月一日或之後開始之年度期間生效

³ 於二零一九年一月一日或之後開始之年度期間生效

⁴ 有待確定

本集團現正評估採納上述新訂及經修訂準則之影響，但尚未能確定該等新訂及經修訂準則會否對其營運業績及財務狀況產生重大影響。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the aggregate fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2 編製基準及主要會計政策概要 (續)

2.2 附屬公司

2.2.1 綜合賬目

附屬公司為本集團可對其行使控制權之實體(包括結構實體)。當本集團從參與某實體之業務獲得或有權獲得可變回報，及有能力藉對實體行使其權力而影響其回報，則本集團控制該實體。自控制權轉移到本集團之日期開始附屬公司被合併，並於本集團失去控制權之日時終止合併。

(a) 業務合併

本集團應用收購法為業務合併列賬。收購附屬公司之轉讓代價為向被收購公司之前擁有人轉讓之資產、產生之負債及本集團所發行股本權益之總公允值。轉讓代價包括由或然代價安排產生之任何資產或負債之公允值。在業務合併中所收購可識辨之資產以及所承擔之負債及或然負債，首先以於收購日之公允值計量。

本集團根據逐項收購為基準，確認任何於被收購公司之非控制性權益。被收購公司的非控制性權益為現時擁有權權益，並賦予其持有人於清盤時按比例分佔該實體資產淨值，可按公允值或現時擁有權權益佔被收購公司可識辨之資產淨值已確認金額之比例計量。所有非控制性權益其他部份按其於收購日期之公允值計量，惟香港財務報告準則規定須按其他計量基準除外。

收購相關成本於產生時列為開支。

倘若業務合併分階段進行，收購公司過往於被收購公司持有之股本權益於收購日期之賬面值，按收購日期的公允值重新計量。該重新計量產生之任何盈虧乃於損益賬確認。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 編製基準及主要會計政策概要 (續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(a) 業務合併(續)

本集團就將轉讓之任何或然代價按收購日期之公允值確認。其後或然代價公允值之變動被視為資產或負債會按照香港會計準則第39號於損益賬或作為其他全面收入之變動予以確認。分類為權益之或然代價不予重新計量，而其後之結算於權益內入賬。

所轉讓代價、於被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公允值之總額高於所收購可識別資產淨值之公允值時，其差額以商譽列賬。就議價購買而言，如所轉讓代價、已確認之非控股權益與先前持有之已計量權益之總額低於所收購附屬公司資產淨值之公允值，其差額將直接於收入報表確認。

集團內公司間之交易、集團公司之結餘及交易之未變現收益均予以對銷。未變現虧損亦予以對銷。附屬公司列報之金額已在需要時作出調整，以符合本集團之會計政策。

(b) 不涉及控制權變動之於附屬公司擁有權權益變動

對於無導致失去控制權之涉及非控制性權益之交易在權益交易入賬，即附屬公司之擁有人以其擁有人身份進行之交易。所支付之任何代價之公允值與所收購附屬公司淨資產有關份額之賬面值兩者之差額乃於權益記賬。向非控制性權益出售之盈虧亦於權益記賬。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

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

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

2 編製基準及主要會計政策概要 (續)

2.2 附屬公司(續)

2.2.1 綜合賬目(續)

(c) 出售附屬公司

倘本集團不再擁有控制權，其於該實體之任何保留權益按其失去控制權當日之公允值重新計量，而賬面值變動則於損益賬確認。就保留權益隨後入賬而言，此公允值即初步賬面值。此外，先前於其他全面收入內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收入內確認之金額重新分類至損益賬。

2.2.2 獨立財務報表

本公司於附屬公司之投資乃按成本扣除減值後入賬。成本包括因投資直接應佔之成本。附屬公司之業績乃由本公司按已收和應收股息入賬。

倘若收取有關投資股息時股息超出附屬公司於宣派股息期間之全面收入總額，或倘若獨立財務報表所示之投資賬面值超出綜合財務報表所示被投資公司淨資產(包括商譽)之賬面值，則須就於附屬公司之投資進行減值測試。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.3 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified collectively as the board of directors that makes strategic decisions.

2 編製基準及主要會計政策概要 (續)

2.2 附屬公司(續)

2.2.3 合營安排

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本集團已評估其合營安排的性質並釐定此等為合營企業。合營企業按權益法入帳。

根據權益法，合營企業權益初步以成本確認，其後經調整以確認本集團應佔收購後溢利或虧損以及其他全面收入變動的份額。本集團於合營企業的投資包括在收購時已辨認的商譽。在收購合營企業的所有者權益時，收購合營企業之成本與本集團應佔合營企業可辨認資產和負債的公允值淨額的差額確認為商譽。當本集團應佔一間合營企業的虧損超過或相等於在該合營企業的權益(包括任何其他無抵押應收款)，則本集團不確認進一步虧損，除非本集團已產生義務或已代合營企業付款。

本集團與其合營企業之間的未變現交易收益按本集團在該等合營企業的權益予以對消。未變現虧損也予以對消，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策如有需要已改變以符合本集團已採納的政策。

2.3 分部報告

營運分部以與提供予主要營運決策者的內部報告相同的方式報告。主要營運決策者被識辨為董事會，負責分配營運分部的資源及評估分部表現，並作出策略性決定。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss.

All foreign exchange gains and losses are presented in the consolidated income statement within "administrative expenses".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates; and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

2 編製基準及主要會計政策概要 (續)

2.4 外幣匯兌

(a) 功能及呈列貨幣

本集團各實體之財務報表所列之項目，乃按該實體經營所在地之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，而港元為本公司之功能及本集團之呈列貨幣。

(b) 交易及結餘

外幣交易按交易或項目重新估值當日之匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在綜合損益賬確認。

所有匯兌盈虧乃於綜合收入報表之「行政開支」呈列。

非貨幣性金融資產及負債（例如按公允值計入損益賬之權益）之折算差額於損益賬確認為公允值收益或虧損之一部份。非貨幣性金融資產（如分類為可供出售之權益）之折算差額乃計入其他全面收入。

(c) 集團公司

集團旗下所有公司（當中並無持有高通脹經濟體系之貨幣）之功能貨幣倘有別於呈列貨幣，其業績及財務狀況須按如下方式兌換為呈列貨幣：

- (i) 每份呈報的資產負債表所列資產及負債按資產負債表結算日之收市匯率換算；
- (ii) 每份綜合收入報表所列收入及開支按平均匯率換算；及
- (iii) 所有由此而產生之匯兌差額均於其他全面收入確認。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.5 Properties, plant and equipment

Buildings, comprising mainly factories and offices, are shown at fair value, as determined by directors based on valuations by external independent valuers which are performed on an annual basis, less subsequent depreciation for land and buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of buildings are credited to the fixed asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fixed asset revaluation reserve through other comprehensive income and all other decreases are expensed in the consolidated income statement.

Properties, plant and equipment are depreciated at rates sufficient to write off their cost or valuation to their residual values over their estimated useful lives on a straight-line basis. The principal annual rates are as follow:

Buildings	Lower of 5% or estimated useful life
Leasehold improvements	Shorter of lease term or estimated useful life
Plant and machinery	10% to 40%
Furniture, office equipment and motor vehicles	10% to 40%

2 編製基準及主要會計政策概要 (續)

2.4 外幣匯兌 (續)

(c) 集團公司 (續)

收購海外實體時產生之商譽及公允價值調整乃作為該海外實體之資產及負債處理，並按收市匯率換算。產生之匯兌差額於其他全面收入內確認。

2.5 物業、廠房及設備

樓宇主要包括工廠及辦公室，並由董事根據外聘獨立估值師之年度估值以公允價值列賬減土地及樓宇之其後折舊。於重估日期之任何累計折舊，與資產賬面總值對銷，而淨額則重列至資產的重估金額。所有其他廠房及設備，乃按歷史成本減累計折舊及減值虧損列賬。

歷史成本包括收購該項目直接產生之開支。其後成本只有在與該項目相關之未來經濟利益有可能流入本集團而該項目之成本能可靠計算時，才能包括在資產之賬面值或確認為獨立資產(如合適)。所有其他維修及保養費用，於其產生之財務年度於綜合收入報表扣除。

樓宇重估之賬面值增值部份乃計入權益中之固定資產重估儲備。用以抵銷同一項資產以往增值之減值乃透過其他全面收入扣減權益中之固定資產重估儲備，所有其餘減值則於綜合收入報表支銷。

物業、廠房及設備折舊率需足以按直線法根據該等資產之估計可使用年期撇銷其成本或估值至其餘值。主要年率如下：

樓宇	5%或估計可使用年期(以較短者為準)
租賃裝修	租期或估計可使用年期(以較短者為準)
廠房及機器	10%至40%
傢俬、辦公室設備及汽車	10%至40%

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Properties, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other losses" in the consolidated income statement.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings through other comprehensive income.

2.6 Land use rights

The up-front prepayments made for leasehold land interests recognised as operating leases and land use rights are expensed in the consolidated income statement on a straight-line basis over the periods of the lease or the land use right. When there is impairment, the impairment is expensed in the consolidated income statement.

2.7 Impairment of investments in subsidiaries and a joint venture and other long-term non-financial assets

Assets that have an indefinite useful life, for example, goodwill – are not subject to amortisation and are tested annually for impairment. In addition, all assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each subsequent reporting date.

2 編製基準及主要會計政策概要 (續)

2.5 物業、廠房及設備(續)

於每個報告期末，本集團會審閱資產餘值及可使用年期，並作出調整(如合適)。

若資產之賬面值大於其估計可收回價值，該資產之賬面值須即時撇減至其可收回價值。

出售盈虧乃透過將所得款項與賬面值比較而釐定，並在綜合收入報表之「其他虧損」內確認。

倘若出售重估資產，計入其他儲備之金額將透過其他全面收入轉撥至保留盈利。

2.6 土地使用權

就確認為經營租賃之租賃土地權益及土地使用權支付之一次性預付款項於租賃或土地使用權期內以直線法在綜合收入報表內列作支出。倘出現減值，則減值於綜合收入報表內列作支出。

2.7 於附屬公司及一間合營企業及其他長期非金融資產之投資減值

沒有確定可使用年期之資產如商譽無需作攤銷，但需進行年度減值測試。此外，所有資產在出現顯示可能不能收回賬面值之情況或變化時，須作減值檢討。倘資產之賬面值超出其可收回款額，超出之款項將作減值虧損確認。可收回款額為資產公允值減出售成本或使用價值之較高者。

就評估減值而言，資產按可分開識別現金流量之最低級別(現金產生單位)分組。倘商譽以外之非金融資產已減值，須於每個隨後的報告日期審查其可能出現之減值撥回。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period which are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" (excluding prepayments) and "cash and cash equivalent" in the consolidated balance sheet (Notes 2.12 and 2.13).

2 編製基準及主要會計政策概要 (續)

2.8 金融資產

2.8.1 分類

本集團將其金融資產分類為以下類別：按公允值計入損益賬以及貸款及應收款項。分類視乎購入金融資產之目的而定。管理層會於初步確認時釐定其金融資產分類並於每個報告日期重新評估此分類。

(a) 按公允值計入損益賬之金融資產

按公允值計入損益賬之金融資產為持作買賣之金融資產。倘收購的主要目的為於短期內出售，則該金融資產會撥歸此類別。衍生工具亦分類為持作買賣類別，除非其指定作對沖用途，則作別論。倘該類別資產預期將於十二個月內結算，則分類為流動資產；否則該類別資產將分類為非流動資產。

(b) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款額而並非於活躍市場報價之非衍生金融資產。除於報告期末後超過十二個月結算之金額分類為非流動資產外，貸款及應收款項列入流動資產。本集團之貸款及應收款項包括綜合資產負債表內之「貿易及其他應收款項」（不包括預付款項）及「現金及現金等值項目」（附註2.12及2.13）。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

2.8.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the investments held for trading classified as “financial assets at fair value through profit or loss”, including net gains/(losses) on disposal and remeasurement at fair value, are recognised in the consolidated income statement within “Revenue”. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of “Revenue” when the Group’s right to receive payments is established.

2.9 Offsetting financial instruments

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

2 編製基準及主要會計政策概要 (續)

2.8 金融資產(續)

2.8.2 確認及計量

金融資產之正常買賣於交易日(即本集團承諾購買或出售資產當日)確認。對於並非按公允值計入損益賬之所有金融資產，投資初步按公允值加交易成本確認。按公允值計入損益賬之金融資產乃初步以公允值確認，而交易成本則於綜合收入報表列支。當從投資收取現金流轉之權利屆滿或轉移及本集團大致轉移其擁有權之一切風險及回報時，金融資產即終止確認。按公允值計入損益賬之金融資產其後按公允值列賬。貸款及應收款項其後以實際利率方法按攤銷成本列賬。

因分類為「按公允值計入損益賬之金融資產」持作買賣之投資的公允值變動而產生之盈虧，包括按公允值出售及重新計量而產生的收益／(虧損)淨額，均於綜合收入報表之「收益」中予以確認。於本集團收取股息之權利確立時，來自按公允值計入損益賬之金融資產之股息收入於綜合收入報表確認為「收益」之一部份。

2.9 抵銷金融工具

當具有可合法強制執行之權利將已確認金額、且有意按淨額基準結算或同時變現資產及結算負債時，金融資產及負債予以抵銷，並於資產負債表以淨額報告。法定可執行權利不得取決於未來事件而定，及在一般業務過程中以及倘公司或對手方一方一旦出現違約、無償債能力或破產時，均可予以強制執行。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors 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 where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables, the amount of the loss 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) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 編製基準及主要會計政策概要 (續)

2.10 金融資產減值

按攤銷成本列賬之資產

本集團於每個報告期末評估金融資產或一組金融資產有否任何客觀證據顯示減值跡象。倘有客觀證據，證明於首次確認資產後發生一項或多項事件（「損失事件」），而該項（或該等）損失事件對金融資產或一組金融資產之估計未來現金流轉產生之影響能可靠估計，則金融資產或一組金融資產方會減值及產生減值虧損。

減值證據可包括下列跡象：多名或一組債務人面對重大財務困難，違約或拖欠利息或本金，彼等可能破產或進行其他財務重組，且有可觀察數據顯示估計未來現金流轉的減幅可計量，例如與違約相關的欠款或經濟狀況變動。

就貸款及應收款項而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現之估計未來現金流轉（不包括仍未產生之未來信貸虧損）現值兩者的差額計量。資產賬面值予以削減，而虧損金額則在綜合收入報表確認。倘若一項貸款或持有至到期投資有浮動利率，計量任何減值虧損之貼現率為按合約釐定之當前實際利率。在實際應用中，本集團可利用可觀察市場價格，按工具之公允價值計量減值。

倘若減值虧損數額於往後期間減少，而此減少可客觀地涉及確認減值後發生之事件（例如債務人之信用評級改善），則之前已確認之減值虧損可在綜合收入報表撥回。

2.11 存貨

存貨乃按成本或可變現淨值（取較低者）列賬。成本乃按先入先出（先入先出）法釐定。製成品及半製成品之成本包括設計成本、原材料、直接勞工、其他直接成本及相關生產費用（依據正常營運能力）。其不包括貸款成本。可變現淨值為於日常業務過程中之估計銷售價減適用之變動銷售開支。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.13 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with bank and other short-term highly liquid investments with original maturities of three months or less.

Deposits held at call with bank with original maturities of three months or more are classified as "bank deposits".

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 編製基準及主要會計政策概要 (續)

2.12 貿易及其他應收款項

貿易應收款項指就於日常業務過程中出售貨品或履行服務而應收客戶之款項。預期於一年或以內(或於正常業務經營週期(如較長))收回之貿易及其他應收款項分類為流動資產，否則其呈列為非流動資產。

貿易及其他應收款項初步按公允值確認，其後以實際利率方法按攤銷成本計算，並扣除減值撥備。

2.13 現金及現金等值項目

於綜合現金流轉表內，現金及現金等值項目包括手頭現金、可隨時提取之銀行存款及其他原到期日為三個月或以內之短期高流動性投資。

原到期日為三個月或以上之可隨時提取之銀行存款乃分類為「銀行存款」。

2.14 股本

普通股被分類為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款項的減少(扣除稅項)。

2.15 貿易及其他應付款項

貿易及其他應付款項指就於日常業務過程中購買貨品或服務而產生付款予供應商之責任。於一年或以內(或於正常業務經營週期(如較長))到期之款項分類為流動負債，否則其呈列為非流動負債。

貿易及其他應付款項初步按公允值確認，其後以實際利率方法按攤銷成本計算。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 編製基準及主要會計政策概要 (續)

2.16 當期及遞延所得稅

期內稅項開支包括當期及遞延稅項。稅項乃於綜合收入報表確認，惟與於其他全面收入或直接於權益確認之項目有關者除外。於此情況下，稅項亦分別於其他全面收入或直接於權益確認。

(a) 當期所得稅

當期所得稅開支根據本公司之附屬公司營運及產生應課稅收入之國家於結算日已頒布或實質頒布之稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

內在差異

遞延所得稅以負債法，就資產及負債之稅基與其於綜合財務報表內之賬面值所產生之暫時差額確認。然而，倘遞延所得稅負債來自對商譽的初步確認，以及若遞延所得稅在交易(不包括業務合併)中初步確認資產或負債，而在交易時不影響會計損益或應課稅損益，則不作記賬。遞延所得稅乃按結算日已頒布或實質頒布，及預期於相關遞延所得稅資產變現或遞延所得稅負債結清時適用之稅率(及法例)釐定。

遞延所得稅資產僅於將來可能出現足以抵銷該等暫時差額之應課稅溢利時予以確認。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 編製基準及主要會計政策概要 (續)

2.16 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

外在差異

遞延所得稅就投資於附屬公司產生之暫時差額而撥備，但假若本集團可以控制暫時差額撥回遞延所得稅負債之時間，及暫時差額在可預見將來可能不會撥回則除外。

遞延所得稅資產就於附屬公司投資所產生之可扣減暫時差額予以確認，惟僅於暫時差額可能將於日後撥回，且有充足之應課稅溢利抵銷該等暫時差額時方會確認。

(c) 抵銷

倘具有可合法強制執行之權利，將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產與負債涉及由同一稅務機關對應課稅實體或不同應課稅實體(有意以淨額基準清償結餘者)徵收之所得稅時，則可將遞延所得稅資產與負債互相抵銷。

2.17 僱員福利

(i) 僱員休假權益

僱員在年假之權益乃於年假應計予僱員時予以確認。已就僱員截至結算日止已提供之服務撥出年假估計負債之準備。

僱員之病假及產假權益於休假時方予確認。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Employee benefits (Continued)

(ii) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability, sales growth targets) and non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 編製基準及主要會計政策概要 (續)

2.17 僱員福利(續)

(ii) 退休金責任

定額供款計劃為本集團向一個獨立實體支付固定供款之一個退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務支付福利，則本集團亦無法定或推定責任作出進一步供款。

就定額供款計劃而言，本集團可按照強制、合約或自願基準向公共或私人管理退休金計劃繳付供款。支付供款後，本集團再無進一步之支付責任。供款乃於到期時確認為僱員福利開支。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

(iii) 以股份為基礎之報酬

本集團運作一項以權益結算、以股份為基礎之報酬計劃，以本集團之權益工具(購股權)作為實體取得僱員服務之代價。就授出購股權所換取僱員服務之公允值確認為支出。須列作支出之總額乃參考所授予購股權之公允值釐定，惟不計及任何非市場歸屬條件(如盈利能力、銷售增長目標)及非歸屬條件之影響。假設預期歸屬之購股權數目時，須考慮非市場歸屬條件。總開支乃於歸屬期間(即所有指定歸屬條件達成之期間)確認。於每個報告期末，實體修訂預期按非市場歸屬條件歸屬之購股權預計數目，修訂原先估計之影響(如有)於綜合收入報表確認並於權益作相應調整。

已收所得款項減任何直接相關交易成本乃於購股權獲行使時計入股本(按面值)及股份溢價。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Employee benefits (Continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for the future operating losses.

2.19 Revenue and other income

Revenue from the sales of goods is the fair value of the consideration received or receivable for the sales of goods in the ordinary course of the Group's activities. It is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when shipment is made. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Processing income is recognised when services are rendered.

Net gains/(losses) from security trading arise from the disposal and remeasurement of financial instruments at fair value through profit or loss and is included in "Revenue". All transactions related to securities trading are recorded in the consolidated financial statements based on trade dates. Accordingly, only those trade dates falling within the accounting year have been taken into account.

Dividend income is recognised when the rights to receive payment is established.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and using the effective interest method.

2 編製基準及主要會計政策概要 (續)

2.17 僱員福利(續)

(iv) 離職福利

離職福利在本集團於正常退休日期前終止僱用或當僱員接受自願遣散以換取此等福利時應予支付。本集團於以下日期(以較早者為準)確認離職福利：(a)於本集團不能取消提供該等福利時；及(b)實體確認任何有關重組成本(在香港會計準則第37號之範圍內)並涉及支付離職福利款項時。在提出要約以鼓勵自願離職之情況下，離職福利乃根據預期接受要約之僱員人數計量。在報告期末後超過十二個月到期支付之福利應貼現為現值。

2.18 撥備

倘本集團需就過去事件承擔現有法律或推定責任而很可能導致資源流出企業以抵償責任，而有關金額能可靠地估計時，則確認有關撥備。並無就日後經營虧損確認撥備。

2.19 收益及其他收入

出售貨品之收益指本集團日常業務活動過程中就出售貨品之已收或應收代價之公允值。其於擁有權之風險及回報轉移時確認，一般與付運時同時發生。收益於扣除增值稅、退貨、回佣及折扣並抵銷本集團內銷售額後列示。

加工收入於服務提供時確認。

證券買賣之收益／(虧損)淨額乃來自按公允值計入損益賬之金融工具出售及重新計量，並計入「收益」中。所有與證券買賣有關之交易按交易日期記錄於綜合財務報表。因此，僅於會計年度內之交易日計入該等交易。

股息收入乃於可收取股息之權利確認時入賬。

利息收入按時間比例確認，並計及未清還本金額及使用實際利率方法計算。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Leases (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the consolidated income statement on a straight-line basis over the lease period.

2.21 Related parties

A related party is a person or entity that is related to the Group.

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Company or its parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) Both entities are joint ventures of the same third party.
 - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (6) The entity is controlled or jointly controlled by a person identified in (i).
 - (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management person.

2 編製基準及主要會計政策概要 (續)

2.20 租賃(作為承租人)

擁有權之大部份風險及回報由出租人保留之租賃，均歸類為經營租賃。根據經營租賃支付之款項在扣除出租人所給予之任何優惠後，於租賃期內以直線法在綜合收入報表中扣除。

2.21 關連方

關連方為與本集團有關連之個人或實體。

- (i) 尚屬以下人士，則該人士或該人士之近親與本集團有關連：
 - (1) 控制或共同控制本集團；
 - (2) 對本集團有重大影響力；或
 - (3) 為本公司或其母公司之主要管理層成員。
- (ii) 尚符合下列任何條件，則該實體與本集團有關連：
 - (1) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (2) 一間實體為另一實體之聯營公司或合營公司(或另一實體為集團旗下成員公司之聯營公司或合營公司之成員公司)。
 - (3) 兩間實體均為同一第三方之合營公司。
 - (4) 一間實體為第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。
 - (5) 實體為報告實體或與報告實體有關連之實體就僱員利益設立之離職福利計劃。倘報告實體本身屬有關計劃，提供資助之僱主亦與報告實體有關連。
 - (6) 實體受(i)內所識別人士控制或共同控制。
 - (7) (i)(1)內所識別人士對實體有重大影響力或屬該實體之主要管理層成員。

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's financial statements in the year in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and has factories and offices in Hong Kong and Mainland China. Operating expenses of the Group are primarily denominated in HK\$ and Chinese Renminbi ("Renminbi") whereas the Group's revenue from sale of goods are principally denominated in United States dollar ("US\$"). Thus, the Group is exposed to foreign exchange risk arising from the translation of Renminbi to HK\$.

In the opinion of the directors, the HK\$ is reasonably stable against the US\$ under the Linked Exchange Rate System, and accordingly, no sensitivity analysis with respect to the US\$ is performed.

The Group has foreign operations, whose net assets expose the Group to foreign currency translation risks.

For the operations in Mainland China, majority of the transactions were denominated in Renminbi. The conversion of Renminbi into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The exchange rate of Renminbi has devalued over the year. No financial instrument was used for hedging purposes for the year. The Group is closely monitoring the currencies exchange risk of Renminbi and is looking for any opportunities to mitigate the currency exchange risk of Renminbi.

2 編製基準及主要會計政策概要 (續)

2.22 股息分派

分派予本公司權益持有人之股息於本公司股東批准之年度於本集團財務報表中確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團活動面臨各種財務風險：市場風險（包括外匯風險、價格風險及利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃集中於金融市場不可預測之特性，並尋求盡量減低對本集團財務表現之潛在不利影響。

(a) 市場風險

(i) 外匯風險

本集團業務遍佈全球，於香港及中國大陸均有廠房及辦事處。本集團之經營開支主要以港元及人民幣（「人民幣」）列值，而本集團之銷售則主要以美元（「美元」）列值。因此，本集團面對人民幣兌港元所產生之外匯風險。

董事認為，根據聯繫匯率制度，港元兌美元相對穩定，因此並無就美元進行敏感度分析。

本集團擁有海外業務，該等業務之資產淨值承受外幣匯兌風險。

在中國大陸的業務，大部分交易以人民幣列值。人民幣兌換為外幣需遵守中國政府頒布的外匯管制條例。人民幣匯率於一年下來已貶值。於本年度並無採用金融工具作對沖目的。本集團正密切監察人民幣的貨幣兌換風險，並尋求任何機會以減輕的人民幣貨幣兌換風險。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2016, if HK\$ had strengthened/weakened by 5% (2015: 5%) against Renminbi with all other variables held constant, the Group's net assets at the year end and loss for the year would have been HK\$3,404,000/HK\$3,404,000 (2015: HK\$3,015,000/HK\$3,015,000) lower/higher, respectively, mainly as a result of foreign currency translation differences on translation of the foreign operation in Mainland China.

Management closely monitors the fluctuations of these and other currencies and may consider entering into foreign forward exchange contracts from time to time so as to better manage these foreign exchange exposures, when required.

(ii) Price risk

The Group is exposed to equity securities price risk because of equity investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit or loss (Note 20). The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio, in accordance with the limits set by the Group.

The Group's equity investments for trading purpose are publicly traded or quoted in Hong Kong.

At 31 December 2016, if the listed price, quoted price or fair value of each equity investment classified as financial assets at fair value through profit or loss had appreciated/depreciated by 10%, with all other variables held constant, the Group's loss for the year would have been HK\$10,824,000 lower/higher (2015: HK\$12,164,000 lower/higher), mainly as a result of unrealised gains/losses on equity securities classified as financial assets at fair value through profit or loss.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零一六年十二月三十一日，若港元兌人民幣升值／貶值5%（二零一五年：5%），而所有其他可變因素保持不變，則本集團於年終之資產淨值將分別減少／增加3,404,000港元／3,404,000港元（二零一五年：3,015,000港元／3,015,000港元），此乃主要由於換算中國大陸海外業務而產生之外匯差額所致。

管理層會不時密切監察此等及其他貨幣之匯率波動情況，並會在需要時考慮訂立遠期外匯合約以減低外匯風險。

(ii) 價格風險

因本集團持有於綜合資產負債表分類為按公允值計入損益賬之金融資產（附註20）之股本投資，因而面對股本證券價格風險。本集團並無商品價格風險。為管理自股本證券投資產生之價格風險，本集團根據本集團所設之限制分散其組合。

本集團作買賣用途之股本投資於香港作公開買賣或報價。

於二零一六年十二月三十一日，倘每種被分類為按公允值計入損益賬之金融資產之股本投資之牌價、報價或公允值增值／貶值10%，而所有其他變數保持不變，本集團之年度虧損將減少／增加10,824,000港元（二零一五年：減少／增加12,164,000港元），主要由於分類為按公允值計入損益賬之金融資產之股本證券之未變現收益／虧損。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Interest rate risk

As at 31 December 2016, the Group does not has floating rate interest-bearing bank deposits. At 31 December 2015, the Group has floating rate interest-bearing bank deposits and the management considered that the impact of movements in the interest rates would be insignificant to the loss for the year.

(b) Credit risk

Credit risk of the Group mainly arises from cash and cash equivalents and security investments with banks and financial institutions, as well as credit exposures to customers such as trade receivables. The carrying amount of these balances in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets.

The Group's bank deposits are placed with banks and financial institutions which are highly reputable with multinational presences. Investment transactions are executed with financial institutions with sound credit ratings and the Group do not expect any significant counterparty risk. Management does not expect any losses from non-performance by these banks and financial institutions as they have no default history in the past.

Debtors of the Group may be affected by the unfavorable economic conditions and the lower liquidity situation, which could in turn impact their ability to repay the amounts owed. Deteriorating operating conditions for debtors may also have an impact on management's cash flow forecasts and assessment of the impairment of receivables. To the extent that information is available, management has properly reflected revised estimate of expected future cash flows in their impairment assessments.

The credit quality of the customers is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure that sales of products are made to customers with appropriate credit histories.

As at 31 December 2016, the Group had a concentration of credit risk given that the top 5 customers accounted for 99% (2015: 99%) of the Group's total year end trade receivable balance. However, the Group does not consider that the credit risk in relation to these customers is significant because these customers are financially healthy and have no history of default in recent years.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 利率風險

於二零一六年十二月三十一日，本集團並沒有按浮動利率計息之銀行存款。於二零一五年十二月三十一日，本集團持有按浮動利率計息之銀行存款而管理層認為利率變動對當年虧損之影響並不重大。

(b) 信貸風險

本集團之信貸風險主要來自現金及現金等值項目及金融機構之存款及證券投資以及向客戶提供之信貸，包括貿易應收款項。此等於綜合資產負債表內之款項之賬面值乃本集團有關金融資產之最高信貸風險。

本集團之銀行存款存於知名跨國銀行及金融機構。證券交易乃由信貸評級良好之金融機構執行，本集團不預期有任何重大交易對手風險。管理層並不預期會因該等銀行及金融機構不能履行合約而產生任何虧損，此乃由於彼等於過往並無違約記錄。

本集團之債務人可能因不利經濟狀況及流動資金緊絀而受到影響，繼而影響彼等償還欠款之能力。債務人之經營環境惡化，亦可能影響管理層對現金流轉之預測及對應收款項減值之評估。在管理層能夠掌握資料之情況下，其減值評估已適當反映對預期未來現金流轉之修訂估計。

客戶之信貸質素乃根據彼等之財務狀況、過往經驗及其他因素而作出評估。本集團之政策確保將產品售予具備良好信貸記錄之客戶。

於二零一六年十二月三十一日，本集團之信貸風險集中，此乃由於五名最大客戶佔本集團年結日貿易應收款項結餘總額達99%（二零一五年：99%）。然而，本集團不認為此等客戶存在重大信貸風險，此乃由於此等客戶財政穩健，且近年並無違約記錄。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables is good and management is of the opinion that provision for uncollectible receivables is not necessary as at 31 December 2016 and 2015.

(c) Liquidity risk

The Group meets its day to day working capital requirements, capital expenditure and financial obligations through cash inflow from operating activities and issue of new shares.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Within 1 year
	一年內
	HK\$'000
	千港元
Trade and other payables, at 31 December 2016	29,450
Trade and other payables, at 31 December 2015	24,832

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團向其客戶進行定期信貸檢討。本集團過往收回貿易及其他應收款項之經驗不俗，而於二零一六年及二零一五年十二月三十一日，管理層認為無須就未收回之應收款項作出撥備。

(c) 流動資金風險

本集團透過經營活動之現金流入額及發行新股應付日常營運資金所需、資本開支及財務責任。

下表分析本集團之金融負債，根據由結算日至合約到期日之剩餘期間按照相關之到期組別進行分析。下表披露之金額為合約未貼現現金流轉。由於貼現之影響不大，故此在十二個月內到期之結餘相等於其賬面值。

3.2 資金風險管理

本集團的資金管理政策，是保障本集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東之股息數額、向權益持有人分派的資本返還、發行新股或出售資產以減低債務。

3 FINANCIAL RISK MANAGEMENT (Continued)**3.3 Fair value estimation**

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2016 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理(續)**3.3 公允值之估值**

下表載列按計量公允值所用估值技術輸入資料等級分析本集團於二零一六年十二月三十一日按公允值列賬之金融工具。所輸入資料按以下三個公允值等級分類：

- 相同資產或負債於交投活躍市場之報價(未經調整)(第一級)。
- 除第一級之報價外，可直接(即如價格)或間接(即由價格衍生)觀察的資產或負債的輸入值(第二級)。
- 資產或負債的輸入資料並非依據可觀察的市場數據(即不可觀察輸入資料)(第三級)。

Level 1
第一級
HK\$'000
千港元

Assets	資產	
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	
— Trading securities	— 交易證券	108,242

At 31 December 2015, financial instruments at fair value held by the Group were as follows:

於二零一五年十二月三十一日，本集團所持有按公允值計算之金融工具如下：

Level 1
第一級
HK\$'000
千港元

Assets	資產	
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	
— Trading securities	— 交易證券	121,639

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The carrying values of the Group's other financial assets, which are trade and other receivables and cash and cash equivalents and financial liabilities, which are trade and other payables, approximate to their fair values due to their short maturities.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group's buildings classified under properties, plant and equipment are carried at fair value at reporting period end. Details of the fair value measurement of these land and buildings are disclosed in Note 14.

3 財務風險管理(續)

3.3 公允值之估值(續)

於第一級之金融工具

於交投活躍市場買賣的金融工具公允值乃根據結算日之市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行之實際和常規市場交易時，該市場被視為交投活躍。本集團持有金融資產之市場報價為當時之買盤價。此等工具包括在第一級。

由於在短期內到期，本集團之其他金融資產(即貿易及其他應收款項及現金及現金等值項目)及金融負債(即貿易及其他應付款項)之賬面值與其公允值相若。

於第二級之金融工具

沒有於交投活躍市場買賣之金融工具(如場外衍生工具)之公允值乃採用估值技術釐定。此等估值技術儘量利用可觀察市場數據(如有)，儘量少依賴實體之特定估算。倘計算金融工具之公允值所需之所有重大輸入資料屬可觀察，則該金融工具列入第二級。

倘一項或多項重大輸入資料並非根據可觀察市場數據，則該金融工具列入第三級。

本集團分類為物業、廠房及設備之樓宇乃於報告期末按估值列賬。該等土地及樓宇之公允值計量之詳情於附註14披露。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes and deferred tax

The Group is subject to income taxes in Hong Kong and Mainland China. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised as the management of the Group considers it is probable that future taxable profits will be available against which temporary differences or tax losses can be utilised. Where the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets in the period in which such estimates have been changed.

(b) Useful lives, residual values and depreciation of property, plant and equipment

The management of the Group determines the estimated useful lives, residual values 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. The management of the Group will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future period.

4 關鍵會計估算及判斷

估算及判斷會被持續評估，並以過往經驗及其他因素為基準，包括在目前情況下相信為合理之預期日後事件。

本集團就未來作出估算及假設。產生之會計估算將(按定義)甚少等同於相關實際結果。下文討論有相當大機會導致下個財政年度資產及負債賬面值須作出重大調整之估算及假設。

(a) 所得稅及遞延稅項

本集團須繳納香港及中國大陸之所得稅。釐定所得稅撥備時需要作出重大判斷。本集團按照會否出現額外到期稅項之估計確認預期稅項審計事宜所產生之負債。倘若該等事宜之最終稅項結果與初始記錄金額不同，則有關差額將會影響作出決定期間之當期及遞延所得稅資產及負債。

有關若干臨時差額之遞延稅項資產，乃於本集團管理層認為日後可能會出現應課稅溢利以用作抵銷臨時差額或稅項虧損時確認。倘若該等預期與原來估計有差異，該等差額將影響期間所確認之遞延稅項資產，因有關估計已更改。

(b) 物業、廠房及設備之可使用年期、剩餘價值及折舊

本集團管理層就其物業、廠房及設備決定估計可使用年期、剩餘價值及相關折舊開支。此項估計乃按照性質及用途相似之物業、廠房及設備之實際可使用年期之過往經驗而作出。本集團管理層將於可使用年期少於過往之估計年期時增加折舊開支，撇銷或撇減技術上陳舊或非策略性而已遭廢棄或出售的資產。實際經濟年期或會與估計可使用年期有所不同；實際剩餘價值亦可能會與估計剩餘價值有所不同。定期審閱可導致可予折舊年期及剩餘價值有所更改，從而導致未來期間之折舊開支有所更改。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Impairment of property, plant and equipment and land use rights

The Group assesses annually whether property, plant and equipment and land use rights exhibit any indications of impairment. The recoverable amounts, if required, are determined based on value-in-use calculations or market valuations. These calculations require the use of judgment and estimates. The management's assessment on impairment of property, plant and equipment is disclosed in Note 14.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to dispose or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated income statement.

(d) Buildings in properties, plant and equipment carried at valuation

Buildings in properties, plant and equipment, comprise mainly factories and offices, are shown at fair values determined by directors based on valuations performed by external independent valuers on an annual basis. In arriving at the valuations, significant judgement, assumptions and economic estimates have to be made. The key assumptions applied in the fair value measurement of the buildings are disclosed in Note 14.

(e) Estimates used to assess the impairment of the investment in a joint venture

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the interests in joint venture which are significant to the Group may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

4 關鍵會計估算及判斷(續)

(c) 物業、廠房及設備及土地使用權之減值

本集團每年評估物業、廠房及設備及土地使用權有否減值跡象。可收回金額(如有規定)乃根據使用價值計算方法或市場估值釐定。該等計算需要作出判斷及估計。管理層對物業、廠房及設備之減值評估於附註14中披露。

管理層釐定資產減值須運用判斷，尤其為評定：(i)是否已出現可能顯示有關資產價值或無法收回之事件；(ii)可收回金額(即公允值減出售成本或估計繼續在業務中使用資產所帶來之未來現金流轉現值淨額二者之較高者)是否足以支持資產賬面值；及(iii)編製現金流轉預測所用之主要假設是否恰當，包括該等現金流轉預測是否以適當利率貼現。管理層於評估減值時選擇之假設(包括貼現率)若有所變化，或會對減值測試所用之現值淨額帶來重大影響，從而影響本集團之財務狀況及經營業績。倘預測表現及所得之未來現金流轉預測出現重大不利變動，則可能須於綜合收入報表中計提減值開支。

(d) 物業、廠房及設備中按估值列賬之樓宇

物業、廠房及設備中之樓宇主要包括工廠及辦公室，並由董事根據外聘獨立估值師之年度估值以公允值列賬。於釐定估值時，須作出重大判斷、假設及經濟估計。應用於樓宇之公允值計量之主要假設於附註14中披露。

(e) 於一間合營企業之投資的減值評估所用之估計

於各結算日，本集團會審閱內部及外部資料來源，以識別是否有跡象顯示對本集團而言屬重大的合營企業權益可能出現減值，或先前已確認之減值虧損不再存在或可能已經減少。

倘存在任何上述跡象，則將估算資產的可收回金額。若資產的賬面值超過其可收回金額，則於綜合全面收入報表確認減值虧損。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(e) Estimates used to assess the impairment of the investment in a joint venture (Continued)

The sources utilised to identify indications of impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given reporting date.

If an indication of impairment is identified, such information is further subject to an exercise that requires the Group to estimate the recoverable amount, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment. Regardless of the resources utilised, the Group is required to make many assumptions to make this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of any asset.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in garment manufacturing and trading and securities investment.

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors.

The chief operating decision-maker has been identified as the board of directors of the Company. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to assess performance and allocate resources. The chief operating decision-maker considers the business principally from the operations nature, with two segments identified: garment manufacturing and trading segment and securities investment segment.

The board of directors assesses the performance of the operating segments based on a measure of adjusted operating results. This measurement basis represented operating loss excluding material gain or loss which is capital in nature or of non-recurring nature such as impairment.

4 關鍵會計估算及判斷(續)

(e) 於一間合營企業之投資的減值評估所用之估計(續)

用以識別減值跡象的有關資料通常具有主觀性質，故本集團就其業務採用有關資料時須作出判斷。本集團對此等資料的詮釋會直接影響是否於任何指定報告日期進行減值評估。

倘確定出現減值跡象，本集團進一步處理有關資料時須估計資產的可收回金額，即有關資產的公允值減出售成本或使用價值兩者的較高值。視乎本集團對檢討資產的整體重要性的評估及合理估算可收回金額的複雜性，本集團可能會利用內部資源進行有關評估或委聘外部顧問以於評估時向本集團提供意見。無論利用何種資源，本集團於評估時均須作出眾多假設，包括有關資產的使用情況、產生的現金流轉、適當的市場貼現率及預計市場及規管情況。該等假設如出現任何變動，可能會導致日後對任何資產可收回金額的估算出現重大變動。

5 收益及分部資料

本集團主要從事成衣製造及貿易以及證券投資。

營運分部按照與向董事會提供之內部報告一致之方式報告。

主要營運決策者被識辨為本公司董事會。管理層乃根據經主要營運決策者審閱之報告(用於評估表現及分配資源)釐定營運分部。主要營運決策者主要從營運性質考慮業務，並識辨兩個分部：成衣製造及貿易分部以及證券投資分部。

董事會根據經調整經營業績基準評估營運分部之表現。此評估基準代表經營虧損不包括屬資本性質或非經常性質之重大收益或虧損(如減值)。

Notes to the Financial Statements 財務報表附註

5 REVENUE AND SEGMENT INFORMATION (Continued)

5 收益及分部資料(續)

Revenue recognised during the year is as follows:

於年內確認之收益如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Garment manufacturing and trading:	成衣製造及貿易：		
Sale of garment products	銷售成衣產品	126,371	103,015
Processing income	加工收入	6,207	16,792
Sale of scrap materials	銷售廢棄物料	552	1,862
		133,130	121,669
Securities investment:	證券投資：		
Fair value loss on financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產公允值虧損	(11,715)	(2,474)
Dividend income from listed equity securities	自上市股本證券之股息收入	1,690	1,500
		(10,025)	(974)
		123,105	120,695

The segment information for the year ended and as at 31 December 2016 by business segment is as follows:

截至二零一六年十二月三十一日止年度及於二零一六年十二月三十一日，按業務分部劃分之分部資料如下：

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益	133,130	(10,025)	123,105
Reportable segment results	可報告分部業績	(12,107)	(20,847)	(32,954)
Other losses	其他虧損			(42)
Corporate administrative expenses	企業行政開支			(12,350)
Operating loss	經營虧損			(45,346)
Finance income	融資收入			108
Share of results of a joint venture	應佔一間合營企業之業績			(3,628)
Loss before income tax	除所得稅前虧損			(48,866)
Income tax expenses	所得稅開支			(853)
Loss for the year	年度虧損			(49,719)

5 REVENUE AND SEGMENT INFORMATION
(Continued)

5 收益及分部資料(續)

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment assets	可報告分部資產	125,839	112,417	238,256
Unallocated corporate assets	不能分攤之企業資產			30,049
Total assets	總資產			268,305

The segment information for the year ended and as at 31 December 2015 by business segment is as follows:

截至二零一五年十二月三十一日止年度及於二零一五年十二月三十一日，按業務分部劃分之分部資料如下：

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益	121,669	(974)	120,695
Reportable segment results	可報告分部業績	(13,201)	(9,982)	(23,183)
Other losses	其他虧損			(215)
Impairment loss of properties, plant and equipment	物業、廠房及設備之減值虧損			(2,035)
Corporate administrative expenses	企業行政開支			(12,076)
Operating loss	經營虧損			(37,509)
Finance income	融資收入			560
Loss before income tax	除所得稅前虧損			(36,949)
Income tax expense	所得稅開支			(1,034)
Loss for the year	年度虧損			(37,983)

5 REVENUE AND SEGMENT INFORMATION
(Continued)

5 收益及分部資料(續)

		Garment manufacturing and trading segment 成衣製造及 貿易分部 HK\$'000 千港元	Securities investment segment 證券投資分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment assets	可報告分部資產	126,140	129,599	255,739
Unallocated corporate assets	不能分攤之企業資產			59,363
Total assets	總資產			315,102

Revenues of approximately HK\$108,307,000 (2015: HK\$70,321,000), HK\$12,159,000 (2015: HK\$30,087,000) and HK\$6,207,000 (2015: HK\$16,249,000) were derived from the top three (2015: three) external garment manufacturing customers, respectively.

約108,307,000港元(二零一五年: 70,321,000港元)、12,159,000港元(二零一五年: 30,087,000港元)及6,207,000港元(二零一五年: 16,249,000港元)之收益乃分別源自三(二零一五年: 三)大外部成衣製造客戶。

The following table sets out information about the geographical location of the Group's revenue and non-current assets. In presenting the geographical information, segment revenue is based on the geographical location of external customers and segment non-current assets are based on the geographical location of the assets.

下表載列有關本集團收益及非流動資產之地理位置資料。呈列地域資料時，分部收益乃基於外部客戶之地理位置，而分部非流動資產則基於資產之地理位置。

		Revenue 收益		Non-current assets 非流動資產	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
United States of America	美國	75,321	52,105	—	—
Mainland China	中國大陸	19,072	47,986	80,412	66,355
Europe	歐洲	27,652	13,347	—	—
Hong Kong	香港	(6,962)	2,511	4,333	766
Rest of World	世界其他地區	8,022	4,746	—	—
		123,105	120,695	84,745	67,121

Notes to the Financial Statements 財務報表附註

6 OTHER LOSSES

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Losses on disposal of properties, plant and equipment	(42)	(215)

7 EXPENSES BY NATURE

Operating loss is stated after charging the following:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Raw materials used	57,732	41,667
Changes in inventories of finished goods and work in progress	2,855	2,006
Depreciation of properties, plant and equipment (Note 14)	4,690	4,796
Amortisation of land use rights (Note 16)	330	364
Employee benefit expense (excluding directors' emoluments) (Note 12)	60,810	63,785
Directors' emoluments	6,011	6,058
Operating lease rentals — land and buildings	3,524	2,176
Auditors' remuneration		
— Audit services	1,294	1,148
— Non-audit services	135	135
Securities management and performance fees	1,472	1,814
Securities brokerage and transaction fees	429	1,034
Impairment loss of properties, plant and equipment	—	2,035
Others	29,127	30,971
Total cost of sales, selling expenses, administrative expenses and impairment loss of properties, plant and equipment	168,409	157,989

8 FINANCE INCOME

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest income on short-term bank deposits	108	560

6 其他虧損

7 按性質分類之開支

經營虧損經已扣除下列各項呈列如下：

8 融資收入

Notes to the Financial Statements 財務報表附註

9 INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. The operation in Mainland China is subject to PRC corporate income tax at the rate of 25% for the year ended 31 December 2016 (2015: 25%).

The amount of income tax charged/(credited) to the consolidated income statement represents:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current income tax	當期所得稅		
— Hong Kong profits tax	— 香港利得稅	—	2,515
Underprovision in prior years	以往年度不足之撥備	853	—
Deferred income tax (Note 22)	遞延所得稅(附註22)	—	(1,481)
Income tax expenses	所得稅開支	853	1,034

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before income tax	所得稅前虧損	(48,866)	(36,949)
Tax calculated at domestic tax rates applicable to losses in the respective countries	所在國家之虧損按當地適用稅率計算之稅項	(9,585)	(7,513)
Tax effects of:	稅項影響:		
Share of loss of joint venture	分攤合營企業虧損	907	—
Income not subject to tax	無須課稅之收入	(2,868)	(1,465)
Expenses not deductible for tax	不可扣稅之開支	3,122	2,733
Underprovision in prior years	以前年度不足之撥備	853	—
Unrecognised tax losses	未確認稅項虧損	8,424	7,279
		853	1,034

9 所得稅開支

香港利得稅乃根據年內估計應課稅溢利，按稅率16.5% (二零一五年：16.5%)計提撥備。截至二零一六年十二月三十一日止年度，中國大陸業務須按25%稅率 (二零一五年：25%)繳納中國企業所得稅。

綜合收入報表已扣除/(計入)之所得稅金額為：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current income tax		
— 香港利得稅	—	2,515
以往年度不足之撥備	853	—
遞延所得稅(附註22)	—	(1,481)
所得稅開支	853	1,034

本集團除所得稅前虧損之稅項有別於採用綜合實體溢利適用之加權平均稅率所產生之理論金額：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
所得稅前虧損	(48,866)	(36,949)
所在國家之虧損按當地適用稅率計算之稅項	(9,585)	(7,513)
稅項影響:		
分攤合營企業虧損	907	—
無須課稅之收入	(2,868)	(1,465)
不可扣稅之開支	3,122	2,733
以前年度不足之撥備	853	—
未確認稅項虧損	8,424	7,279
	853	1,034

Notes to the Financial Statements 財務報表附註

9 INCOME TAX EXPENSES (Continued)

The tax charge relating to components of other comprehensive income is as follows:

		2016 二零一六年			2015 二零一五年		
		Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
		除稅前	稅項開支	除稅後	除稅前	稅項開支	除稅後
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Fair value gains on properties, plant and equipment	物業、廠房及設備之公允值收益	669	(167)	502	1,472	(368)	1,104
Other comprehensive income	其他全面收入	669	(167)	502	1,472	(368)	1,104
Deferred tax (Note 22)	遞延稅(附註22)		(167)			(368)	

10 LOSS PER SHARE

For the purpose of calculating basic and diluted loss per share, the weighted average number of ordinary shares was adjusted to take into account the effects arising from the exercise of share options during the year.

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The Company has only one category of dilutive potential ordinary shares for the year ended 31 December 2015: share options. There is no dilutive potential ordinary shares for the year ended 31 December 2016.

As the dilutive potential ordinary shares of the Company would result in an anti-dilution of loss per share for the year ended 31 December 2015, the diluted loss per share equals the basic loss per share.

9 所得稅開支(續)

與其他全面收入組成部份有關的稅務開支如下：

10 每股虧損

為計算每股基本及攤薄虧損，加權平均普通股股數因應年內行使購股權所引起之影響而予以調整。

每股基本虧損乃根據本公司權益持有人應佔虧損除以年內已發行普通股股數之加權平均數計算。每股攤薄虧損在假設所有潛在攤薄性普通股已轉換的情況下，經調整普通股加權平均數計算。於二零一五年十二月三十一日，本公司僅有一類潛在攤薄性普通股：購股權。於二零一六年十二月三十一日，本公司並無攤薄性普通股。

由於本公司之潛在攤薄性普通股於截至二零一五年十二月三十一日止年度內將導致每股虧損反攤薄，故每股攤薄虧損相等於每股基本虧損。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損	(49,719)	(37,983)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股股數之加權平均數(千股)	818,042	811,170
Basic and diluted loss per share (HK cents per share)	每股基本及攤薄虧損(每股港仙)	(6.08)	(4.68)

Notes to the Financial Statements 財務報表附註

11 DIVIDENDS

The Company has not declared any dividends for the years ended 31 December 2016 and 2015.

12 EMPLOYEE BENEFIT EXPENSE (EXCLUDING DIRECTORS' EMOLUMENTS)

Wages and salaries	薪金及酬金
Pension costs	退休金成本

No forfeited contributions to the mandatory provident fund scheme (the "MPF Scheme") were utilised during the year (2015: Nil).

There was no contribution payable in relation to the MPF Scheme at the year end (2015: Nil).

The Group operates/participates in the following pension and post retirement plans:

- (i) The MPF Scheme for employees in Hong Kong, under which the Group and its employee each make a monthly contribution to the scheme at 5% of the qualifying earnings of the employee, subject to a monthly cap of HK\$1,500.
- (ii) The Group's subsidiaries in Mainland China contribute approximately 11% of the basic salaries of their employees to retirement schemes operated by municipal governments. Other than the mandatory contributions, the Group has no further obligations for the actual pension payments or any post retirement benefits. The retirement schemes are responsible for the entire pension obligations payable to retired employees. In addition, according to the labor law in Mainland China, the employer is required to pay retirement benefits to the employees when employment is terminated by the employer before the normal retirement date.

11 股息

本公司不宣派截至二零一六年及二零一五年十二月三十一日止年度之股息。

12 僱員福利開支(不包括董事酬金)

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
55,942	58,540
4,868	5,245
60,810	63,785

年內並無動用已沒收強制性公積金計劃(「強積金計劃」)供款(二零一五年:無)。

於年底並無有關強積金計劃之應付供款(二零一五年:無)。

本集團實行/參與以下退休金及退休後計劃:

- (i) 為香港僱員而設之強積金計劃規定,本集團及其僱員各均須按僱員合資格入息之5%向計劃作每月供款,惟每月供款額上限為1,500港元。
- (ii) 本集團於中國大陸之附屬公司按僱員基本薪金約11%向市政府設立之退休計劃作出之供款。除強制性供款外,本集團並無其他實質退休金或退休後福利之承擔。該等退休計劃負責全部應付予退休僱員之退休金承擔。此外,按照中國大陸之勞動法,僱主若於僱員正常退休日期前終止聘用僱員,則須向僱員支付退休福利。

13 BENEFIT AND INTEREST OF THE DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2016:

Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking:

Name of Director	董事姓名	Fees	Salary	Housing allowance	Estimated money value of other benefits(i)	Employer's contribution to the MPF Scheme	Total
		袍金	薪酬	房屋津貼	其他福利之估計貨幣價值(i)	強積金計劃僱主供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<i>Executive directors</i> 執行董事							
Mr Li Haifeng (Chairman)	李海楓先生(主席)	120	920	—	37	18	1,095
Mr Lee Sheng Kuang, James (Chief executive)	李勝光先生 (最高行政人員)	120	539	2,160	101	—	2,920
Mr Tang Chak Lam, Charlie	鄧澤霖先生	120	1,326	—	52	18	1,516
<i>Independent non-executive directors</i> 獨立非執行董事							
Mr Liu Run	劉潤先生	120	—	—	—	—	120
Ms Su Zhengyu (Appointed on 4 July 2016)	蘇征宇女士(於二零一六年七月四日獲委任)	59	—	—	—	—	59
Mr Yau Wing Yiu, Felix	邱永耀先生	240	—	—	—	—	240
Mr Tong Tang, Joseph (Ceased appointment on 4 July 2016)	唐登先生(於二零一六年七月四日停止委任)	61	—	—	—	—	61
		840	2,785	2,160	190	36	6,011

13 董事福利及權益

(a) 董事及最高行政人員酬金

各董事及最高行政人員之酬金列載如下：

截至二零一六年十二月三十一日止年度：

就擔任本公司或其附屬公司董事職務之人士已付或應付之酬金：

13 BENEFIT AND INTEREST OF THE DIRECTORS
(Continued)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2015:

Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking:

Name of Director	董事姓名	Fees	Salary	Housing allowance	Estimated money value of other benefits(i)	Employer's contribution to the MPF Scheme	Total
		袍金	薪酬	房屋津貼	其他福利之估計貨幣價值(i)	強積金計劃僱主供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<i>Executive directors</i> 執行董事							
Mr Li Haifeng (Chairman)	李海楓先生(主席)	120	920	—	37	18	1,095
Mr Lee Sheng Kuang, James (Chief executive)	李勝光先生 (最高行政人員)	120	539	2,160	101	—	2,920
Mr Tang Chak Lam, Charlie	鄧澤霖先生	120	1,326	—	44	18	1,508
<i>Independent non-executive directors</i> 獨立非執行董事							
Mr Chen Zhongfa (Ceased appointment on 3 November 2015)	陳忠發先生(於二零一五年十一月三日辭任)	101	—	—	—	—	101
Mr Liu Run (Appointed on 20 May 2015)	劉潤先生(於二零一五年五月二十日獲委任)	74	—	—	—	—	74
Mr Yau Wing Yiu, Felix	邱永耀先生	240	—	—	—	—	240
Mr Tong Tang, Joseph	唐登先生	120	—	—	—	—	120
		895	2,785	2,160	182	36	6,058

(i) Other benefits include leave pay and share option benefits and housing allowances.

During the year, no director has waived any emoluments (2015: Nil).

13 董事福利及權益(續)

(a) 董事及最高行政人員酬金(續)

截至二零一五年十二月三十一日止年度:

就擔任本公司或其附屬公司董事職務之人士已付或應付之酬金:

Name of Director	董事姓名	Fees	Salary	Housing allowance	Estimated money value of other benefits(i)	Employer's contribution to the MPF Scheme	Total
		袍金	薪酬	房屋津貼	其他福利之估計貨幣價值(i)	強積金計劃僱主供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<i>Executive directors</i> 執行董事							
Mr Li Haifeng (Chairman)	李海楓先生(主席)	120	920	—	37	18	1,095
Mr Lee Sheng Kuang, James (Chief executive)	李勝光先生 (最高行政人員)	120	539	2,160	101	—	2,920
Mr Tang Chak Lam, Charlie	鄧澤霖先生	120	1,326	—	44	18	1,508
<i>Independent non-executive directors</i> 獨立非執行董事							
Mr Chen Zhongfa (Ceased appointment on 3 November 2015)	陳忠發先生(於二零一五年十一月三日辭任)	101	—	—	—	—	101
Mr Liu Run (Appointed on 20 May 2015)	劉潤先生(於二零一五年五月二十日獲委任)	74	—	—	—	—	74
Mr Yau Wing Yiu, Felix	邱永耀先生	240	—	—	—	—	240
Mr Tong Tang, Joseph	唐登先生	120	—	—	—	—	120
		895	2,785	2,160	182	36	6,058

(i) 其他福利包括有薪假及購股權福利及房屋津貼。

於年內，概無董事放棄任何酬金(二零一五年：無)。

13 BENEFIT AND INTEREST OF THE DIRECTORS (Continued)**(b) Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2015: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2015: two) individuals during the year are as follows:

Basic salaries, housing allowances, other allowances and benefits-in-kind	基本薪金、房屋津貼、其他津貼及實物利益	1,409	1,418
Contributions to the MPF Scheme	強積金計劃供款	36	36

The emoluments fell within the following bands:

Emolument bands	酬金範圍	2	2
HK\$500,000–HK\$999,999	500,000港元–999,999港元		

13 董事福利及權益(續)**(b) 董事於交易、安排或合約之重大權益**

本公司董事概無於本公司或其任何附屬公司訂立而與本集團業務有重大關係，且於本年度結束或於年內任何時間仍然有效之交易、安排及合約中直接或間接擁有重大利益。

(c) 五名最高薪酬人士

年內，本集團之五名最高薪酬人士包括三名(二零一五年：三名)董事，彼等之酬金已於上述分析中反映。年內應付予餘下兩名(二零一五年：兩名)人士之酬金如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	1,409	1,418
	36	36
	1,445	1,454

酬金範圍如下：

	Number of individuals 人數	
	2016 二零一六年	2015 二零一五年
	2	2

14 PROPERTIES, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, office equipment and motor vehicles	Total
		樓宇	租賃裝修	廠房及機器	傢俬、辦公室設備及汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日					
Cost or valuation	成本或估值	50,897	27,800	22,217	31,498	132,412
Accumulated depreciation and impairment	累計折舊及減值	—	(24,697)	(20,006)	(29,099)	(73,802)
Net book amount	賬面淨值	50,897	3,103	2,211	2,399	58,610
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度					
Opening net book amount	期初賬面淨值	50,897	3,103	2,211	2,399	58,610
Additions	添置	—	507	3	1,369	1,879
Disposals	出售	—	—	—	(439)	(439)
Depreciation	折舊	(3,577)	(67)	(607)	(545)	(4,796)
Currency Translation difference	匯兌差額	(1,563)	(201)	(98)	(66)	(1,928)
Revaluation surplus	重估盈餘	1,472	—	—	—	1,472
Impairment	減值	—	(504)	(975)	(556)	(2,035)
Closing net book amount	期末賬面淨值	47,229	2,838	534	2,162	52,763
At 31 December 2015	於二零一五年十二月三十一日					
Cost or valuation	成本或估值	47,229	26,626	20,881	29,206	123,942
Accumulated depreciation and impairment	累計折舊及減值	—	(23,788)	(20,347)	(27,044)	(71,179)
Net book amount	賬面淨值	47,229	2,838	534	2,162	52,763

14 PROPERTIES, PLANT AND EQUIPMENT (Continued) 14 物業、廠房及設備(續)

		Buildings	Leasehold improvements	Plant and machinery	Furniture, office equipment and motor vehicles	Total
		樓宇	租賃裝修	廠房及機器	傢俬、辦公室設備及汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended	截至二零一六年					
31 December 2016	十二月三十一日止年度					
Opening net book amount	期初賬面淨值	47,229	2,838	534	2,162	52,763
Additions	添置	—	1,829	42	1,814	3,685
Disposals	出售	—	—	—	(53)	(53)
Depreciation	折舊	(3,521)	(414)	(1)	(754)	(4,690)
Currency translation difference	匯兌差額	(1,821)	(224)	(43)	(23)	(2,111)
Revaluation surplus	重估盈餘	669	—	—	—	669
Impairment	減值	—	—	—	—	—
Closing net book amount	期末賬面淨值	42,556	4,029	532	3,146	50,263
At 31 December 2016	於二零一六年十二月三十一日					
Cost or valuation	成本或估值	42,556	26,241	19,297	28,457	116,551
Accumulated depreciation and impairment	累計折舊及減值	—	(22,212)	(18,765)	(25,311)	(66,288)
Net book amount	賬面淨值	42,556	4,029	532	3,146	50,263

Depreciation of HK\$Nil (2015: HK\$575,000) has been expensed to cost of goods sold, HK\$55,000 (2015: HK\$60,000) has been expensed to selling expenses; and HK\$4,635,000 (2015: HK\$4,161,000) has been expensed to administrative expenses.

折舊已分別於銷貨成本支銷零港元(二零一五年: 575,000港元)、於銷售開支支銷55,000港元(二零一五年: 60,000港元)及於行政開支支銷4,635,000港元(二零一五年: 4,161,000港元)。

14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

If buildings were stated on the historical cost basis, the amounts would be as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost	成本	36,007	39,044
Accumulated depreciation	累計折舊	(15,134)	(14,655)
Net book amount	賬面淨值	20,873	24,389

The Group's properties were revalued at 31 December 2016 by Vigers Appraisal and Consulting Limited, an independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the properties valued. For all buildings, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the board of directors. Discussions of valuation processes and results are held between the valuation team and valuer annually.

The revaluation surplus net of applicable deferred income taxes was credited to fixed assets revaluation reserve in shareholders' equity.

Valuations were made with reference to depreciated replacement cost approach based on significant unobservable inputs.

14 物業、廠房及設備(續)

倘樓宇乃按歷史成本列賬，其金額如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost	成本	36,007	39,044
Accumulated depreciation	累計折舊	(15,134)	(14,655)
Net book amount	賬面淨值	20,873	24,389

本集團之物業已於二零一六年十二月三十一日由獨立專業合資格估值師威格斯資產評估顧問有限公司重新估值，該估值師持有獲認可之相關專業資格，且對所估值物業之地點及領域擁有近期經驗。對於所有樓宇而言，當前之使用等於其最高及最佳使用。

本集團財務部設有一個小組，專責就財務報告目的而對獨立估值師之估值進行檢討。此小組直接向董事會匯報。估值小組與估值師每年討論估值流程和相關結果。

重估盈餘扣除適用遞延所得稅乃計入股東權益中之固定資產重估儲備。

估值乃參考折舊代替成本法，其根據重大不可觀察之輸入資料而作出。

14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

The following table analyses the buildings carried at fair value, by valuation method.

14 物業、廠房及設備(續)

下表以估值法分析按公允值列賬之樓宇。

		Fair value measurements at 31 December 2016 using 於二零一六年十二月三十一日之 公允值計量所用之資料		
		Quoted prices in active markets for identical assets 相同資產於交投 活躍市場之報價 (Level 1) (第一級) HK\$'000 千港元	Significant other observable inputs 其他重大可觀察 之輸入資料 (Level 2) (第二級) HK\$'000 千港元	Significant unobservable inputs 重大不可觀察 之輸入資料 (Level 3) (第三級) HK\$'000 千港元
Recurring fair value measurements	經常性公允值計量			
— Offices and factory buildings held in Mainland China	— 於中國大陸持有之 辦公室及廠房樓宇	—	—	42,556
		Fair value measurements at 31 December 2015 using 於二零一五年十二月三十一日之 公允值計量所用之資料		
		Quoted prices in active markets for identical assets 相同資產於交投 活躍市場之報價 (Level 1) (第一級) HK\$'000 千港元	Significant other observable inputs 其他重大可觀察 之輸入資料 (Level 2) (第二級) HK\$'000 千港元	Significant unobservable inputs 重大不可觀察 之輸入資料 (Level 3) (第三級) HK\$'000 千港元
Recurring fair value measurements	經常性公允值計量			
— Offices and factory buildings held in Mainland China	— 於中國大陸持有之 辦公室及廠房樓宇	—	—	47,229

14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

The recurring fair value measurements for buildings are included in level 3 of the fair value hierarchy. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the year.

The movement of buildings stated at fair value using significant unobservable inputs (level 3) is as follows:

		Buildings	
		樓宇	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	47,229	50,897
Depreciation	折舊	(3,521)	(3,577)
Net gains from fair value adjustment	公允值調整產生之淨收益	669	1,472
Currency translation differences	匯兌差額	(1,821)	(1,563)
At 31 December	於十二月三十一日	42,556	47,229

In other comprehensive income, fair value gain of properties, plant and equipment, net of tax comprise:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Net gains from fair value adjustment	公允值調整產生之淨收益	669	1,472
Deferred tax (Note 22)	遞延所得稅(附註22)	(167)	(368)
Total fair value gains for the year included in other comprehensive income, net of tax	計入其他全面收入之年內公允值總收益，扣除稅項	502	1,104

14 物業、廠房及設備(續)

樓宇之經常性公允值計量被包括於公允值等級第三級之內。本集團政策為於導致轉撥之事件發生或情況變化當日，確認由公允值等級之轉入及轉出。年內第一級、第二級及第三級之間並無轉撥。

按使用重大不可觀察之輸入資料(第三級)計量之公允值呈列之樓宇變動如下：

於其他全面收入內，物業、廠房及設備之公允值收益，扣除稅項包括：

14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

14 物業、廠房及設備(續)

The details of significant unobservable inputs are as follows:

重大不可觀察之輸入資料之詳情如下：

Unobservable inputs 不可觀察之輸入資料	Range of unobservable inputs 不可觀察之輸入資料之範圍	Relationship of unobservable inputs to fair value 不可觀察之輸入資料 與公允值之關係
<p>Construction costs per square meter 每平方米建築成本</p> <p>— Based on the type of building structure (steel structure/reinforced concrete structure) and taking into account market data on current construction costs for similar properties located in nearby cities</p> <p>— 根據樓宇結構類型(鋼結構/鋼筋混凝土結構)並計及位於鄰近城市之類似物業目前建築成本之市場資料</p>	<p>Renminbi 1,241 per square meter for steel structure and Renminbi 1,313 per square meter for reinforced concrete structure</p> <p>鋼結構為每平方米人民幣1,241元，鋼筋混凝土結構為每平方米人民幣1,313元</p>	<p>The higher the construction cost per square meter, the higher the fair value</p> <p>每平方米建築成本越高，公允值越高</p>
<p>Economic life of buildings 樓宇之經濟壽命</p> <p>— Taking into account the estimated useful life of buildings depending on the building structure (steel structure/reinforced concrete structure)</p> <p>— 計及根據樓宇結構類型(鋼結構/鋼筋混凝土結構)之樓宇估計可使用年期</p>	<p>40 for steel structure and 50 years for reinforced concrete structure</p> <p>鋼結構為40年，鋼筋混凝土結構為50年</p>	<p>The longer the useful life, the higher the fair value</p> <p>可使用年期越長，公允值越高</p>
<p>There were no changes to the valuation techniques during the year.</p>		<p>年內估值技術概無變動。</p>

14 PROPERTIES, PLANT AND EQUIPMENT (Continued)

Impairment test for properties, plant and equipment

No impairment loss was recognised in the consolidated income statement for the year ended 31 December 2016 (2015: impairment loss of HK\$2,035,000). For the year ended 31 December 2015, impairment losses of HK\$504,000, HK\$975,000 and HK\$556,000 were allocated to leasehold improvements, plant and machinery and furniture, office equipment and motor vehicles respectively.

The value-in-use calculation used to determine the plan's recoverable amount as of 31 December 2015 uses pre-tax cash flow projections based on financial budgets and projections approved by management with an assumption that the related fixed assets will be disposed of at the end of the forecast period. The assumed growth beyond the fourth year reflects the estimated growth rate not exceeding the long-term average growth rate for the business in which the plant operates. Other key assumptions applied in the impairment test include the expected improvement in gross profit margin, production costs and related expenses. Management determined these key assumptions based on past performance and its expectations on market development. A pre-tax rate of 11% that reflects specific risks related to the plant was adopted as the discount rate.

For the estimated recoverable amount of the plant as of 31 December 2015, a five percentage point increase or decrease in estimated growth in sales in the first three years, with all other variables held constant, would result in a 44% and 41% increase or decrease in the estimated recoverable amount of the plant, respectively. A one percentage point increase or decrease in gross profit margin, with all other variables held constant, would result in a 36% and 36% increase or decrease in the estimated recoverable amount of the plant, respectively. A one percentage point increase or decrease in the discount rate, with all other variables held constant, would result in a 12% and 15% decrease or increase in the estimated recoverable amount of the plant, respectively.

15 INVESTMENT IN A JOINT VENTURE

On 19 February 2016, the Group entered into an agreement to acquire 27.5% equity interest in 鳳凰雲(北京)科技股份有限公司 (formerly known as 鳳凰雲科技(北京)有限公司) (Phoenix Cloud (Beijing) Technologies Company Limited* (formerly known as Phoenix Cloud Technologies (Beijing) Company Limited*) ("Phoenix Cloud")), a Company established in Mainland China, for a consideration of Renminbi 22,000,000 (approximately HK\$25,581,000) using internal resources. Prior to the completion of the acquisition, Phoenix Cloud raised additional capital from certain investors resulting in the Group's final acquired equity interest decreasing to 24.75% upon completion on 19 May 2016.

14 物業、廠房及設備(續)

採用價值法計算確定

截至二零一六年十二月三十一日止年度並無(二零一五年: 2,035,000港元)於綜合收入報表中確認減值虧損。截至二零一五年十二月三十一日止年度,減值虧損504,000港元,975,000港元及556,000港元分別分配至租賃裝修,廠房及機器以及傢私,辦公室設備及汽車。

採用價值法計算以確定廠房於二零一五年十二月三十一日之可收回金額,乃基於假設相關固定資產將於預測期末出售,以及已獲管理層批准之財務預算及預測釐定之稅前現金流轉預測。第四年後之假設增長反映估計增長率不超過該廠房經營業務之長期平均增長率。其他應用於減值測試之主要假設包括毛利率、生產成本及相關開支之預期改善。管理層根據過往表現及其對市場發展之預期釐定此等主要假設。反映與該廠房有關之特定風險之稅前利率11%被採納為貼現率。

就於二零一五年十二月三十一日之廠房估計可收回金額而言,於首四年預計銷售增長上升或下跌五個百分點,而所有其他可變因素保持不變,則將導致廠房之預計可收回金額分別增加44%或減少41%。毛利率上升或下跌一個百分點,而所有其他可變因素保持不變,將導致廠房之預計可收回金額分別增加36%或減少36%。貼現率上升或下跌一個百分點,而所有其他可變因素保持不變,將導致廠房之預計可收回金額分別減少12%或增加15%。

15 於一間合營企業之投資

於二零一六年二月十九日,本集團已訂立協議以內部資源,代價人民幣22,000,000元(約25,581,000港元)收購成立於中國大陸之鳳凰雲(北京)科技股份有限公司(「鳳凰雲」)(前稱為鳳凰雲科技(北京)有限公司)之27.5%股本權益。收購事項完成前,鳳凰雲向若干投資者籌集額外資本,本集團於二零一六年五月十九日完成收購時最終收購權益減少至24.75%。

15 INVESTMENT IN A JOINT VENTURE (Continued)

15 於一間合營企業之投資(續)

		2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	—
Addition	增加	25,581
Share of loss	分攤虧損	(3,628)
Currency translation differences	匯兌差額	(975)
At 31 December	於十二月三十一日	<u>20,978</u>

Details of the Group's joint venture as at 31 December 2016 are as follows:

於二零一六年十二月三十一日本集團之合營企業詳列如下：

Name of entity 企業名稱	Place of business/country of incorporation 經營地點／註冊成立地點	Principal activities 主營業務	% of ownership interest 權益百分比	Measurement method 計量方法
Shares held indirectly: 間接持有之權益：				
鳳凰雲(北京)科技股份有限公司 (前稱鳳凰雲科技(北京)有限公司) Phoenix Cloud (Beijing) Technologies Company Limited* (formerly known as Phoenix Cloud Technologies (Beijing) Company Limited)	People's Republic of China, limited liability by share company 中華人民共和國 股份有限公司	Sale and development of smart card application products in Mainland China 於中國大陸從事銷售及 開發智能卡應用產品	24.75%	Equity 權益法

* For identification purpose

* 僅供識別

Set out below are the summarised financial information of a joint venture which is accounted for using equity method.

按權益法入賬之一間合營企業之摘要財務資料如下：

Summarised balance sheet

摘要資產負債表

		2016 二零一六年 HK\$'000 千港元
Current	流動	
Cash and cash equivalents	現金及現金等值項目	2,128
Current assets (excluding cash and cash equivalents)	流動資產(不包括現金及 現金等值項目)	<u>26,628</u>
Total current assets	總流動資產	<u>28,756</u>
Current liabilities	流動負債	<u>(8,998)</u>
Non-current	非流動	
Assets	資產	<u>699</u>
Net assets	淨資產	<u>20,457</u>

15 INVESTMENT IN A JOINT VENTURE (Continued)

Summarised statement of comprehensive income

		2016 二零一六年 HK\$'000 千港元
Revenue	收益	9,402
Depreciation	折舊	(171)
Expenses	開支	(32,996)
Loss for the year	年度虧損	(23,765)
Other comprehensive loss	其他綜合虧損	—
Total loss for the year	總年度虧損	(23,765)

There were no commitment and contingent liabilities relating to the Group's interests in a joint venture as at 31 December 2016.

於二零一六年十二月三十一日，本集團於一間合營企業之投資並無承擔及或然負債。

Reconciliation of summarised financial information

		2016 二零一六年 HK\$'000 千港元
Opening net assets as at acquisition date	於收購日之期初淨資產	32,578
Loss for the period	期內虧損	(14,658)
Other comprehensive income	其他全面收入	2,537
Closing net assets	期末淨資產	20,457
Interest in a joint venture @ 24.75%	於一間合營企業權益 @ 24.75%	5,063
Currency translation difference	匯兌差額	(825)
Goodwill	商譽	16,740
Carrying value	賬面值	20,978

Notes to the Financial Statements 財務報表附註

16 LAND USE RIGHTS

The Group's land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance as at 1 January	於一月一日之結餘	14,358	15,705
Amortisation of prepaid operating lease payments	攤銷預付經營租賃款項	(330)	(364)
Currency translation differences	匯兌差額	(1,179)	(983)
Balance as at 31 December	於十二月三十一日之結餘	12,849	14,358

16 土地使用權

本集團之土地使用權代表預付經營租賃款項，其賬面淨值分析如下：

17 FINANCIAL INSTRUMENTS BY CATEGORY

The tables below analyse financial instruments by category:

17 按類別之金融工具

下表按類別分析金融工具：

		Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Financial assets at fair value through profit or loss 按公允值計入 損益賬之 金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2016	於二零一六年 十二月三十一日			
Assets as per balance sheet	按資產負債表所列之資產			
Trade and other receivables excluding prepayments	除預付款項之貿易及其他應收款項	27,211	—	27,211
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	—	108,242	108,242
Cash and cash equivalents	現金及現金等值項目	21,534	—	21,534
		48,745	108,242	156,987

17 FINANCIAL INSTRUMENTS BY CATEGORY **17 按類別之金融工具(續)**
(Continued)

				Other financial liabilities at amortised cost 按攤銷成本列賬之其他金融負債 HK\$'000 千港元
31 December 2016		於二零一六年十二月三十一日		
Liabilities as per balance sheet		按資產負債表所列之負債		
Trade and other payables		貿易及其他應付款項		29,450
		Loans and receivables	Financial assets at fair value through profit or loss 按公允值計入損益賬之金融資產	Total 總計
		貸款及應收款項 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 December 2015		於二零一五年十二月三十一日		
Assets as per balance sheet		按資產負債表所列之資產		
Trade and other receivables excluding prepayments		除預付款項之貿易及其他應收款項		13,649
Financial assets at fair value through profit or loss		按公允值計入損益賬之金融資產		—
Cash and cash equivalents		現金及現金等值項目		121,639
		88,378	—	88,378
		102,027	121,639	223,666
				Other financial liabilities at amortised cost 按攤銷成本列賬之其他金融負債 HK\$'000 千港元
31 December 2015		於二零一五年十二月三十一日		
Liabilities as per balance sheet		按資產負債表所列之負債		
Trade and other payables		貿易及其他應付款項		24,832

18 INVENTORIES

Raw materials	原材料
Work in progress	半製成品
Finished goods	製成品

18 存貨

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
2,957	3,270
17,289	12,027
4,881	7,288
25,127	22,585

The cost of inventories recognised as expenses and included in cost of goods sold amounted approximately HK\$60,587,000 (2015: HK\$43,673,000).

確認為開支及計入銷貨成本之存貨成本約為60,587,000港元(二零一五年: 43,673,000港元)。

19 TRADE AND OTHER RECEIVABLES

Trade receivables	貿易應收款項
Prepayments, deposits and other receivables	按金及其他應收款項
Less: deposits classified as non-current	減: 列作非流動資產之按金
Current assets	流動資產

19 貿易及其他應收款項

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
22,664	11,122
6,648	4,257
29,312	15,379
(655)	—
28,657	15,379

The carrying amounts of the trade receivables, deposits and other receivables approximated their fair values.

貿易應收款項、按金及其他應收款項之賬面值與其公允值相若。

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19 TRADE AND OTHER RECEIVABLES (Continued)

Majority of the Group's trade receivables are with credit terms ranging from 30 to 60 days. The ageing of trade receivables based on invoice date, is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 30 days	30日內	21,428	6,988
31-60 days	31-60日	1,214	4,114
61-90 days	61-90日	22	14
Over 90 days	超過90日	—	6
		22,664	11,122

The ageing of trade receivables past due but not considered to be impaired is shown below. These past due receivables relate to a number of independent customers for whom there is no recent history of default.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 30 days	30日內	1,214	4,114
31-60 days	31-60日	22	14
61-90 days	61-90日	—	6
		1,236	4,134

The maximum exposure to credit risk at the reporting date was the carrying amount of each class of receivables mentioned above. The Group did not hold any collateral as security.

The carrying amounts of the trade and other receivables excluding prepayments were denominated in the following currencies:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港幣	1,104	657
Renminbi	人民幣	3,545	6,070
US\$	美元	22,562	6,922
		27,211	13,649

19 貿易及其他應收款項(續)

本集團大部份貿易應收款項之信貸期介乎30至60日。貿易應收款項按發票日期之賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 30 days	30日內	21,428	6,988
31-60 days	31-60日	1,214	4,114
61-90 days	61-90日	22	14
Over 90 days	超過90日	—	6
		22,664	11,122

已逾期但被視為無減值之貿易應收款項賬齡如下。此等已逾期應收款項涉及多個獨立客戶，其近期並無欠款記錄。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 30 days	30日內	1,214	4,114
31-60 days	31-60日	22	14
61-90 days	61-90日	—	6
		1,236	4,134

於報告日期之最高信貸風險為上述各類別應收款項之賬面值。本集團並無持有任何抵押品作抵押。

除預付款項之貿易應收及其他應收款項之賬面值乃以下列貨幣列值：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港幣	1,104	657
Renminbi	人民幣	3,545	6,070
US\$	美元	22,562	6,922
		27,211	13,649

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**20 按公允值計入損益賬之金融資產**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Listed securities — held-for-trading	上市證券 — 持作交易		
Equity securities — Hong Kong	股本證券 — 香港	108,242	121,639

Financial assets at fair value through profit or loss are presented within “operating activities” as part of changes in working capital in the consolidated cash flows statement (Note 27).

按公允值計入損益賬之金融資產於「經營活動」內呈列，作為現金流轉表內營運資金變動之一部份(附註27)。

The fair values of all equity securities are based on their current bid prices in an active market (Note 3).

所有股本證券之公允值均以其現時交投活躍市場之競價為基準(附註3)。

21 CASH AND CASH EQUIVALENTS**21 現金及現金等值項目**

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash at bank and in hand	銀行及手頭現金	21,534	50,239
Bank deposits with original maturities less than 3 months	原到期日為三個月以內之 銀行存款	—	38,139
		21,534	88,378

In 2015, the overall effective interest rate on short-term bank deposits was 0.7% per annum and the deposits have an average maturity of 12 days.

於二零一五年，短期銀行存款之整體實際年利率為0.7厘，其平均到期日為12日。

The Group's bank balances of HK\$3,920,000 (2015: HK\$3,966,000) are deposited with banks in the Mainland China. The remittance of these funds out of the Mainland China is subject to the exchange control restrictions imposed by the Mainland China government.

本集團之銀行結餘3,920,000港元(二零一五年：3,966,000港元)已存入於中國大陸之銀行。將此等資金匯出中國大陸須受到中國大陸政府實施之外匯監控所限制。

The carrying amounts of the cash and cash equivalents were denominated in the following currencies:

現金及現金等值項目之賬面值乃以下列貨幣列值：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港元	6,119	29,636
Renminbi	人民幣	3,920	3,966
US\$	美元	11,425	54,653
Others	其他	70	123
		21,534	88,378

22 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. As of 31 December 2016 and 2015, no deferred income tax assets and liabilities were offset.

22 遞延所得稅

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產及負債抵銷。於二零一六年及二零一五年十二月三十一日，並無抵銷遞延所得稅資產及負債。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred income tax liabilities	遞延所得稅負債	7,294	7,127

The movement in deferred income tax liabilities during the year is as follows:

年內之遞延所得稅負債變動如下：

		Fair value gains of buildings 樓宇之 公允值收益 HK\$'000 千港元	Net unrealised gain on revaluation of trading securities 重估交易 證券之未變現 淨收益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance as at 1 January 2015	於二零一五年一月一日之結餘	6,759	1,481	8,240
Debited to equity	於權益扣除	368	—	368
Credited to profit or loss	於損益賬計入	—	(1,481)	(1,481)
At 31 December 2015	於二零一五年十二月三十一日	7,127	—	7,127
Balance as at 1 January 2016	於二零一六年一月一日之結餘	7,127	—	7,127
Debited to equity	於權益賬扣除	167	—	167
At 31 December 2016	於二零一六年十二月三十一日	7,294	—	7,294

22 DEFERRED INCOME TAX (Continued)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$37,150,000 (2015: HK\$40,262,000) in respect of losses amounting to HK\$182,894,000 (2015: HK\$185,959,000) that can be carried forward against future taxable income because their utilisation is not considered probable. Cumulative tax losses of HK\$100,860,000 (2015: HK\$73,275,000) can be carried forward indefinitely while tax losses of HK\$82,034,000 (2015: HK\$112,684,000) will expire as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Expiring in	於以下年度內到期		
2017	二零一七年	22,555	49,987
2018	二零一八年	7,908	23,370
2019	二零一九年	7,231	8,194
2020	二零二零年	22,923	7,492
2021	二零二一年	21,417	23,641
Total	總計	82,034	112,684

23 TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項
Accruals	應計費用
Other payables	其他應付款項

		29,450	24,832
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22 遞延所得稅(續)

遞延所得稅資產僅會於有關之稅項利益有可能透過未來應課稅溢利變現時，就結轉稅項虧損確認。由於認為不可能動用遞延所得稅資產，本集團並無確認涉及182,894,000港元(二零一五年：185,959,000港元)之虧損之遞延所得稅資產37,150,000港元(二零一五年：40,262,000港元)，其可供結轉用以抵銷日後應課稅收入。累計稅項虧損100,860,000港元(二零一五年：73,275,000港元)可無限期結轉，而稅項虧損82,034,000港元(二零一五年：112,684,000港元)將於以下年度內到期：

23 貿易及其他應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables	貿易應付款項	15,596	10,792
Accruals	應計費用	11,033	11,430
Other payables	其他應付款項	2,821	2,610
		29,450	24,832

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23 TRADE AND OTHER PAYABLES (Continued)

The ageing of the trade payables, based on invoice date, was as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 30 days	30日內	5,560	5,707
31–60 days	31–60日	9,784	4,497
61–90 days	61–90日	233	130
Over 90 days	超過90日	19	458
		15,596	10,792

Trade and other payables were denominated in the following currencies:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港元	2,539	1,774
Renminbi	人民幣	26,700	22,443
US\$	美元	211	615
		29,450	24,832

The carrying amounts of trade and other payables approximated their fair values due to their short term nature.

貿易應付款項按發票日期之賬齡如下：

貿易及其他應付款項乃以下列貨幣列值：

貿易及其他應付款項因屬短期性質，故其賬面值與公允值相若。

24 SHARE CAPITAL

24 股本

		Number of ordinary shares 普通股 股份數目 (thousands) (千股)	Share capital 股本 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	804,700	80,470
Employee share option scheme:	僱員購股權計劃：		
– Proceeds from the shares issued (Note 25)	– 發行股票所得款項(附註25)	13,342	1,334
At 31 December 2015	於二零一五年十二月三十一日	818,042	81,804
Employee share option scheme:	僱員購股權計劃：		
Share option exercised	行使購股權	–	–
At 31 December 2016	於二零一六年十二月三十一日	818,042	81,804

25 SHARE OPTIONS

On 29 August 2012, 18,100,000 share options were granted to key management personnel of the Group. The exercise price of these options granted was HK\$0.419. Upon completion of a rights issue on 13 February 2014, the number of share options outstanding at this date was adjusted from 17,100,000 shares to 18,105,884 shares and the exercise price was adjusted from HK\$0.419 per share to HK\$0.396 per share.

During the years ended 31 December 2016 and 2015, no share options were granted.

Movements in share options are as follows:

At beginning of year	於年初	—	13,342
Exercised	已行使	—	(13,342)
At 31 December	於十二月三十一日	—	—

Up to 50% of the share options granted are exercisable from 29 August 2013 to 28 August 2014 (the "First Period"); the remaining 50% of the share options together with any share options not exercised during the First Period are exercisable from 29 August 2014 to 28 August 2022.

Options exercised in 2015 resulted in 13,341,178 shares being issued at a price of HK\$0.396 each. The related share price at the time of exercise was HK\$1.00 per share.

25 購股權

於二零一二年八月二十九日，本集團主要管理人員獲授予18,100,000份購股權。此等已授出購股權之行使價為0.419港元。於二零一四年二月十三日完成供股後，於該日尚未行使之購股權數目由17,100,000股股份調整至18,105,884股股份，而行使價則由每股0.419港元調整至每股0.396港元。

截至二零一六年及二零一五年十二月三十一日止年度，並無授出購股權。

購股權變動如下：

	2016 二零一六年	2015 二零一五年
	Number of shares 股份數目 (thousands) (千股)	Number of shares 股份數目 (thousands) (千股)
At beginning of year	—	13,342
Exercised	—	(13,342)
At 31 December	—	—

最多50%之授出購股權可於二零一三年八月二十九日至二零一四年八月二十八日（「第一期」）行使，而餘下50%購股權及任何於第一期尚未行使之購股權可於二零一四年八月二十九日至二零一五年八月二十八日行使。

於二零一五年行使購股權導致13,341,178股股份以每股0.396港元之價格發行。於行使時，有關股價為每股1.00港元。

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26 OTHER RESERVES

26 其他儲備

		Share premium	Exchange translation reserve	Fixed assets revaluation reserve	Merger reserve	Share-based payment reserve	Total
		股份溢價 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	固定資產 重估儲備 HK\$'000 千港元	合併儲備 HK\$'000 千港元	以股份為 基礎之 付款儲備 HK\$'000 千港元	總計 HK\$'000 千港元
Balance as at 1 January 2015	於二零一五年一月一日之結餘	211,693	(31,170)	20,278	(200)	2,119	202,720
Other comprehensive (loss)/income	其他全面(虧損)/收入						
Fair value changes, net of tax	公允值變動，扣除稅項	—	—	1,104	—	—	1,104
Currency translation differences arising on the translation of the financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	—	(1,872)	—	—	—	(1,872)
Total other comprehensive (loss)/income	其他全面(虧損)/收入總額	—	(1,872)	1,104	—	—	(768)
Transactions with owners	與擁有人進行之交易						
Employee share option scheme: — Exercise of share options	僱員購股權計劃 — 行使購股權	6,068	—	—	—	(2,119)	3,949
Total transactions with owners, recognised directly in equity	與擁有人進行之交易總額，直接於權益確認	6,068	—	—	—	(2,119)	3,949
At 31 December 2015	於二零一五年十二月三十一日	217,761	(33,042)	21,382	(200)	—	205,901
		Share premium	Exchange translation reserve	Fixed assets revaluation reserve	Merger reserve	Share-based payment reserve	Total
		股份溢價 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	固定資產 重估儲備 HK\$'000 千港元	合併儲備 HK\$'000 千港元	以股份為 基礎之 付款儲備 HK\$'000 千港元	總計 HK\$'000 千港元
Balance as at 1 January 2016	於二零一六年一月一日之結餘	217,761	(33,042)	21,382	(200)	—	205,901
Other comprehensive income	其他全面收入						
Fair value changes, net of tax	公允值變動，扣除稅項	—	—	502	—	—	502
Currency translation differences arising on the translation of the financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	—	(3,218)	—	—	—	(3,218)
Total other comprehensive (loss)/income	其他全面(虧損)/收入總額	—	(3,218)	502	—	—	(2,716)
Transactions with owners	與擁有人進行之交易						
Employee share option scheme: — Exercise of share options	僱員購股權計劃 — 行使購股權	—	—	—	—	—	—
Total transactions with owners, recognised directly in equity	與擁有人進行之交易總額，直接於權益確認	—	—	—	—	—	—
At 31 December 2016	於二零一六年十二月三十一日	217,761	(36,260)	21,884	(200)	—	203,185

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27 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of loss before income tax to net cash used in operations is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(48,866)	(36,949)
Depreciation of properties, plant and equipment	物業、廠房及設備折舊	4,690	4,796
Loss on disposal of properties, plant and equipment	出售物業、廠房及設備之虧損	42	215
Impairment loss of properties, plant and equipment	物業、廠房及設備之減值虧損	—	2,035
Amortisation of land use rights	土地使用權攤銷	330	364
Share of result of a joint venture	分攤一間合營企業之虧損	3,628	—
Finance income	融資收入	(108)	(560)
		(40,284)	(30,099)
Changes in working capital:	營運資金變動：		
Inventories	存貨	(2,542)	2,502
Trade and other receivables	貿易及其他應收款項	(13,933)	10,061
Trade and other payables	貿易及其他應付款項	4,618	(9,935)
Financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產	13,397	(7,952)
Net cash used in operations	經營所用之現金淨額	(38,744)	(35,423)

In the consolidated cash flow statement, proceeds from sale of properties, plant and equipment comprise:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net book amount (Note 14)	賬面淨值(附註14)	53	439
Losses on disposal of properties, plant and equipment	出售物業、廠房及設備之虧損	(42)	(215)
Proceeds from disposal of properties, plant and equipment	出售物業、廠房及設備所得款項	11	224

除所得稅前虧損與經營所用之現金淨額之對賬如下：

於綜合現金流轉表內，出售物業、廠房及設備包括：

28 COMMITMENTS**Capital Commitments**

Capital commitments at the balance sheet date but not yet incurred as follows:

Properties, plant and equipment	物業、廠房及設備
---------------------------------	----------

Commitments under operating leases

The Group had future aggregate minimum lease payments for buildings and motor vehicles under non-cancellable operating leases as follows:

Not later than one year	一年內
Later than one year and not later than five years	一年後但不遲於五年

28 承擔**資本承擔**

於結算日但尚未產生之資本承擔如下：

2016	2015
二零一六年	二零一五年
HK\$'000	HK\$'000
千港元	千港元

—	823
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經營租賃承擔

本集團根據不可撤銷經營租賃而須於未來就樓宇及汽車支付之最低租賃款項總額如下：

2016	2015
二零一六年	二零一五年
HK\$'000	HK\$'000
千港元	千港元

3,749	2,389
3,347	951
7,096	3,340

Notes to the Financial Statements 財務報表附註

29 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016:

29 附屬公司

本公司於二零一六年十二月三十一日之主要附屬公司如下：

Company name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本資料	Percentage of interest held 所持權益百分比
Shares held directly: 直接持有股份：				
Topwell Group Development Ltd.	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 於香港進行投資控股	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元之普通股	100
Shares held indirectly: 間接持有股份：				
Carry Wealth Limited 近旺有限公司	Hong Kong, limited liability company 香港，有限公司	Provision of management services in Hong Kong 於香港提供管理服務	4,000,000 ordinary shares 4,000,000股之普通股	100
Dragon Insight Investments Limited 穎揚投資有限公司	Hong Kong, limited liability company 香港，有限公司	Securities trading in Hong Kong 於香港進行證券交易	1 ordinary share 1股之普通股	100
Hillwealth International Limited 領溢國際有限公司	Hong Kong, limited liability company 香港，有限公司	Garment trading and securities trading in Hong Kong 於香港進行成衣貿易及證券交易	1 ordinary share 1股之普通股	100
Mass Wealth Investments Limited 尚豪投資有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding in Hong Kong 於香港進行投資控股	1 ordinary share 1股之普通股	100
鶴山恒富製衣有限公司 (Heshan Carry Wealth Garment Limited*)	People's Republic of China, limited liability company 中華人民共和國，有限公司	Manufacture of knit products in Mainland China 於中國大陸生產針織服裝	US\$14,700,000 14,700,000美元	100
恒豐(深圳)投資諮詢有限公司 (Heng Feng (Shenzhen) Investment Consulting Company Limited*)	People's Republic of China, limited liability company 中華人民共和國，有限公司	Investment holding in Mainland China 於中國大陸進行投資控股	Renminbi 5,000,000 5,000,000人民幣	100

* For identification purpose

* 僅供識別

30 RELATED PARTY TRANSACTIONS

(a) As at 31 December 2016 and 2015, 404,944,690 shares and 404,944,690 shares (2016: 49.50%; 2015: 49.50%) of the Company were held by Dragon Peace Limited, which is ultimately owned by Mr. Li Haifeng, a director of the Company. The directors consider Dragon Peace Limited, a company incorporated in the British Virgin Islands, to be the Company's ultimate holding company.

(b) Key management compensation

Key management of the Group comprises the executive directors of the Group.

30 關連方交易

(a) 於二零一六年及二零一五年十二月三十一日，本公司404,944,690股股份及404,944,690股股份(二零一六年：49.50%；二零一五年：49.50%)由Dragon Peace Limited持有，本公司董事李海楓先生最終擁有該公司。董事認為，Dragon Peace Limited(於英屬處女群島註冊成立之有限公司)為本公司之最終控股公司。

(b) 主要管理人員酬金

本集團主要管理人員由本集團執行董事組成。

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other short-term employee benefits	薪酬及其他短期僱員福利	5,495	5,487
Contributions to the MPF Scheme	強積金計劃供款	36	36
		5,531	5,523

31 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

31 本公司資產負債表及儲備變動

		2016 二零一六年	2015 二零一五年
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS			
Non-current assets	資產		
	非流動資產		
Properties, plant and equipment	物業、廠房及設備	294	482
Amount due from a subsidiary	一間附屬公司欠款	226,625	280,728
		226,919	281,210
Current assets	流動資產		
Other receivables	其他應收款項	1,147	1,146
Cash and cash equivalents	現金及現金等值項目	1,137	1,155
		2,284	2,301
Total assets	總資產	229,203	283,511
EQUITY	權益		
Capital and reserves attributable to the Company's equity holders	由本公司權益持有人應佔之資本及儲備		
Share capital	股本	81,804	81,804
Other reserves	其他儲備	365,455	365,455
Accumulated losses	累計虧損	(219,066)	(164,478)
Total equity	總權益	228,193	282,781
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	1,010	730
Total liabilities	總負債	1,010	730
Total equity and liabilities	總權益及負債	229,203	283,511

Lee Sheng Kuang, James

李勝光

Managing Director

董事總經理

Tang Chak Lam, Charlie

鄧澤霖

Executive Director

執行董事

31 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

31 本公司資產負債表及儲備變動(續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share premium	Contributed surplus (i)	Share-based payment reserve	Total
		股份溢價	繳入盈餘(i)	以股份為基礎之付款儲備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	211,693	147,694	2,119	361,506
Employee share option scheme	僱員購股權計劃				
– Exercise of share options	– 行使購股權	6,068	–	(2,119)	3,949
At 31 December 2015	於二零一五年十二月三十一日	217,761	147,694	–	365,455
At 1 January 2016	於二零一六年一月一日	217,761	147,694	–	365,455
Employee share option scheme	僱員購股權計劃				
– Exercise of share options	– 行使購股權	–	–	–	–
At 31 December 2016	於二零一六年十二月三十一日	217,761	147,694	–	365,455

Note:

- (i) The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of a subsidiary acquired and the nominal value of the Company's shares issued in exchange therefor.

附註:

- (i) 本公司之繳入盈餘乃指所購入該附屬公司之綜合股東資金與本公司用作交換而發行股份之面值之差額。

締造**恒**優品質

源於**豐**富人材



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