

# 自然美 natural beauty

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00157



*Beauty from Natural*

美麗源於自然

**2016** 年報  
ANNUAL REPORT

# Mission Statement

## 我們的使命

Natural Beauty is dedicated to cultivate our staff, customers, students and franchisees to appreciate our education, products and services, which are made by the love and kindness of our founder, Dr. Tsai Yen-Pin, who made modern ladies beautiful, confident and wealthy.

我們致力於使員工、顧客、學員及加盟老師們存著一份感恩的心來到自然美，學習自然美容術及使用自然美產品及服務，這都是自然美創辦人蔡燕萍博士以愛心砌成累積的成果，幫助無數女性建立美麗、自信及財富。



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# Corporate Information 公司資料

(As at 10 April 2017 ("the Latest Practicable Date"))  
(於二零一七年四月十日(「最後實際可行日期」))

## BOARD OF DIRECTORS

### Executive Directors

Dr. TSAI Yen-Yu

(alias Dr. TSAI Yen-Pin) (*Chairperson*)

Mr. LEE Ming-Ta

(alias Mr. LEE Ming-Tah) (*Vice Chairman*)

Dr. SU Chien-Cheng

### Non-Executive Director

Dr. SU Sh-Hsyu

### Independent Non-Executive Directors

Mr. CHEN Ruey-Long

Mr. LU Chi-Chant

Mr. HSIEH Pang-Chang

(alias Mr. SHIA Ben-Chang)

## AUTHORISED REPRESENTATIVES

Dr. SU Chien-Cheng

Ms. HO Siu Pik

## COMPANY SECRETARY

Ms. HO Siu Pik (FCS, FCS)

## MEMBERS OF THE AUDIT COMMITTEE

Mr. CHEN Ruey-Long (*Chairman*)

Dr. SU Sh-Hsyu

Mr. LU Chi-Chant

Mr. HSIEH Pang-Chang

(alias Mr. SHIA Ben-Chang)

## MEMBERS OF THE REMUNERATION COMMITTEE

Mr. LU Chi-Chant (*Chairman*)

Dr. SU Chien-Cheng

Dr. SU Sh-Hsyu

Mr. CHEN Ruey-Long

Mr. HSIEH Pang-Chang

(alias Mr. SHIA Ben-Chang)

## 董事會

### 執行董事

蔡燕玉博士

(又名蔡燕萍博士)(*主席*)

李明達先生(*副主席*)

蘇建誠博士

### 非執行董事

蘇詩琇博士

### 獨立非執行董事

陳瑞隆先生

盧啓昌先生

謝邦昌先生

## 法定代表

蘇建誠博士

何小碧女士

## 公司秘書

何小碧女士(FCS, FCS)

## 審核委員會成員

陳瑞隆先生(*主席*)

蘇詩琇博士

盧啓昌先生

謝邦昌先生

## 薪酬委員會成員

盧啓昌先生(*主席*)

蘇建誠博士

蘇詩琇博士

陳瑞隆先生

謝邦昌先生

## MEMBERS OF THE EXECUTIVE COMMITTEE

Mr. LEE Ming-Ta  
(alias Mr. LEE Ming-Tah) (*Chairman*)  
Dr. TSAI Yen-Yu  
(alias Dr. TSAI Yen-Pin)  
Dr. SU Chien-Cheng  
Dr. SU Sh-Hsyu

## MEMBERS OF THE NOMINATION COMMITTEE

Mr. HSIEH Pang-Chang  
(alias Mr. SHIA Ben-Chang) (*Chairman*)  
Dr. TSAI Yen-Yu  
(alias Dr. TSAI Yen-Pin)  
Mr. LEE Ming-Ta  
(alias Mr. LEE Ming-Tah)  
Mr. CHEN Ruey-Long  
Mr. LU Chi-Chant

## REGISTERED OFFICE

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## 執行委員會成員

李明達先生 (*主席*)  
蔡燕玉博士  
(又名蔡燕萍博士)  
蘇建誠博士  
蘇詩琇博士

## 提名委員會成員

謝邦昌先生 (*主席*)  
蔡燕玉博士  
(又名蔡燕萍博士)  
李明達先生  
陳瑞隆先生  
盧啓昌先生

## 註冊辦事處

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

## 香港主要營業地點

香港  
皇后大道東183號  
合和中心  
54樓

## Corporate Information 公司資料

(As at 10 April 2017 ("the Latest Practicable Date"))  
(於二零一七年四月十日(「最後實際可行日期」))

### AUDITORS

Deloitte Touche Tohmatsu  
Certified Public Accountants  
35/F One Pacific Place  
88 Queensway  
Hong Kong

### LEGAL ADVISERS

Bird & Bird  
4/F, Three Pacific Place  
1 Queen's Road East  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

Hong Kong Registrars Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 00157

### 核數師

德勤•關黃陳方會計師行  
執業會計師  
香港  
金鐘道88號  
太古廣場一期35樓

### 法律顧問

鴻鵠律師事務所  
香港  
皇后大道東1號  
太古廣場3座4樓

### 主要股份過戶登記處

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### 香港股份過戶登記分處

香港證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心  
17樓1712-1716室

### 上市資料

香港聯合交易所有限公司  
股份代號：00157

### PRINCIPAL BANKERS

#### The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road Central  
Hong Kong

#### Taiwan Cooperative Bank

No. 277, Section 3, Cheng Teh Road  
Taipei  
Taiwan

#### CTBC BANK Co., Ltd.

8F, No. 168, Jingmao 2nd Road  
Taipei  
Taiwan

#### China Merchants Bank Co., Ltd.

Shanghai Branch, Jingsi Sub-branch  
1700 Beijing Road (W)  
Shanghai  
The PRC

#### China Minsheng Banking Corporation Limited

Shanghai Branch, Hongkou Sub-branch  
1/F Gulf Building  
53 Huangpu Road  
Shanghai  
The PRC

### WEBSITE

[www.corpasia.net/hongkong/0157/irwebsite](http://www.corpasia.net/hongkong/0157/irwebsite)

### 主要往來銀行

#### 香港上海滙豐銀行有限公司

香港  
皇后大道中1號

#### 合作金庫銀行

台灣  
台北  
承德路三段277號

#### 中國信託商業銀行股份有限公司

台灣  
台北  
經貿二路168號8樓

#### 招商銀行股份有限公司

上海市分行靜安寺支行  
中國  
上海  
北京西路1700號

#### 中國民生銀行股份有限公司

上海市分行虹口支行  
中國  
上海  
黃浦路53號  
海灣大廈一樓

### 網址

[www.corpasia.net/hongkong/0157/irwebsite](http://www.corpasia.net/hongkong/0157/irwebsite)

The background features a large, flowing green fabric-like shape in the upper half, and a floral arrangement in the bottom right corner. The text is centered in the white space between these elements.

*Dare To Lead*

勇於爭先





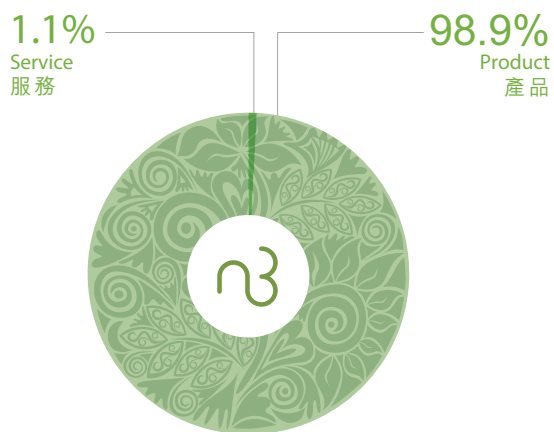
# Financial Highlights

## 財務摘要

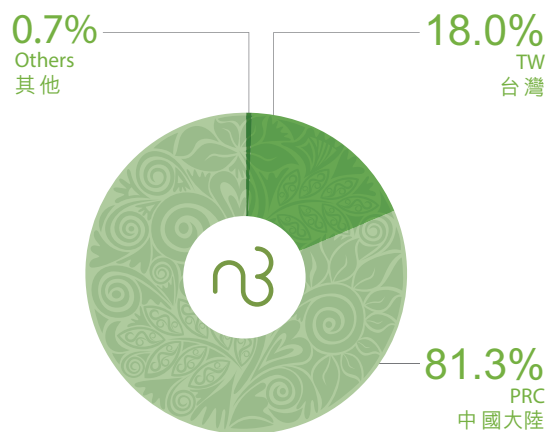
Selected Financial Data	財務數據摘要	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
HK\$'000 (except per share data)	千港元 (每股數據除外)	二零一一年 財政年度	二零一二年 財政年度	二零一三年 財政年度	二零一四年 財政年度	二零一五年 財政年度	二零一六年 財政年度
Revenue	收入	591,295	483,438	439,421	505,761	506,913	475,225
Cost of sales	銷售成本	122,162	103,592	106,321	116,981	109,419	122,366
Gross profit	毛利	469,133	379,846	333,100	388,780	394,494	352,859
Operating profit	經營溢利	173,647	155,251	83,052	116,274	170,392	196,217
Profit for the year	本年度溢利	115,172	119,108	58,459	71,480	136,830	148,403
Dividends	股利	170,179	45,648	52,655	105,871	136,944	247,660
EPS – basic	每股盈利 – 基本	\$0.0580	\$0.0600	\$0.0290	\$0.0360	\$0.0680	\$0.0740
DPS	每股股利	\$0.0850	\$0.0228	\$0.0263	\$0.05288	\$0.0684	\$0.1237
Return on Equity (ROE)	股本回報	14.6%	15.9%	7.4%	9.2%	18.7%	22.7%
Return on Assets (ROA)	資產回報	12.0%	13.5%	6.0%	7.3%	15.4%	18.0%



TURNOVER BY  
ACTIVITIES BREAKDOWN (%)  
按業務劃分之營業額 (%)



TURNOVER BY  
GEOGRAPHICAL BREAKDOWN (%)  
按地域劃分之營業額 (%)





綻放  
無限光彩  
Bloom infinite glory



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Overview

Turnover of the Group in 2016 decreased by 6.3% to HK\$475.2 million compared with HK\$506.9 million in 2015. The decline was mainly due to a decrease of HK\$28.8 million of currency translation as a result of a lower average exchange rate in 2016.

Turnover in the PRC market decreased by 7.7% from HK\$418.5 million in 2015 to HK\$386.4 million in 2016, while turnover in the Taiwan market increased by 0.8% to HK\$85.7 million compared with HK\$85.0 million in 2015.

Sales from other regions, including Hong Kong, Malaysia and Macau, decreased by 7.1% from HK\$3.4 million in 2015 to HK\$3.2 million in 2016. Contribution from these regions remained at an insignificant level of just 0.7% of the Group's turnover.

The Group's overall gross profit margin declined from 78.4% in 2015 to 74.3% in 2016 mainly due to the new PRC Consumption Tax regulations imposed in 2016 and higher promotion discount.

### 財務回顧

#### 概況

本集團之營業額由二零一五年的506,900,000港元下跌6.3%至二零一六年的475,200,000港元。減少主要因為二零一六年較低的平均匯率，導致貨幣換算28,800,000港元的減少。

中國大陸市場之營業額由二零一五年的418,500,000港元下跌7.7%至二零一六年的386,400,000港元；而台灣市場之營業額則由二零一五年的85,000,000港元上升0.8%至二零一六年的85,700,000港元。

其他地區（包括香港、馬來西亞及澳門）之銷售額下跌7.1%，由二零一五年之3,400,000港元下跌至二零一六年之3,200,000港元。該等地區對本集團營業額之貢獻維持輕微，僅佔本集團營業額0.7%。

本集團之整體邊際毛利率由二零一五年的78.4%下跌至二零一六年的74.3%，主要因為二零一六年中國大陸推行消費稅條例新政策及本集團更大的市場推廣優惠所致。

Turnover by activities	按業務劃分之營業額	2016		2015		Changes	
		二零一六年		二零一五年		變動	
		HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元		千港元		千港元	
Products	產品	469,894	98.9%	500,480	98.7%	(30,586)	-6.1%
Services	服務	5,331	1.1%	6,433	1.3%	(1,102)	-17.1%
<b>Total</b>	<b>總計</b>	<b>475,225</b>	<b>100.0%</b>	<b>506,913</b>	<b>100.0%</b>	<b>(31,688)</b>	<b>-6.3%</b>

## FINANCIAL REVIEW (Continued)

### Products

The Group is principally engaged in manufacturing and sales of a range of products, including skin care, beauty and aroma-therapeutic products, health supplements and make-up products under the "Natural Beauty" brand. Product sales are the Group's key revenue source and primarily come from franchised spas, self-owned spas and concessionary counters at department stores. Product sales in 2016 amounted to HK\$469.9 million, or 98.9% of the Group's total revenue, representing a decrease of HK\$30.6 million or by 6.1% when compared with product sales of HK\$500.5 million in 2015. The decrease in product sales was mainly driven by the currency translation issue mentioned in the paragraph headed "Overview" above.

### Services

Service income is derived from the self-owned spas' services, training and other services.

The Group provides skin treatment, beauty and spa services through its self-owned spas. Currently the Group has one self-owned spa in China and 3 self-owned spas in Taiwan.

The Group does not share any service income generated from spas run by franchisees under its current franchise arrangements. In 2016, service income decreased by 17.1% to HK\$5.3 million compared with HK\$6.4 million in 2015.

## 財務回顧 (續)

### 產品

本集團主要以「自然美」品牌製造及銷售護膚產品、美容及精油產品、健康食品及化妝品等各式各樣產品。產品銷售為本集團主要收入來源，且主要源自加盟水療中心、自資經營水療中心及百貨公司專櫃。二零一六年之產品銷售額達469,900,000港元（或佔本集團總收入98.9%），較二零一五年之產品銷售額500,500,000港元減少30,600,000港元或6.1%。產品銷售額減少主要由上文「概況」一段所述貨幣換算因素造成。

### 服務

服務收益源自自資經營水療中心服務、培訓及其他服務。

本集團透過其自資經營水療中心提供肌膚護理、美容及水療服務。目前，本集團在中國大陸擁有一家自資經營水療中心並在台灣擁有三家自資經營水療中心。

按現行加盟經營安排，本集團不能分佔加盟者經營水療中心所得之任何服務收益。於二零一六年，服務收益較二零一五年之6,400,000港元減少17.1%至5,300,000港元。

Service income	服務收益	2016		2015		Changes	
		二零一六年		二零一五年		變動	
		HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元		千港元		千港元	
Training income	培訓收益	401	7.5%	438	6.8%	(37)	-8.4%
Spa service income	水療服務收益	4,756	89.2%	5,347	83.1%	(591)	-11.1%
Others	其他	174	3.3%	648	10.1%	(474)	-73.2%
<b>Total</b>	<b>總計</b>	<b>5,331</b>	<b>100.0%</b>	<b>6,433</b>	<b>100.0%</b>	<b>(1,102)</b>	<b>-17.1%</b>

## FINANCIAL REVIEW (Continued)

### Services (Continued)

Turnover by geographical region	按地域劃分之營業額	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	Changes 變動 HK\$'000 千港元	%
<b>PRC</b>	<b>中國大陸</b>				
Products	產品	383,876	414,933	(31,057)	-7.5%
Services	服務	2,533	3,591	(1,058)	-29.5%
<b>PRC Total</b>	<b>中國大陸總計</b>	<b>386,409</b>	<b>418,524</b>	<b>(32,115)</b>	<b>-7.7%</b>
<b>Taiwan</b>	<b>台灣</b>				
Products	產品	82,857	82,145	712	0.9%
Services	服務	2,798	2,842	(44)	-1.5%
<b>Taiwan Total</b>	<b>台灣總計</b>	<b>85,655</b>	<b>84,987</b>	<b>668</b>	<b>0.8%</b>
<b>Others</b>	<b>其他</b>				
Products	產品	3,161	3,402	(241)	-7.1%
Services	服務	-	-	-	-
<b>Others Total</b>	<b>其他總計</b>	<b>3,161</b>	<b>3,402</b>	<b>(241)</b>	<b>-7.1%</b>

## 財務回顧 (續)

### 服務 (續)

### The PRC Market

Despite the slowdown in PRC's economic growth and the keener competition in the cosmetic industry, the turnover in the PRC market decreased by 1.0% in 2016 to RMB332.1 million compared with RMB335.6 million in 2015. However, due to the foreign currency translation factor, the Group's turnover in the PRC market represented in HK dollars decreased by 7.7% in 2016 to HK\$386.4 million compared with HK\$418.5 million in 2015. Gross margin on product sales decreased from 82.0% in 2015 to 76.0% in 2016, as a result of change in PRC Consumption Tax regulations and larger promotion discount on product sales during the period under review.

### 中國大陸市場

中國大陸經濟增長放緩，化妝品行業之競爭日趨激烈，本集團之中國大陸市場之營業額由二零一五年之人民幣335,600,000元減少1.0%至二零一六年之人民幣332,100,000元。但由於匯率換算的因素，本集團於中國大陸市場之營業額表現由二零一五年之418,500,000港元下跌7.7%至二零一六年之386,400,000港元。產品銷售邊際毛利率從二零一五年的82.0%下跌至二零一六年的76.0%，原因為於回顧期間中國大陸推行消費稅條例政策變動及更大的市場推廣優惠所致。



## FINANCIAL REVIEW (Continued)

### The Taiwan Market

The Group's turnover in the Taiwan market increased by 0.8% from HK\$85.0 million in 2015 to HK\$85.7 million in 2016 due to Taiwan economic recovery. Gross margin on product sales decreased by 0.4% from 79.7% in 2015 to 79.3% in 2016, and such change is insignificant.

### Other income and other gains

Other income and other gains increased by 28.7% from HK\$28.3 million in 2015 to HK\$36.4 million in 2016, which mainly comprised interest income, rental income from investment properties, financial refunds and compensation income arising from termination of a tenancy agreement of HK\$6.2 million, HK\$2.1 million, HK\$6.5 million and HK\$19.1 million respectively.

### Distribution and administrative expenses

Distribution and selling expenses as a percentage of the Group's turnover decreased to 23.8% in 2016 compared with 31.5% in 2015. It decreased by HK\$46.6 million from HK\$159.7 million in 2015 to HK\$113.1 million in 2016. Advertising and promotion expenses decreased to 6.1% of the Group's total turnover in 2016 as compared with 6.7% in 2015, and decreased by HK\$5.0 million from HK\$33.8 million in 2015 to HK\$28.8 million in 2016. Other key expenses include salaries of HK\$44.3 million, travel and entertainment expenses of HK\$4.7 million, depreciation charges of HK\$5.4 million as well as rentals of offices and sales counters of HK\$14.4 million in 2016.

Total administrative expenses decreased by HK\$13.8 million, or 15.8%, to HK\$73.4 million in 2016 compared with HK\$87.2 million in 2015. Administrative expenses mainly comprised staff costs and retirement benefits of HK\$25.1 million, legal and professional fees of HK\$8.8 million, depreciation charges of HK\$8.8 million and office and utilities expenses of HK\$6.5 million.

## 財務回顧 (續)

### 台灣市場

由於台灣經濟復甦，本集團於台灣市場之營業額由二零一五年之85,000,000港元上升0.8%至二零一六年之85,700,000港元。產品銷售邊際毛利率由二零一五年之79.7%下跌0.4%至二零一六年之79.3%，差異微小。

### 其他收益和利得

其他收益和利得由二零一五年之28,300,000港元增加28.7%至二零一六年之36,400,000港元。於二零一六年，其他收益主要包括利息收益、投資物業之租金收益、財務退款及因終止租賃協議而產生的補償收益，分別為6,200,000港元、2,100,000港元、6,500,000港元及19,100,000港元。

### 分銷及行政開支

分銷及銷售費用佔本集團營業額之百分比由二零一五年之31.5%下降至二零一六年的23.8%。該等費用減少46,600,000港元，由二零一五年之159,700,000港元降至二零一六年之113,100,000港元。廣告及推廣開支佔本集團總營業額之百分比由二零一五年之6.7%下降至二零一六年的6.1%，並由二零一五年之33,800,000港元減少5,000,000港元至二零一六年之28,800,000港元。於二零一六年，其他重要開支項目包括薪金44,300,000港元、差旅費及應酬開支4,700,000港元、折舊開支5,400,000港元以及辦公室及專櫃租金開支14,400,000港元。

總行政開支由二零一五年之87,200,000港元下降13,800,000港元（或15.8%）至二零一六年之73,400,000港元。行政開支主要包括員工成本和退休福利25,100,000港元，法律及專業費用8,800,000港元，折舊開支8,800,000港元以及辦公室和水電開支6,500,000港元。

## FINANCIAL REVIEW (Continued)

### Other expenses and other losses

Other expenses and other losses decreased by HK\$2.1 million, from HK\$8.6 million in 2015 to HK\$6.5 million in 2016. The decrease was mainly due to accrual of HK\$2.2 million in 2015 for Taiwan dividend withholding tax under-paid from 2011 to 2014.

### Profit before tax

Taking into account the lower gross profit, and saving distribution and administrative expenses, profit before tax increased by 15.2% from HK\$170.4 million in 2015 to HK\$196.2 million in 2016, and the pre-tax profit margin increased to 41.3% in 2016 from 33.6% in 2015.

### Taxation

Taxation expenses increased by HK\$14.2 million to HK\$47.8 million in 2016 compared with HK\$33.6 million in 2015. The effective tax rate of the Group in 2015 and 2016 was 19.7% and 24.4% respectively. The lower effective tax rate in 2015 was mainly due to the HK\$14.4 million tax refund of changing tax rate received for dividend income in 2009, 2010 and 2012 and royalty fee which were paid in 2011 and 2012 due to lower withholding tax rate approved by PRC tax bureau in 2014 and received in 2015.

### Profit for the year

Profit for the year increased by 8.5% from HK\$136.8 million in 2015 to HK\$148.4 million in 2016.

## 財務回顧 (續)

### 其他支出和損失

其他支出和損失由二零一五年之8,600,000港元下降至二零一六年之6,500,000港元，減少2,100,000港元。本年度其他支出減少主要因為於二零一五年計提之於二零一一年至二零一四年之少支付了的台灣股息預扣所得稅2,200,000港元。

### 除稅前溢利

鑑於毛利降低、分銷及行政開支減少，除稅前溢利由二零一五年之170,400,000港元上升15.2%至二零一六年之196,200,000港元。稅前利潤率從二零一五年之33.6%上升至二零一六年之41.3%。

### 稅項

稅項支出由二零一五年之33,600,000港元增加14,200,000港元至二零一六年之47,800,000港元。本集團於二零一五年及二零一六年之實際稅率分別為19.7%及24.4%。二零一五年的較低的實際稅率主要是由於二零一四年中國稅務當局批准了較低的預扣稅率，因此就二零一一年及二零一二年支付的二零零九年、二零一零年及二零一二年之股息收益以及商標使用權稅收取14,400,000港元的稅率變動稅項返還，相關稅項於二零一五年返還。

### 本年度溢利

本年度溢利由二零一五年之136,800,000港元增加8.5%至二零一六年之148,400,000港元。

## FINANCIAL REVIEW (Continued)

### Liquidity and financial resources

Cash generated from operating activities in 2016 was approximately HK\$128.0 million (HK\$140.1 million in 2015). However due to a special dividend paid in 2016, as at 31 December 2016, the Group had bank balances and cash of approximately HK\$428.6 million (HK\$502.7 million as at 31 December 2015) with no external bank borrowing.

In terms of gearing, as at 31 December 2015 and 31 December 2016, the Group's gearing ratios were zero (defined as net debt divided by shareholders' equity) as the Group was in a net cash position on both year-end dates. Current ratios of the Group (defined as current assets divided by current liabilities) as at 31 December 2015 and 31 December 2016 were 4.2 times and 3.5 times respectively. As at 31 December 2016, the Group had no material contingent liabilities, other than those disclosed in its financial statements and the notes thereto. With the cash and bank balances in hand, the Group's liquidity position remains strong and it has sufficient financial resources to finance its commitments and to meet its working capital requirements.

### Treasury policies and exposure to fluctuations in exchange rates

Most of the Group's revenues are denominated in Renminbi ("RMB") and New Taiwan Dollars ("NTD") as its operations are mainly located in the PRC and Taiwan. As at 31 December 2016, approximately 78.4% (80.9% as at 31 December 2015) of the Group's bank balances and cash was denominated in RMB, while approximately 17.0% (16.6% as at 31 December 2015) in NTD. The remaining 4.6% (2.5% as at 31 December 2015) was denominated in US Dollars, Hong Kong Dollars and Malaysian Ringgit. The Group continues to adopt a conservative approach in its foreign exchange exposure management. The Group reviews its foreign exchange risks periodically and uses derivative financial instruments to hedge against such risks when necessary.

## 財務回顧 (續)

### 流動資金及財務資源

於二零一六年之經營業務所得現金約為128,000,000港元(二零一五年為140,100,000港元)。由於二零一六年之特別股息的支付，於二零一六年十二月三十一日，本集團之銀行結存及現金約為428,600,000港元(於二零一五年十二月三十一日為502,700,000港元)，且並無外界銀行借款。

資產負債方面，於二零一五年十二月三十一日及二零一六年十二月三十一日，由於本集團在兩個年度結算日均處於淨現金狀況，故資產負債比率(界定為淨負債除以股東權益)均為零。於二零一五年十二月三十一日及二零一六年十二月三十一日，本集團之流動比率(界定為流動資產除以流動負債)分別為4.2倍及3.5倍。於二零一六年十二月三十一日，除於財務報表及有關附註披露者外，本集團並無重大或然負債。憑藉所持有之現金及銀行結存，本集團之流動資金狀況維持穩健，且財務資源充裕，足以應付其承擔及營運資金所需。

### 理財政策及所承受匯率波動風險

基於本集團業務主要位於中國大陸及台灣，故其大部份收入乃以人民幣及新台幣計值。於二零一六年十二月三十一日，在本集團之銀行結存及現金中，約78.4%(於二零一五年十二月三十一日為80.9%)以人民幣計值，另約17.0%(於二零一五年十二月三十一日為16.6%)以新台幣計值。餘下4.6%(於二零一五年十二月三十一日為2.5%)則以美元、港元及馬來西亞幣計值。本集團繼續就外匯風險管理採取審慎政策，定期檢討其所承受之外匯風險，並於有需要時使用衍生金融工具對沖有關風險。

## BUSINESS REVIEW

### Distribution channels

## 業務回顧

### 分銷渠道

Store Number by Ownership	按擁有權劃分之店舖數目	Franchisee owned Spa 加盟者擁有水療中心	Self owned Spa 自資經營水療中心	Total Spa 水療中心總計	Entrusted Counter 委託經營專櫃	Self owned Counter 自資經營專櫃	Total Counter 專櫃總計	Total 總計
As at 31 December 2016	於二零一六年十二月三十一日							
PRC	中國大陸	786	1	787	0	13	13	800
Taiwan	台灣	249	3	252	0	0	0	252
Others	其他	30	0	30	0	0	0	30
<b>Total</b>	<b>總計</b>	<b>1,065</b>	<b>4</b>	<b>1,069</b>	<b>0</b>	<b>13</b>	<b>13</b>	<b>1,082</b>

Store Number by Ownership	按擁有權劃分之店舖數目	Franchisee owned Spa 加盟者擁有水療中心	Self owned Spa 自資經營水療中心	Total Spa 水療中心總計	Entrusted Counter 委託經營專櫃	Self owned Counter 自資經營專櫃	Total Counter 專櫃總計	Total 總計
As at 31 December 2015	於二零一五年十二月三十一日							
PRC	中國大陸	778	1	779	0	14	14	793
Taiwan	台灣	246	3	249	0	0	0	249
Others	其他	30	0	30	0	0	0	30
<b>Total</b>	<b>總計</b>	<b>1,054</b>	<b>4</b>	<b>1,058</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>1,072</b>

**BUSINESS REVIEW** (Continued)

**業務回顧** (續)

**Distribution channels** (Continued)

**分銷渠道** (續)

Average sales per store	每間店鋪 平均銷售額	2016	2015	2016	2015	Changes	
		Average store*	Average store*	Average sales per store	Average sales per store		
		二零一六年 店鋪平均 數目*	二零一五年 店鋪平均 數目*	二零一六年 每間店鋪 平均銷售額 HK\$ 港元	二零一五年 每間店鋪 平均銷售額 HK\$ 港元	HK\$ 港元	%
PRC	中國大陸	796.5	940.5	485,000	445,000	40,000	9.0%
Taiwan	台灣	250.5	254.5	342,000	334,000	8,000	2.4%
Group total**	集團總計**	1,047.0	1,195.0	451,000	421,000	30,000	7.1%

\* Average store number is calculated by (opening period total + closing period total)/2

\* 平均店鋪數目以(期初總計+期末總計)/2計算

\*\* Group total does not include Hong Kong, Macau and Malaysia turnover and store count.

\*\* 集團總計不包括於香港、澳門及馬來西亞之營業額及店鋪數目。

The Group derives its income principally from its network of distribution channels, including spas and concessionary counters in department stores. As at 31 December 2016, there were 1,069 spas and 13 concessionary counters. Of these, 1,065 were franchised spas, and 4 spas and 13 concessionary counters were directly operated by the Group. No concessionary counters were entrusted to third-party operators. Franchised spas are owned by the franchisees who are responsible for the capital investment in these spas. They are obliged to use only Natural Beauty or "NB" products in their spas. A wide array of services including hydrotherapy, facial treatment, body care and skin care analysis, are provided in all spas, while skin care analysis is widely available at the concessionary counters in department stores.

本集團收益主要來自其水療中心及百貨公司專櫃等分銷渠道網絡。於二零一六年十二月三十一日，本集團共有1,069間水療中心及13個專櫃。當中包括1,065間加盟水療中心，以及由本集團直接經營的4間水療中心和13個專櫃。並無委託第三方經營者經營專櫃。加盟水療中心由加盟者擁有，彼等須承擔本身水療中心的資本投資。彼等之水療中心僅可使用自然美或「NB」品牌產品。各水療中心均提供多種服務，包括水療、面部及身體護理以及皮膚護理分析服務，而百貨公司專櫃廣泛提供肌膚護理分析。

Group-wide, a total of 63 new stores were opened and 53 stores were closed during the year ended 31 December 2016. Average sales per store increased from HK\$421,000 in 2015 to HK\$451,000 in 2016.

以集團而言，於二零一六年十二月三十一日止年內，本集團合共開設63間新店鋪，另關閉53間店鋪。每間店鋪之平均銷售額由二零一五年之421,000港元增至二零一六年之451,000港元。

## BUSINESS REVIEW (Continued)

### Research and Development

The Group puts significant emphasis on research and development which allows it to maintain its competitive edge, to continuously improve the quality of its existing products and develop new products. The Group has been collaborating with overseas skin-care companies on technological development. The bio-technology materials the Group uses for its NB products are imported from Europe, Japan and Australia. The Group's research and development team comprises a number of overseas consultants with experience and expertise in cosmetics, medicine, pharmacy and bio-chemistry. NB's products are constantly enhanced and modified by the application of new ingredients developed by the team. The Group draws on its collaboration of experts with different expertise and experiences, together with Dr. TSAI Yen-Yu's 40-year-plus industry experience and knowledge to continue to create high-quality beauty and skin care products. NB principally uses natural ingredients to manufacture products and adopts special formulae to cater to the specific needs of women with delicate skin. NB products accommodate the natural metabolism of skin with long-lasting effects.

NB has collaborated with a leading researcher in the field of human genome and stem cell technology for the development of an anti-aging NB-1 product family and other products for spot removal, whitening, allergy-resistance and slimming. The stem cell technology is patented in the United States to protect the uniqueness of the NB-1 products.

### Products

In 2016, the Group's flagship NB-1 products accounted for more than 50% of total product sales. Sales of NB-1 branded products reached HK\$238 million in 2016. With effective product line rationalization plan, NB-1 series was successfully launched several new products, among them, spa care product strengthened and consolidated the status of Natural Beauty in beauty and spa, meanwhile, increased product consumption and brand loyalty. The new products received good response from franchisees and achieved strong sales, especially NB-1 Plus Brightening and Repair Essence. Once listed, the market responded enthusiastically, causing consumers competing's pursuit race, sales of which achieved HK\$36 million.

## 業務回顧 (續)

### 研究及開發

本集團非常著重於研究及開發，讓其保持競爭優勢，以持續改善現有產品的質素及開發新產品。本集團一直與海外護膚品公司合作研發新技術。本集團用於旗下自然美產品之生物科技物料乃從歐洲、日本及澳洲引進。本集團之研究及開發隊伍由多名具備化妝品、醫學、藥劑及生物化學經驗與專業知識之海外顧問組成。本集團透過使用團隊研發之新成分不斷提升及改良自然美產品。本集團透過與團隊內具備不同專業知識及經驗之專家通力合作與經驗交流，加上蔡燕玉博士於業內積逾40年之經驗及知識，將繼續開發優質美容及護膚產品。自然美產品主要使用天然成分，並採用特別配方，迎合女性嬌嫩肌膚的特別需要。自然美產品針對肌膚自然新陳代謝，功效持久。

自然美與人類基因及幹細胞科技範圍之頂尖研究員進行合作，開發抗衰老NB-1產品系列及其他去斑、美白、抗敏及纖體產品。為保護NB-1產品的獨特性，我們於美國取得幹細胞科技的專利權。

### 產品

在二零一六年，本集團的旗艦NB-1產品佔產品總銷售額的50%以上。NB-1品牌的產品於二零一六年的銷售額達到238,000,000港元。通過有效的產品線合理化規劃，NB-1系列成功推出數個新產品，其中，水療護理產品藉此加強並鞏固了自然美護理在美容及水療的地位，同時增加產品消費及品牌的忠誠度。新產品獲得連鎖店非常好的反響，並取得了強勁的銷售，尤其是NB-1盈采臻亮精華素，一經上市，市場反應熱烈，引起消費者的競相追捧，銷售額高達36,000,000港元。

## BUSINESS REVIEW (Continued)

### Human Resources

As at 31 December 2016, the Group had a total of 558 employees, of whom 447 were based in the PRC, 109 in Taiwan and 2 in other countries and regions. Total remuneration (excluding directors' emoluments) in 2016 was approximately HK\$104.6 million (HK\$122.3 million in 2015), including retirement benefit related costs of HK\$15.1 million (HK\$16.2 million in 2015), with no stock option expenses (HK\$9.3 million in 2015). Competitive remuneration packages are maintained to attract, retain and motivate capable staff members and are reviewed on a regular basis.

The Group maintains good relations with its employees and is committed to their training and development. Professional training courses are offered to beauticians employed by the Group and to franchisees on a regular basis.

### Capital Expenditures

The Group's capital expenditure of HK\$19.0 million in 2016 was mainly related to the production equipment amounting to HK\$7.5 million, IT infrastructure amounting to HK\$1.5 million and office and Spa renovation amounting to HK\$7.4 million.

## 業務回顧 (續)

### 人力資源

於二零一六年十二月三十一日，本集團合共僱用558名僱員，其中447名派駐中國大陸，台灣有109名，其他國家及地區則有2名。於二零一六年之總酬金（不包括董事酬金）約為104,600,000港元（二零一五年為122,300,000港元），其中包括退休福利相關成本15,100,000港元（二零一五年為16,200,000港元），並無認股權開支（二零一五年為9,300,000港元）。為招聘、留聘及鼓勵表現卓越的僱員，本集團保持具競爭力之酬金組合，並定期檢討。

本集團與其僱員維持良好合作關係，並承擔彼等的培訓及發展，更定期為本集團聘用之美容師及加盟者提供專業培訓課程。

### 資本開支

本集團於二零一六年之資本開支為19,000,000港元，主要涉及生產設備7,500,000港元、資訊科技系統1,500,000港元，以及辦公室、水療中心翻新裝修7,400,000港元。

## FUTURE OUTLOOK

The PRC government's continued plan for urbanization and incentive for individual entrepreneurship should fuel the continuous growth in the beauty and personal care market.

With the escalating rental and labor costs in China, we will continue to pursue a prudent growth strategy and implement the following strategies so as to proactively strengthen our position as a leading skin care brand and spa operator in the Greater China Region.

- We will encourage people to start their own business at NB and focus on launching more stores in tier 2 and tier 3 cities in the PRC.
- We will adapt to the trend of health care industry and make more marketing promotional efforts to drive the growth of health supplement.
- We will speed up the upgrading of current products to satisfy the needs of consumers. We will rebuild the image of professional skin care product and strengthen the education, training and communication of concept of cosmetology.
- We will integrate online and offline marketing resources with the aim to establish business model of "Online To Offline".
- We will continuously seek and explore new marketing channels and opportunities for skin care products, such as preventive medical cosmetology and e-business.
- We will set up more training centres in various regions to offer free training and career guidance.

## 未來展望

中國大陸政府繼續推行城鎮化及鼓勵個人創業，將為美容及個人護理市場帶來持續的增長。

隨著中國大陸不斷上升的租金和人工成本，我們將繼續實行穩健的增長策略並實施以下策略，以積極加強我們在大中華區護膚品牌及水療中心之領導地位。

- 大力拓展新店鋪的開創，集中於中國大陸二、三線城市開設更多新店鋪。
- 將投入更多營銷及推廣力量，大幅提升健康食品的成長，以因應大健康產業趨勢。
- 順應市場需求，加速現有產品升級，重塑專業護膚產品形象，強化美容教育、培訓及理念溝通。
- 整合線上與線下的市場推廣資源以建立 Online To Offline 商業模式。
- 持續尋找並開發其他營銷通路和渠道的護膚商機，例如：預防醫學美容通路及網絡商機等。
- 繼續進一步建構各地區的培訓中心，推行愛心免費教學並輔導就業。



# Report on Corporate Governance 企業管治報告

The Board hereby presents this Corporate Governance Report in the Group's Annual Report for the year ended 31 December 2016.

## CORPORATE GOVERNANCE OF THE COMPANY

Natural Beauty Bio-Technology Limited firmly believes that strong corporate governance is the foundation to delivering the corporate objective of maximizing return to its stakeholders over the long term. The core of the governance structure is an effective and qualified Board of Directors (the "Board") which is committed to maintaining a high standard of corporate governance, sound internal control and effective risk management to enhance transparency, accountability, integrity and honesty, in order to earn the confidence from our shareholders and other stakeholders and to safeguard the interests of shareholders.

The Board had adopted Corporate Governance Guidelines (the "CG Guidelines") (available on the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite>) which gives guidance on how corporate governance principles are applied to the Company.

The Board is of the view that throughout the year 2016, save as explained and disclosed hereinbelow, the Company applied the principles and complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code on Corporate Governance") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The following summarises the Company's corporate governance practices and explains deviations, if any, from the Code on Corporate Governance.

In addition to complying with applicable statutory requirements, we aim to continually review and enhance our corporate governance practices in light of local and international best practices.

董事會謹此提呈載列於本集團截至二零一六年十二月三十一日止年度報告內之企業管治報告。

## 本公司的企業管治常規

自然美生物科技有限公司堅信，健全的企業管治能奠定牢固的基礎，讓公司得以達致企業目標，為持份者提供最大的長期回報。能幹稱職之董事會（「董事會」）是公司管治架構的核心，董事會竭力維持高水準之企業管治、穩健的內部監控系統，以及有效的風險管理，致力提高透明度、問責性、公信力及坦誠度，努力贏取股東及其他持份者的信心及保障股東利益。

董事會已採納《企業管治指引》（「企管指引」）（可於本公司網站查閱：<http://www.corpasia.net/hongkong/0157/irwebsite>），為本公司於企業管治原則的應用方面提供指引。

董事會認為，在二零一六年度，除本報告解說披露者外，本公司已應用及全面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《企業管治守則》及《企業管治報告》（「企業管治守則」）之原則及所有守則條文。下文概述本公司之企業管治常規及闡述偏離企業管治守則（如有）之情況。

除了遵守適用法定規定外，本公司致力根據本地及國際最佳慣例，不斷檢討及提升本公司之企業管治常規。

**CORPORATE GOVERNANCE OF THE COMPANY** (Continued)

**A. DIRECTORS**

**A1. Directors' Attendance and Training Records**

The Board currently comprises seven members, consisting of three Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. The Board meets four times during a year as a minimum and, during 2016, it met four times. Details of composition of each of the Board Committees, the Directors' attendance records at the meetings of the Board and each of the Board Committees and the general meeting as well as the Directors' training records during the year ended 31 December 2016 are as follows:

**本公司的企業管治常規 (續)**

**A. 董事**

**A1. 董事出席及培訓記錄**

董事會現由7名成員組成，其中包括3名執行董事、1名非執行董事和3名獨立非執行董事。董事會每年至少舉行四次會議，於二零一六年舉行了四次會議。截至二零一六年十二月三十一日止年度內，各個董事委員會之成員組成詳情，每位董事於董事會會議、各個董事委員會會議和股東大會之出席記錄，以及董事培訓記錄如下：

		Remuneration Committee Meeting 薪酬委員會 會議	Audit Committee Meeting 審核委員會 會議	Executive Committee Meeting 執行委員會 會議	Nomination Committee Meeting 提名委員會 會議	Board Meeting 董事會 會議	Annual General Meeting 股東 週年大會	Training Course 培訓 課程
<b>Executive Directors</b>	<b>執行董事</b>							
Dr. TSAI Yen-Yu	蔡燕玉博士	n/a 不適用	n/a 不適用	4/4	1/2	2/4	0/1	Note a 附註a
Mr. LEE Ming-Ta	李明達先生	n/a 不適用	n/a 不適用	4/4	2/2	3/4	0/1	Note a 附註a
Dr. SU Chien-Cheng	蘇建誠博士	2/3	n/a 不適用	4/4	n/a 不適用	4/4	1/1	Note a 附註a
<b>Non- Executive Director</b>	<b>非執行董事</b>							
Dr. SU Sh-Hsyu	蘇詩琇博士	2/3	3/4	4/4	n/a 不適用	3/4	0/1	Note a 附註a
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>							
Mr. CHEN Ruey-Long	陳瑞隆先生	2/3	2/4	n/a 不適用	1/2	2/4	0/1	Note a 附註a
Mr. YANG Tze-Kaing <sup>(1)</sup>	楊子江先生 <sup>(1)</sup>	1/1	1/1	n/a 不適用	1/1	1/1	n/a 不適用	Note a 附註a
Mr. LU Chi-Chant	盧啓昌先生	3/3	4/4	n/a 不適用	2/2	4/4	0/1	Note a 附註a
Mr. HSIEH Pang-Chang <sup>(2)</sup>	謝邦昌先生 <sup>(2)</sup>	1/2	2/3	n/a 不適用	1/1	2/3	0/1	Note a 附註a

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A1. Directors' Attendance and Training Records (Continued)

Those Directors who were not able to attend the Board and Committee meetings in person could appoint another Director as their respective proxy to attend and vote on his/her behalf. For indication purpose, attendance by proxy was not counted as attendance by the Director himself/herself in the above summary.

Notes:

- (1) Mr. YANG Tze-Kaing resigned as an Independent Non-Executive Director, the Chairman of the Nomination Committee and a member of the Audit Committee, Remuneration Committee and Executive Committee on 1 February 2016. One Board meeting, Nomination Committee meeting, Audit Committee meeting and Remuneration Committee meeting were held before 1 February 2016 respectively.
- (2) Mr. HSIEH Pang-Chang was appointed as an Independent Non-Executive Director, the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee on 1 February 2016. Three Board meetings, one Nomination Committee meeting, three Audit Committee meetings and two Remuneration Committee meetings were held after 1 February 2016.
- (a) Attended training course conducted by Messrs. Deloitte Touche Tohmatsu that was organized by the Company and/or received training materials provided by the Company.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A1. 董事出席及培訓記錄 (續)

未能親身出席董事會及委員會會議之董事，均可委任另一名董事作為彼等各自的受委代表，代其出席會議並於會上投票。為說明起見，就上述摘要而言，由受委代表代為出席之會議並不計入有關董事之出席記錄。

附註：

- (1) 楊子江先生於二零一六年二月一日辭任獨立非執行董事、提名委員會主席以及審核委員會、薪酬委員會及執行委員會成員。於二零一六年二月一日之前，董事會、提名委員會、審核委員會及薪酬委員會各舉行了一次會議。
- (2) 謝邦昌先生於二零一六年二月一日獲委任為獨立非執行董事、提名委員會主席以及審核委員會及薪酬委員會成員。於二零一六年二月一日之後，董事會舉行了三次會議；提名委員會舉行了一次會議；審核委員會舉行了三次會議；薪酬委員會舉行了兩次會議。
- (a) 出席由本公司籌辦並由德勤•關黃陳方會計師行進行之培訓課程及／或已由公司提供培訓資料。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A1. Directors' Attendance and Training Records (Continued)

The Company generally gives notice and draft agenda of regular Board meetings at least 14 days in advance. Directors are consulted to include any matter in the agenda for regular Board meetings. For other Board and Committee meetings, notice is generally given pursuant to the Company's articles of association (the "Articles") and the respective Charters of the Committees.

The agenda of Board meeting or Committee meeting and the accompanying Board papers are sent to all Directors at least three days before each Board meeting or Committee meeting for their review and to keep the Directors apprised of the latest developments and financial position of the Company so as to enable them to make informed decisions.

All Directors have access to the Director of Legal and the Company Secretary who are responsible for ensuring that Board procedures are complied with and advising the Board on corporate governance and compliance matters.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A1. 董事出席及培訓記錄 (續)

本公司一般於最少十四日前就董事會常規會議發出事先通知及提供議程初稿。本公司會諮詢董事，以便董事提出商議事項列入董事會常規會議議程。而其他董事會及委員會會議一般按照本公司組織章程細則（「細則」）和各委員會憲章給予通知。

董事會會議或委員會會議議程及隨附之董事會文件會於各董事會會議及委員會會議舉行前至少三天寄發予所有董事傳閱，以通知董事本公司的最新發展及財務狀況，讓彼等能夠作出明智決策。

全體董事均可接觸法務總監和公司秘書。法務總監和公司秘書負責確保董事會程序獲得遵守，並就企業管治及合規事宜向董事會提供建議。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A1. Directors' Attendance and Training Records (Continued)

Draft minutes will be sent to Directors and Board Committees members within a reasonable time (generally within 14 days) after each meeting and are available for review and inspection by Directors and Board Committee members.

The CG Guidelines allow Directors to take independent professional advice at the Company's expenses.

Instead of by way of circulation, full Board meetings will be held for any material transaction with connected persons. Independent Non-Executive Directors who, and whose associates, have no material interest in the transaction should be present at such meeting.

The Company's Articles provide for voting and quorum requirements conforming with the requirements of the Code on Corporate Governance.

We have also arranged appropriate insurance cover on Directors' and officers' liabilities in respect of legal actions against them arising from corporate activities.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A1. 董事出席及培訓記錄 (續)

會議記錄初稿將於每次會議後之合理時間內 (一般為十四日內) 送交各董事及董事委員會成員查閱。

企管指引允許董事徵詢獨立專業意見，費用由本公司支付。

本公司將會就其與關聯人士進行之任何重大交易召開全體董事會會議，而並非以傳閱方式公佈資料。本身及其聯繫人士並無於交易中擁有重大權益之獨立非執行董事應出席有關會議。

本公司之細則有關表決及法定人數之規定符合企業管治守則規定。

本公司已為董事及高級人員購買適當保險，保障彼等因履行職務而可能承擔之法律訴訟責任。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A2. Chairperson, Vice Chairmen and Chief Executive Officer

Dr. TSAI Yen-Yu serves as the Chairperson, while Mr. LEE Ming-Ta is the Vice Chairman. Ms. CHANG Karen Yi Fen served as the Chief Executive Officer until expiry of the term of her employment on 1 January 2016 and Mr. HSIAO Wen-Chung was appointed as Interim Chief Executive Officer of the Group on the same day and tentatively holds office as Chief Executive Officer. Following the re-designation of Mr. HSIAO Wen-Chung as Chief Executive Officer on 1 September 2016, the roles of the Chairperson and Chief Executive Officer are separate. The Chairperson focuses on Group strategic and Board issues while the Chief Executive Officer has the overall responsibility for operations and development.

The Chairperson has a clear responsibility to provide the whole Board with all information relevant to the discharge of the Board's responsibilities.

Code provision A.2.7 stipulates that the chairman should at least annually hold meetings with non-executive directors (including independent non-executive directors) without the executive directors present. Since the Chairperson is also an Executive Director of the Company, respective Independent Non-Executive Directors are members of the Audit Committee, Remuneration Committee and Nomination Committee and, the existing Non-Executive Director is also a member of the Executive Committee, it was considered there were ample opportunities for the Chairperson to communicate with the Non-Executive Directors (including Independent Non-Executive Directors), therefore no separate meetings were held between the Chairperson and the Non-Executive Directors.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A2. 主席、副主席及行政總裁

蔡燕玉博士出任主席；李明達先生則為副主席。張挹芬女士出任行政總裁至彼之任期於二零一六年一月一日屆滿止，於同日緊接張女士離任後，蕭文聰先生獲委任為本集團代理行政總裁。隨著蕭文聰先生於二零一六年九月一日調任為行政總裁，主席及行政總裁之角色由不同人士擔當。主席專注於本集團策略及董事會事務，而行政總裁則全面負責營運及發展事務。

主席有明確責任向全體董事會成員提供有關履行董事會職責之所有資料。

守則條文第A.2.7條規定，主席應至少每年與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議。然而，主席亦身兼本公司執行董事，全體獨立非執行董事均為審核委員會、薪酬委員會及提名委員會成員，以及現任非執行董事亦為執行委員會成員。本公司認為，主席與非執行董事（包括獨立非執行董事）具有充足溝通機會，因此主席與非執行董事並沒有舉行獨立會議。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A3. Board composition

The list of all Directors is set out under "Corporate Information" on page 2 of this Annual Report. Composition of the Board, by category of Directors, including names of the Executive Directors, Non-Executive Director and Independent Non-Executive Directors are disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules.

During the year ended 31 December 2016, the Board, at all times, met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors, representing at least one-third of the Board (there are three Independent Non-Executive Directors out of seven Directors.) with at least one Independent Non-Executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

#### *Independence of Independent Non-Executive Directors*

The Company has received from each of our Independent Non-Executive Directors an annual confirmation of his/her independence pursuant to the requirements of the Listing Rules. We consider all Independent Non-Executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A3. 董事會組成

全體董事名單載於本年度報告第2頁之「公司資料」內。所有本公司不時發佈的公司通訊均根據上市規則，按董事類別披露董事會成員，包括執行董事、非執行董事及獨立非執行董事之姓名。

截至二零一六年十二月三十一日止年度內，董事會一直符合上市規則有關委任至少三名獨立非執行董事，及董事會人數三分之一以上（七名董事中有三名為獨立非執行董事）而其中至少一名獨立非執行董事具備適當專業資格，或會計或相關之財務管理專業知識的規定。

#### *獨立非執行董事之獨立性*

本公司已接獲各獨立非執行董事根據上市規則就彼等之獨立性而發出之年度確認書。本公司認為全體獨立非執行董事根據上市規則第3.13條所載之獨立指引，均屬獨立人士。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A4. Appointments, re-election and removal

Directors with service contracts, including Executive and Non-Executive Directors, usually serve three-year terms or one-year term, and are subject to re-election.

In accordance with Article 100 of the Articles, any new Director appointed shall hold office only until the first general meeting of the Company after his/her appointment and shall then be eligible for re-election.

In addition, in accordance with Article 117 of the Articles, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then a number not less than one-third, shall retire from office by rotation at each annual general meeting ("AGM"). Dr. TSAI Yen-Yu, Dr. SU Sh-Hsyu and Mr. CHEN Ruey-Long will retire by rotation according to the Articles and all of them, being eligible, will offer themselves for re-election at the forthcoming AGM.

To further enhance accountability, any appointment of an independent non-executive director who has served on the Board for more than nine years will be subject to a separate resolution to be approved by shareholders. We will state in the related circular and notice of the AGM the reason why we consider the independent non-executive director is still independent and our recommendation to shareholders to vote in favour of the re-election of such independent non-executive director. During the year ended 31 December 2016, none of the existing Independent Non-Executive Directors has served on the Board for more than nine years.

*Disclosure of Directors' Information pursuant to Rule 13.51B(1) of the Listing Rules*

#### *Renewal of Director's Service Contract*

On 8 December 2016:

- (i) The Board approved the renewal of the Director's Service Contract of Mr. LU Chi-Chant as Independent Non-Executive Director, for a term of one year commencing on 18 December 2016; and
- (ii) The Board approved the renewal of the Director's Service Contracts of Mr. CHEN Ruey-Long and Mr. HSIEH Pang-Chang as Independent Non-Executive Directors, for a term of one year commencing on 1 February 2017.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A4. 委任、重選連任及撤換

訂有服務合約之董事 (包括執行董事及非執行董事) 一般任期為期三年或為期一年，並須重選連任。

根據細則第100條，任何新委任董事之任期將於其獲委任後舉行的首次本公司股東大會時屆滿，屆時彼符合資格膺選連任。

此外，根據細則第117條，在每屆股東週年大會上，三分之一的在職董事 (或倘人數並非三或三之倍數，則不少於三分之一的董事) 須輪值告退。蔡燕玉博士、蘇詩琇博士及陳瑞隆先生根據細則將於應屆股東週年大會輪值告退，彼等均符合資格並願意膺選連任。

為進一步提高問責性，凡服務董事會超過九年之獨立非執行董事，均須獲股東以獨立決議案形式批准後方可連任。本公司會在相關通函及股東週年大會通告中列明董事會認為有關獨立非執行董事仍屬獨立人士之理由，以及本公司建議股東投票贊成有關獨立非執行董事重選連任之理由。截至二零一六年十二月三十一日止年度內，並沒有任何一名現任獨立非執行董事服務董事會超過九年。

*根據上市規則第13.51B(1)條披露董事資料*

#### *續訂董事服務合約*

於二零一六年十二月八日：

- (i) 董事會批准續訂盧啟昌先生作為獨立非執行董事的董事服務合約，自二零一六年十二月十八日起生效，為期一年；及
- (ii) 董事會批准續訂陳瑞隆先生及謝邦昌先生作為獨立非執行董事的董事服務合約，自二零一七年二月一日起生效，為期一年。



## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A5. Nomination Committee

As at the date of this Annual Report, the Nomination Committee comprises three Independent Non-Executive Directors and two Executive Directors, namely Mr. HSIEH Pang-Chang (Chairman), Mr. CHEN Ruey-Long, Mr. LU Chi-Chant, Dr. TSAI Yen-Yu and Mr. LEE Ming-Ta respectively.

The Company has adopted a Board Diversity Policy aiming at setting out the approach to achieve diversity on the Company's board of directors and having an appropriate proportion of directors who have direct experience in our key markets, with different ethnic background, of both genders, reflecting our business strategy. All appointment will be based on merit.

The Nomination Committee is responsible for, including but not limited to, determining the policy for the nomination of Directors, reviewing the structure, size, composition and diversity of the Board annually and making recommendations to the Board on selection of candidates for directorships pursuant to the Board Diversity Policy. It also assesses the independence of Independent Non-Executive Directors. Full terms of reference (Nomination Committee Charter) are available on the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite> and the Stock Exchange's website.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A5. 提名委員會

於本年報日期，提名委員會由三名獨立非執行董事及兩名執行董事組成，分別為謝邦昌先生（委員會主席）、陳瑞隆先生、盧啓昌先生、蔡燕玉博士和李明達先生。

本公司已採納董事會多元化政策，旨在列載本公司董事會為達致成員多元化而採取的方針及有合適比例的董事，彼等應具有直接服務公司主要市場之經驗，以及來自不同的種族背景和性別，以反映本公司的業務策略。所有董事委任必以任用賢能為先。

提名委員會負責（包括但不限於）釐定提名董事之政策、檢討董事會之架構、規模、組成和多元化及按照董事會多元化政策就甄選董事候選人向董事會提出建議。此外，其亦負責評估獨立非執行董事的獨立性。提名委員會之全面職權範圍（提名委員會憲章）可於本公司網站（<http://www.corpasia.net/hongkong/0157/irwebsite>）及聯交所網站查閱。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A5. Nomination Committee (Continued)

The Company provided sufficient resources for the Nomination Committee to perform its duties. Where necessary, the Nomination Committee could seek independent professional advice at the Company's expenses, to perform its duties.

The Nomination Committee held two meetings in year 2016. During the year ended 31 December 2016, the Nomination Committee had considered and recommended to the Board, among other things, the appointment of Mr. HSIEH Pang-Chang as an Independent Non-Executive Director, the Chairman of the Nomination Committee, a member of the Audit Committee and Remuneration Committee with effect from 1 February 2016, and the re-designation of Mr. HSIAO Wen-Chung as Chief Executive Officer with effect from 1 September 2016.

During the year 2016, the Nomination Committee conducted an annual review of the structure, size, composition and diversity of the Board pursuant to the CG Guidelines and code provision A.5.2 of the Code on Corporate Governance. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained and no material matter was identified during the year under review.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A5. 提名委員會 (續)

本公司提供足夠資源予提名委員會，以便提名委員會履行其職責。如有需要，提名委員會可尋求獨立專業意見以便履行職責，費用由本公司支付。

提名委員會於二零一六年舉行了兩次會議。截至二零一六年十二月三十一日止年度內，提名委員會考慮並向董事會建議(其中包括)委任謝邦昌先生為獨立非執行董事、提名委員會主席、審核委員會及薪酬委員會成員(自二零一六年二月一日起生效)，以及調任蕭文聰先生為行政總裁(自二零一六年九月一日起生效)。

於二零一六年度內，提名委員會已根據企管指引和守則條文第A.5.2條對董事會之架構、規模、組成和多元化進行了年度審閱。提名委員會認為董事會維持著適當的多元化平衡，且在回顧年度內尚未發現任何重大問題。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A6. Responsibilities of Directors

On appointment, new Directors will be given comprehensive orientation training by the Company's legal advisers, to explain the responsibilities and duties, and other regulatory requirements.

The Company Secretary is responsible for keeping all Directors updated on the Listing Rules and other statutory requirements.

During the year 2016, all Independent Non-Executive Directors are members of the Audit Committee, Remuneration Committee and Nomination Committee. The Non-Executive Director is also a member of the Executive Committee.

The attendance records of individual Directors for all Board and Board Committee meetings in 2016 are set out under "Directors' Attendance and Training Records" on page 24 of this Annual Report.

#### *Securities Transactions made by 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 (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry with all Directors, all Directors have confirmed that the required standard of the Model Code has been complied with throughout the year ended 31 December 2016 and up to the date of this Annual Report.

The Company has adopted written guidelines (the "Company's Guidelines"), which are equally stringent as the Model Code, in respect of securities transactions by relevant employees of the Company who are likely to be in possession of unpublished inside information of the Company pursuant to code provision A.6.4. No incident of non-compliance with the Model Code or the Company's Guidelines by the Company's relevant employees has been noted after making reasonable enquiry.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A6. 董事職責

新董事獲委任時將獲本公司法律顧問提供全面的入職培訓，旨在說明職責、職務及其他監管規定。

公司秘書負責向全體董事提供上市規則及其他法定規定之最新資料。

於二零一六年度內，全體獨立非執行董事均為審核委員會、薪酬委員會及提名委員會成員。一名非執行董事亦為執行委員會成員。

個別董事出席二零一六年度之董事會會議及董事委員會會議之出席記錄載於本年度報告第24頁「董事出席及培訓記錄」部份。

#### *董事和相關僱員進行之證券交易*

本公司已採納有關董事進行證券交易之操守準則，有關操守準則條款不比上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」）所載規定標準寬鬆。經向全體董事作出具體查詢後，全體董事已確認於截至二零一六年十二月三十一日止年度內及截至本年報日期期間一直遵守標準守則載列之規定標準。

就可能得知本公司未公開內幕消息之本公司相關僱員所進行的證券交易，本公司已根據守則條文第A.6.4條採納不比標準守則寬鬆的書面指引（「公司指引」）。本公司於進行合理查詢後知悉並無相關僱員不遵守標準守則或公司指引之事宜。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### A. DIRECTORS (Continued)

#### A6. Responsibilities of Directors (Continued)

##### *Continuing Professional Development for Directors*

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills in order to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2016, the Company organized one Directors' training in Taiwan on risk control and crisis management.

There were compliance manuals provided to each of the Directors and members of senior management, which set out (a) the principal continuing obligations of the Company and the Directors as a result of the listing of the securities of the Company on the Main Board of the Stock Exchange; and (b) the systems and procedures that the Company, its Directors and senior management should follow in order to ensure compliance with such obligations.

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. All Independent Non-Executive Directors and Non-Executive Director were unable to attend the Company's annual general meeting held on 25 May 2016 ("2016 AGM") due to other overseas commitments.

## 本公司的企業管治常規 (續)

### A. 董事 (續)

#### A6. 董事職責 (續)

##### *董事之持續專業發展*

本公司鼓勵全體董事參與持續專業發展以發展和更新彼等的知識與技能，從而確保彼等繼續在具備全面資訊及切合所需情況下對董事會作出貢獻。截至二零一六年十二月三十一日止年度內，本公司於台灣安排了一次董事培訓，培訓內容有關公司風險控制及危機處理。

各董事及高級管理人員均獲提供合規手冊，當中載列(a)本公司及各董事因本公司證券在聯交所主板上市而須負上之主要持續責任；及(b)本公司、各董事及高級管理人員須遵守之制度及程序以確保該等責任獲得遵守。

守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會，對公司股東的意見有公正的了解。本公司全體獨立非執行董事及非執行董事因其他海外業務安排未能出席本公司於二零一六年五月二十五日舉行之股東週年大會（「二零一六年度股東週年大會」）。

**CORPORATE GOVERNANCE OF THE COMPANY** (Continued)

**A. DIRECTORS** (Continued)

**A7. Supply of and access to information**

The Company aims to continually improve on the quality and timeliness of the dissemination of information to Directors.

Board papers were normally sent to all Directors at least three days before the date of the Board/Board Committee meetings.

Senior management members are from time to time brought into formal and informal contact with the Board at Board meetings and other events.

Board papers and minutes are made available for inspection by the Directors and Board Committee members.

**本公司的企業管治常規** (續)

**A. 董事** (續)

**A7. 資料提供及使用**

本公司致力不斷改善向董事發佈資料之質量與及時性。

董事會文件一般於舉行董事會／董事委員會會議日期前最少三日送交全體董事。

高級管理人員不時透過董事會會議及其他活動與董事會進行正式及非正式接觸。

董事會文件及會議記錄可供董事及董事委員會成員查閱。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION

#### B1. Remuneration Committee

As at the date of this Annual Report, the Remuneration Committee comprises three Independent Non-Executive Directors, one Executive Director and one Non-Executive Director, namely Mr. LU Chi-Chant (Chairman), Mr. CHEN Ruey-Long, Mr. HSIEH Pang-Chang, Dr. SU Chien-Cheng and Dr. SU Sh-Hsyu respectively.

The main duties of the Remuneration Committee include determining the policy and structure for the remuneration of Executive Directors, assessing performance of Executive Directors and approving the terms of Executive Directors' service contracts, and determining or making recommendations to the Board on the Company's remuneration packages of individual Executive and Non-Executive Directors and senior management.

In conducting its work in relation to the remuneration of Directors and senior management, the Remuneration Committee ensures that no director or any of his/her associates was involved in determining his or her own remuneration. It also ensures that remuneration levels should be sufficient to attract and retain directors to run the Company successfully.

The roles and functions of the Remuneration Committee are set out in its terms of reference. Full terms of reference (Remuneration Committee Charter) are available on the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite> and the Stock Exchange's website.

## 本公司的企業管治常規 (續)

### B. 董事和高級管理人員薪酬及董事會表現評估

#### B1. 薪酬委員會

於年報日期，薪酬委員會由三名獨立非執行董事、一名執行董事及一名非執行董事組成，分別為盧啟昌先生（委員會主席）、陳瑞隆先生、謝邦昌先生、蘇建誠博士和蘇詩琇博士。

薪酬委員會職責主要包括釐定執行董事之薪酬政策及架構、評核執行董事之表現及批准執行董事之服務合約條款，以及釐定或向董事會建議個別執行董事、非執行董事及高級管理人員之薪酬待遇。

在進行有關董事和高級管理人員薪酬的工作時，薪酬委員會確保並無個別董事或其任何聯繫人士參與釐定其自身薪酬。薪酬委員會還確保薪酬水準應足以吸引和挽留董事以成功經營本公司。

薪酬委員會的角色和職能載列於其職權範圍。薪酬委員會之全面職權範圍（薪酬委員會憲章）可於本公司網站 (<http://www.corpasia.net/hongkong/0157/irwebsite>) 及聯交所網站查閱。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION (Continued)

#### B2. The level and make-up of remuneration and disclosure

The Remuneration Committee held three meetings during the year ended 31 December 2016. During the year, the Remuneration Committee has reviewed and approved the proposed bonus awards for all employees and senior management, and the 2016 merit increase; reviewed and recommended the Director's Service Contract of Mr. HSIEH Pang-Chang as Independent Non-Executive Director and the renewal of Directors' Service Contracts of Mr. CHEN Ruey Long, Mr. LU Chi-Chant and Mr. HSIEH Pang-Chang as Independent Non-Executive Directors; and reviewed and recommended the employment terms of Mr. HSIAO Wen-Chung as Chief Operating Officer, Interim Chief Executive Officer and Chief Executive Officer (subsequent to re-designation). With reference to the Remuneration Committee Charter, the Remuneration Committee members had carefully reviewed and considered the contribution of each of the Directors to the Group, the Directors' experience in the beauty and spa business and the market rate paid by comparable companies.

Independent professional advice would be sought to supplement internal resources where appropriate.

## 本公司的企業管治常規 (續)

### B. 董事和高級管理人員薪酬及董事會表現評估 (續)

#### B2. 薪酬水準和組成及披露

薪酬委員會在截至二零一六年十二月三十一日止年度內舉行了三次會議。年內，薪酬委員會審議並批准向全體僱員及高級管理人員建議發放的獎金，以及二零一六年度薪酬調整；審議並建議謝邦昌先生作為獨立非執行董事的董事服務合約及續訂陳瑞隆先生、盧啟昌先生及謝邦昌先生作為獨立非執行董事的董事服務合約；以及審議並建議蕭文聰先生作為集團營運長及代理行政總裁及其後調任為行政總裁之僱用條款。根據薪酬委員會憲章，各薪酬委員會成員仔細審閱及考慮了各董事對本集團作出之貢獻、董事於美容及水療業務之經驗及可資比較公司所付市值酬金。

合適情況下，薪酬委員會可尋求獨立專業意見以補充內部資源。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### C. ACCOUNTABILITY AND AUDIT

#### C1. Financial reporting

Management provided explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

Directors are provided with reports on the management's strategic plans, updates on lines of business, financial objectives, plans and actions. The Directors are responsible for keeping proper accounting records and preparing accounts for each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2016, the Directors have:

- approved the adoption of all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
- selected and applied consistently appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable; and
- prepared the accounts on a going concern basis.

## 本公司的企業管治常規 (續)

### C. 問責及審計

#### C1. 財務報告

管理層已向董事會提供解釋及資料，以便董事會就提交予董事會審批之財務及其他資料作出有根據之評估。

董事獲提供有關管理層策略計劃、各業務最新資料、財務目標、計劃及行動之報告。董事負責存管恰當會計記錄及編制各財務期間之賬目，有關賬目須真實而公平地反映本集團於該期間之事務狀況、以及業績及現金流量。在編制截至二零一六年十二月三十一日止年度之賬目時，董事已：

- 批准採納香港會計師公會頒佈之所有適用香港財務報告準則；
- 選擇及貫徹應用合適之會計政策；
- 作出審慎而合理之判斷及估計；及
- 按持續經營基準編制賬目。



**CORPORATE GOVERNANCE OF THE COMPANY** (Continued)

**C. ACCOUNTABILITY AND AUDIT** (Continued)

**C1. Financial reporting** (Continued)

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report set out on pages 75 to 81.

Management provided all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties.

The Directors acknowledge their responsibility for preparing the accounts, and the financial statements have been prepared on a going concern basis.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other announcements in relation to inside information and other financial disclosures required under the Listing Rules, and report to regulators as well as information required to be disclosed pursuant to statutory requirements.

**本公司的企業管治常規** (續)

**C. 問責及審計** (續)

**C1. 財務報告** (續)

核數師就其報告責任作出之聲明載於第75頁至81頁之獨立核數師報告書內。

管理層每月向全體董事會成員提供更新資料，載列有關本公司之表現、財務狀況及前景之公正及易於理解之評估，內容足以讓整體董事會及各董事履行彼等之職責。

董事確認，彼等有責任編制賬目，而財務報表已按持續經營基準編制。

董事會會在年度報告與中期報告、根據上市規則規定須予披露有關內幕消息及其他財務資料之其他公告、向監管者提交之報告及根據法例規定須予披露之資料內，對公司表現作出平衡、清晰及容易理解之評估。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### C. ACCOUNTABILITY AND AUDIT (Continued)

#### C2. Risk management and internal control

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. 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 Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, manufacturing and procurement, financial reporting, human resources and information technology.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

The Company's risk management and internal control systems are designed with the principles to enhance the operation effectiveness, reduce loss in assets, ensure the reliability of financial reports and ensure compliance with relevant legislation and regulations.

The systems cover the factors including, among others, environment control, risk assessment, activity control, information and communication, and internal surveillance.

## 本公司的企業管治常規 (續)

### C. 問責及審計 (續)

#### C2. 風險管理及內部監控

董事會承認其須對風險管理及內部監控系統負責，並有責任檢討該等系統的有效性。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

董事會負責整體評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。

審核委員會協助董事會領導管理層並監督其對風險管理及內部監控系統的設計、實施及監察。

本公司已制定並採納多項列明權責的風險管理程序及指引，以實施關鍵業務程序及辦公職能，包括項目管理、製造及採購、財務匯報、人力資源及資訊科技。

本公司的風險管理及內部監控系統乃按下列原則、特質及程序制定：

本公司的風險管理及內部監控系統乃按照促進運營效率、減少資產損失、確保財務報告的可靠性和對法律法規的遵循性原則制定。

該等系統涵蓋控制環境、風險評估、控制活動、資訊與溝通及內部監督等要素。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### C. ACCOUNTABILITY AND AUDIT (Continued)

#### C2. Risk management and internal control (Continued)

The Company organizes personnel and seeks assistance from external professional advisory institutions to establish the risk management and internal control systems which are subject to the review by the Company's management team and approval by the Audit Committee and the Board.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

The management regularly reviews the effectiveness of the risk management and internal control systems and compliance with best practices. In coordination with department heads, the management assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management progress, and reports to the Audit Committee on all findings and the effectiveness of the systems. The Chief Audit Consultant also reports to the Audit Committee on the implementation of internal control.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2016.

The Internal Audit Department was established in early 2016 to enhance risk management and internal control systems in a timely manner. The Internal Audit Department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Internal Audit Department examines key issues in relation to the accounting practices and all material controls and provides the effectiveness of its implementation and recommendations for improvement to the Audit Committee.

## 本公司的企業管治常規 (續)

### C. 問責及審計 (續)

#### C2. 風險管理及內部監控 (續)

風險管理及內部監控系統由公司組織人員並引進外部專業機構配合編制，經公司管理層審核，並由審核委員會及董事會批准。

所有部門均定期進行內部監控評估，以辨識可能影響本集團業務的風險及關鍵營運和財務程序、監管規定合規性以及資訊安全等方面。本集團每年進行自我評估以確保監控政策均獲各部門妥為遵守。

管理層定期檢討風險管理及內部監控的有效性及是否符合最佳常規。管理層與部門主管共同評估出現風險的可能性，提供處理計劃並監察風險管理的進展，向審核委員會報告所有發現結果及系統的有效性。首席稽核顧問亦向審核委員會報告有關內部監控的執行情況。

管理層已向董事會及審核委員會確認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的有效性。

內部審核部門於二零一六年初設立，以適時提升風險管理及內部監控系統。內部審核部門負責針對風險管理及內部監控系統是否足夠及有效進行獨立檢討。內部審核部門檢查有關會計常規及所有重大監控的關鍵問題，將其執行之有效性及完善建議提供予審核委員會。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### C. ACCOUNTABILITY AND AUDIT (Continued)

#### C2. Risk management and internal control (Continued)

The Company has adopted a whistle-blowing policy to facilitate its employees to raise, in confidence, concerns about possible improprieties in financial reporting control or other matters of the Company.

During the year ended 31 December 2016, the Board conducted reviews of the risk management and internal control systems and considered that such systems of the Group had been implemented effectively and adequately. The Board's review will also consider the adequacy of resources, qualifications and experience of the staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and Relevant Employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

## 本公司的企業管治常規 (續)

### C. 問責及審計 (續)

#### C2. 風險管理及內部監控 (續)

本公司設有舉報政策，以協助僱員有信心舉報有關財務匯報控制可能發生之不正當行為及本公司其他事宜。

截至二零一六年十二月三十一日止年度，董事會已就風險管理及內部監控系統進行檢討，並認為本集團的有系統已有效且充足實施。董事會檢討亦考慮到本公司會計及財務匯報職能的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠。

本公司已制定披露政策，為本公司董事、高級人員、高級管理層及相關僱員處理機密資料、監管信息披露及回應查詢提供了一般指引。

本公司已執行監控程序，嚴禁未經授權而取得及使用內部消息。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### C. ACCOUNTABILITY AND AUDIT (Continued)

#### C3. Audit Committee

As at the date of this Annual Report, the Audit Committee comprises three Independent Non-Executive Directors and one Non-Executive Director, namely Mr. CHEN Ruey-Long (Chairman), Mr. LU Chi-Chant, Mr. HSIEH Pang-Chang and Dr. SU Sh-Hsyu, respectively. The majority of the Audit Committee members are Independent Non-Executive Directors, with Mr. LU Chi-Chant possessing the appropriate professional qualifications and accounting and related financial management expertise.

Draft minutes are sent to members of the Audit Committee within 14 days of each meeting. None of the Audit Committee members is a partner of the external auditors of the Company.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference; to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Audit Committee; to obtain outside legal or other independent professional advice; and to secure the attendance of outsiders with relevant experience and expertise to their meetings if necessary. Sufficient resources are provided to the Audit Committee to discharge its duty. The Audit Committee is also responsible to perform corporate governance functions set out in code provision D.3.1 of the Code on Corporate Governance.

Full terms of reference (Audit Committee Charter) explaining the Audit Committee's role and authority are available on the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite> and the Stock Exchange's website.

## 本公司的企業管治常規 (續)

### C. 問責及審計 (續)

#### C3. 審核委員會

於本年報日期，審核委員會由三名獨立非執行董事和一名非執行董事組成，分別為陳瑞隆先生（委員會主席）、盧啟昌先生、謝邦昌先生及蘇詩琇博士。審核委員會大部份成員為獨立非執行董事，其中盧啟昌先生具備適當的專業資格以及會計及相關的財務管理專長。

會議記錄初稿於每次會議後十四日內送交各審核委員會成員。審核委員會中無任何成員是本公司外聘核數師合夥人。

審核委員會獲董事會授權，可調查其職權範圍內之任何事項；向任何僱員索取任何所需資料，而所有僱員均已接獲指示，彼等須就審核委員會之要求作出通力合作；向外界法律人士或其他獨立專業人士尋求意見；以及於有需要時邀請具有相關經驗及專才之外界人士參與會議。審核委員會獲提供足夠資源以履行其職責。審核委員會亦負責履行企業管治守則守則條文第D.3.1條載列的企業管治職能。

闡釋審核委員會角色和職責之職權範圍（審核委員會憲章）可於本公司網站（<http://www.corpasia.net/hongkong/0157/irwebsite>）及聯交所網站查閱。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### C. ACCOUNTABILITY AND AUDIT (Continued)

#### C3. Audit Committee (Continued)

The Audit Committee held four meetings during the year ended 31 December 2016. During the year 2016, the Audit Committee reviewed the annual results in respect of the year ended 31 December 2015 and interim results for the six months ended 30 June 2016 and significant issues on the financial reporting and compliance procedures and arrangements for employees to raise concerns about possible improprieties. During the year 2016, the Audit Committee also met with the external auditors twice to discuss audit issues, before recommending to the Board for approval of publication of results.

There is an agreed procedure for Audit Committee members to take independent professional advice at the Company's expenses.

There were no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Audit Committee did not have any different view from the Board regarding the selection and re-appointment of external auditors.

The Audit Committee recommended to the Board (which in turn endorsed the view) that, subject to shareholders' approval at the forthcoming AGM, Messrs. Deloitte Touche Tohmatsu be reappointed as the external auditors for year 2017.

There was a whistle-blowing policy which forms part of the employee's handbook.

#### C4. Auditor's remuneration

During the year under review, the remuneration paid to the Group's auditors, in respect of audit services amounted to HK\$2,999,000 and non-audit services amounted to HK\$343,000 which were reviewed and approved by the Audit Committee.

## 本公司的企業管治常規 (續)

### C. 問責及審計 (續)

#### C3. 審核委員會 (續)

審核委員會在截至二零一六年十二月三十一日止年度內舉行了四次會議。於二零一六年度內，審核委員會已審閱截至二零一五年十二月三十一日止年度的年度業績和截至二零一六年六月三十日止六個月的中期業績，並已審閱財務報告和合規程序相關重要事項及就僱員舉報可能發生之不正當行為的安排。於二零一六年度內，審核委員會與外聘核數師進行兩次會議以商討審計事項，然後建議董事會批准刊發有關業績。

本公司已商訂程序，審核委員會可尋求獨立專業意見，費用由本公司支付。

並無任何重大不明朗事件或情況可能會嚴重影響本公司持續經營之能力。

就甄選及續聘外聘核數師而言，審核委員會與董事會所持意見並無分歧。

審核委員會向董事會建議（而董事會亦贊同），續聘德勤•關黃陳方會計師行為二零一七年度外聘核數師，惟須待股東在應屆股東週年大會上作出批准後方可作實。

本公司設有舉報政策，其為僱員手冊之一部份。

#### C4. 核數師酬金

於回顧年度內，本集團就審計服務及非審計服務而已付核數師之酬金分別為2,999,000港元及343,000港元，有關酬金已由審核委員會審閱及批准。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### D. DELEGATION BY THE BOARD

#### D1. Management functions

There is a defined schedule of matters reserved for full Board decision, including:

- Long-term objectives and strategies;
- Extension of Group activities into new business areas;
- Preliminary announcements of interim and annual results;
- Material banking facilities;
- Material acquisitions and disposals;
- Material connected transactions; and
- Annual internal controls assessment.

#### D2. Board Committees

The Board has established four Board Committees (namely Audit Committee, Remuneration Committee, Executive Committee and Nomination Committee) that undertake work on its behalf with specific terms of reference setting out their roles and functions available at the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite>.

Board Committees present their respective reports to the Board after each meeting, which address their work and findings.

In addition to the Remuneration Committee, Audit Committee and Nomination Committee described above, details of the Executive Committee are set out below.

## 本公司的企業管治常規 (續)

### D. 董事會權力之轉授

#### D1. 管理職能

本公司設有一個明確的預定計劃，列明須留待全體董事會批准之事項，包括：

- 長期目標及策略；
- 拓展本集團業務至新業務領域；
- 中期及全年業績之初步公告；
- 重大銀行融資；
- 重大收購及出售事項；
- 重大關聯交易；及
- 年度內部監控評估。

#### D2. 董事委員會

董事會轄下設有四個董事委員會（分別為審核委員會、薪酬委員會、執行委員會及提名委員會）代替其工作，列明其角色及職務之特定職權範圍可於本公司網站查閱：<http://www.corpasia.net/hongkong/0157/irwebsite>。

董事委員會將於每次會議後，向董事會呈交各自之報告，當中陳述彼等之工作及發現。

除了上文所述之薪酬委員會、審核委員會及提名委員會外，執行委員會之詳情載列如下。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### D. DELEGATION BY THE BOARD (Continued)

#### D2. Board Committees (Continued)

##### *Executive Committee*

As at the date of this Annual Report, the Executive Committee comprises three Executive Directors and one Non-Executive Director, namely Mr. LEE Ming-Ta (Chairman), Dr. TSAI Yen-Yu, Dr. SU Chien-Cheng and Dr. SU Sh-Hsyu respectively.

Executive Committee is primarily responsible for formulating business policies, making decisions on key business issues and policies, facilitating the approval of certain corporate actions and exercising the powers and authority delegated by the Board in respect of matters arising between regularly scheduled Board meetings, and to review financial, marketing, retail, operation and other business performance, as well as to review and approve annual budget and key performance indicators (KPIs) and track performance.

The Executive Committee held four meetings during the year ended 31 December 2016 and the attendance records are set out under "Directors' Attendance and Training Records" on page 24 of this Annual Report.

## 本公司的企業管治常規 (續)

### D. 董事會權力之轉授 (續)

#### D2. 董事委員會 (續)

##### *執行委員會*

於本年報日期，執行委員會由三名執行董事及一名非執行董事組成，分別為李明達先生(委員會主席)、蔡燕玉博士、蘇建誠博士及蘇詩琇博士。

執行委員會之主要職責為，制訂業務政策、就重要業務事宜及政策作出決定、協助批准若干企業行動、就董事會定期會議間隔期間發生之事宜行使董事會轉授之權力及授權，以及檢討財務、市場推廣、零售、營運及其他業務表現，並審批年度預算案及重要業務指標 (KPIs) 及過往表現。

執行委員會於截至二零一六年十二月三十一日止年度內舉行了四次會議，出席記錄載於本年報第24頁「董事出席及培訓記錄」部份。



## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### E. COMMUNICATION WITH SHAREHOLDERS

#### E1. Effective communication

Separate resolutions are proposed at the meeting on each substantially separate issue, including the election of individual Directors.

Chairperson of the Board and Chairmen of the Board Committees or their respective delegates are requested to attend the forthcoming AGM.

The Company has held one AGM since the issuance of the last annual report.

Code provision E.1.2 stipulates that the chairman of the board of a listed issuer should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees to attend. In their absence, the chairman of the board should invite another member of the committee or failing this, his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Dr. TSAI Yen-Yu, the Chairperson of the Board, and the Chairmen of the Audit Committee, Remuneration Committee, Executive Committee and Nomination Committee, were unable to attend the 2016 AGM due to other overseas commitments. The Board had arranged for Dr. SU Chien-Cheng, an Executive Director of the Company and a member of the Remuneration Committee and Executive Committee of the Group, who is well versed in all business activities and operations of the Group, to attend and chair the 2016 AGM on behalf of Dr. TSAI Yen-Yu and to respond to shareholders' questions.

The Company has optimized the planning and procedures of annual general meetings by, for example, giving adequate time to all Directors to accommodate their work arrangements and providing all necessary support for their presence and participation at annual general meetings, such that the Chairperson of the Board and all Directors will be able to attend future annual general meetings of the Company.

## 本公司的企業管治常規 (續)

### E. 與股東之溝通

#### E1. 有效溝通

於會議上，本公司會就每項實際獨立之事宜(包括選舉個別董事)個別提呈決議案。

董事會主席及董事委員會主席或彼等各自之委派代表須出席應屆股東週年大會。

自上一份年度報告刊發以來，本公司曾舉行一次股東週年大會。

守則條文第E.1.2條規定，上市發行人之董事會主席應出席股東週年大會。董事會主席並應邀請審核委員會、薪酬委員會、提名委員會及任何其他委員會的主席出席。若有關委員會主席未克出席，董事會主席應邀請另一名委員(或如該名委員未能出席，則其正式委任的代表)出席。該等人士須在股東週年大會上回答提問。

董事會主席蔡燕玉博士，以及審核委員會、薪酬委員會、執行委員會及提名委員會的主席因其他海外業務安排未能親自出席本公司二零一六年度股東週年大會。董事會已安排對本集團一切業務活動及營運瞭如指掌的蘇建誠博士(本公司執行董事兼本集團薪酬委員會及執行委員會成員)代表蔡燕玉博士出席及主持二零一六年度股東週年大會及解答股東提問。

本公司致力完善股東週年大會的規劃程序，如透過給予全體董事充足時間以提前安排工作，並為彼等出席及參與股東週年大會提供一切所需支持，以便董事會主席及全體董事能夠出席本公司日後的股東週年大會。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### E. COMMUNICATION WITH SHAREHOLDERS (Continued)

#### E1. Effective communication (Continued)

The Company arranged for the notice to shareholders for the 2016 AGM at least 20 clear business days before the meeting.

The procedure for shareholders to convene an extraordinary general meeting can be found in Article 73 of the Memorandum and Articles of Association of the Company, which is available at the Company's website (<http://www.corpasia.net/hongkong/0157/irwebsite>) and the Stock Exchange's website.

Documents relating to the Procedures for Nomination of Directors by Shareholders and the Shareholder Communication Policy are available for download from the Company's website (<http://www.corpasia.net/hongkong/0157/irwebsite>).

There is a dedicated section of "Shareholder Services" in the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite> to provide comprehensive information related to shareholders.

For putting forward any enquiries to the Board of the Company, shareholders may send their enquiries or requests to the following:

Address: 958 Changping Road, Jing'an District, Shanghai, China

Fax: +86 21 5256-0455

Email: [ir@nblife.com](mailto:ir@nblife.com)

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

During the year under review, the Company has not made any change to its Articles. An up-to-date version of the Company's Articles is also available on the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite> and the Stock Exchange's website.

## 本公司的企業管治常規 (續)

### E. 與股東之溝通 (續)

#### E1. 有效溝通 (續)

就二零一六年股東週年大會而言，本公司已安排在大會舉行前至少足二十個營業日向股東發送通知。

有關股東召開股東特別大會之程序載於本公司組織章程大綱及細則第73條，本公司之組織章程大綱及細則可於本公司網站 (<http://www.corpasia.net/hongkong/0157/irwebsite>) 及聯交所網站下載。

本公司有關股東提名董事之程序及股東通訊政策之文件可於本公司網站 (<http://www.corpasia.net/hongkong/0157/irwebsite>) 下載。

本公司網站 (<http://www.corpasia.net/hongkong/0157/irwebsite>) 特設「股東服務」環節，專門提供股東適用之相關全面資訊。

如欲向本公司董事會提出任何查詢，股東可通過以下方式發送查詢或請求：

地址：中國上海市靜安區昌平路958號

傳真：+86 21 5256-0455

電子郵件：[ir@nblife.com](mailto:ir@nblife.com)

為免存疑，股東必須發送經妥為簽署的正本書面申請書、通知或聲明或查詢（視情況而定）至上述地址並提供其全名、聯繫詳情和身份證明以使之生效。股東資料可根據法律要求予以披露。

於回顧年度內，本公司未對其細則作出任何更改。本公司細則的最新版本可於本公司網站 (<http://www.corpasia.net/hongkong/0157/irwebsite>) 及聯交所網站查閱。

## CORPORATE GOVERNANCE OF THE COMPANY (Continued)

### E. COMMUNICATION WITH SHAREHOLDERS (Continued)

#### E2. Voting by poll

Procedures for conducting a poll were set out in the notice of the 2016 AGM. These procedures were also explained at the commencement of the 2016 AGM.

A representative of the Company's Share Registrar, Hong Kong Registrars Limited, was appointed as scrutineer during the 2016 AGM.

Poll results were published on the same day following the 2016 AGM and posted on the website of the Stock Exchange and that of the Company at <http://www.corpasia.net/hongkong/0157/irwebsite>.

#### *Investor relations*

The Company considers that effective communication with Shareholders is essential for good investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information.

Additional shareholders' services can be found in the investor relations section of the Company's website: <http://www.corpasia.net/hongkong/0157/irwebsite>.

### F. COMPANY SECRETARY

Ms. HO Siu Pik of Tricor Services Limited, is an external service provider and has been engaged by the Company as its Company Secretary. Her main contact person at the Company is Ms. Jenny ZHU (Director of Legal).

Ms. HO has confirmed that she has undertaken no less than 15 hours of relevant professional training during the year 2016.

## 本公司的企業管治常規 (續)

### E. 與股東之溝通 (續)

#### E2. 按股數投票表決

進行按股數投票表決之程序載於二零一六年股東週年大會通告，該等程序亦已於二零一六年度股東週年大會開始時解釋。

本公司香港股份過戶登記處香港證券登記有限公司之代表獲委任為二零一六年度股東週年大會之監票員。

按股數投票表決結果在二零一六年股東週年大會舉行後同日刊發，並在聯交所網站及本公司網站 (<http://www.corpasia.net/hongkong/0157/irwebsite>) 刊載。

#### *投資者關係*

本公司認為與股東有效溝通，對良好投資者關係及投資者對本集團業務表現及策略的了解而言實屬關鍵。本公司亦深明透明度及適時披露公司資訊的重要性。

其他股東服務之資料登載於本公司網站 (<http://www.corpasia.net/hongkong/0157/irwebsite>) 投資者關係環節。

### F. 公司秘書

卓佳專業商務有限公司的何小碧女士為外部服務提供者，已獲委聘為本公司的公司秘書。其在本公司的主要聯絡人為朱旋女士（法務總監）。

何女士確認於二零一六年度內已接受超過十五小時相關專業培訓。

# Directors' and Senior Management Profiles

## 董事及高級管理層履歷

### CHAIRPERSON AND EXECUTIVE DIRECTOR:

#### DR. TSAI YEN-YU (ALIAS TSAI YEN-PIN)

Aged 69, founder and Chairperson of the Company, the wife of Mr. LEE Ming-Ta (Vice Chairman and Executive Director) and mother of Dr. SU Chien-Cheng (Executive Director) and Dr. SU Sh-Hsyu (Non-Executive Director), is an Executive Director and member of both the Executive Committee and Nomination Committee of the Company. She has also been a director of NATURAL BEAUTY BIO-TECHNOLOGY (HONG KONG) COMPANY LIMITED since 16 May 2001. She is currently also a director of some of our British Virgin Islands, Malaysia, PRC and Taiwan subsidiaries. Dr. TSAI has been awarded numerous honours, positions and prizes such as:

- Honorary Doctor of Commerce, Dewey University, the U.S.A.
- Fellowship of Asian Knowledge Management Association
- Female Entrepreneur Award by Ernst & Young "Entrepreneur of the Year"
- Taiwan's Top Ten Most Influential Female Entrepreneur awarded by CommonWealth Magazine
- Outstanding Entrepreneurs of Taiwan awarded by Taiwan Women's Business Association
- "Top 100 Chinese Entrepreneurs" of China
- "Bai Yu Lan" Award by the Shanghai City Government
- Principal consultant in the Chinese Ministry of Labor and the programme "Ji Qing Chuang Ye" of CCTV
- Principal consultant of cosmetology arbitration panel in the Chinese Ministry of Law
- 1st Pacemaker Award and Education Award of Beauty and Cosmetics Industry in China

### VICE CHAIRMAN AND EXECUTIVE DIRECTOR:

#### MR. LEE MING-TA (ALIAS LEE MING-TAH)

Aged 69, is the Vice Chairman and an Executive Director of the Group. He is the Chairman of the Executive Committee and a member of the Nomination Committee of the Company since 18 December 2015. Mr. LEE is the husband of Dr. TSAI Yen-Yu, whom is the Chairperson and an Executive Director of the Group. He is also the father of Dr. SU Chien-Cheng (Executive Director) and Dr. SU Sh-Hsyu (Non-Executive Director). Prior to joining the Group in 1993, Mr. LEE had worked for various financial institutions at senior management level for over 10 years in corporate management and staff training. Mr. LEE graduated in Fengchia University in Taiwan with a bachelor degree in Banking and Insurance. He has also been a director of NATURAL BEAUTY BIO-TECHNOLOGY (HONG KONG) COMPANY LIMITED since 16 May 2001. He is currently also a director of some of our British Virgin Islands, Malaysia, PRC and Taiwan subsidiaries.

### 主席兼執行董事：

#### 蔡燕玉博士（又名蔡燕萍）

69歲，本公司創辦人兼主席，副主席兼執行董事李明達先生之妻子及執行董事蘇建誠博士及非執行董事蘇詩琇博士之母親，亦為本公司執行董事、執行委員會成員及提名委員會成員。彼亦由二零零一年五月十六日起為自然美生物科技（香港）有限公司的董事。彼目前亦為本公司若干英屬維爾京群島、馬來西亞、中國及台灣附屬公司的董事。蔡博士曾獲得無數榮譽、職銜及獎項，如：

- 美國杜威大學商學榮譽博士
- 亞洲知識管理協會院士
- 安永年度國際傑出創業家－女性創業家大獎
- 台灣十大最有影響力之女企業家（天下雜誌）
- 台灣第六屆傑出工商婦女
- 中國「百名位傑出華商領袖」
- 上海市政府頒發「白玉蘭獎」
- 中國勞動部及中央電視台激情創業專欄首席顧問
- 中國法務部美容爭議評判首席顧問
- 榮選首屆中國美容化妝品時代功勳獎、教育獎

### 副主席及執行董事：

#### 李明達先生

69歲，本集團副主席兼執行董事。自二零一五年十二月十八日起，彼為本公司執行委員會主席及提名委員會成員。李先生為本集團主席兼執行董事蔡燕玉博士的丈夫。彼亦為執行董事蘇建誠博士及非執行董事蘇詩琇博士之父親。於一九九三年加入本集團前，李先生曾於多家財務機構任職高級管理職務，於企業管理及員工培訓工作方面擁有超過10年經驗。李先生畢業於台灣逢甲大學，擁有銀行及保險學學士學位。彼亦由二零零一年五月十六日起為自然美生物科技（香港）有限公司的董事。彼目前亦為本公司若干英屬維爾京群島、馬來西亞、中國及台灣附屬公司的董事。

**EXECUTIVE DIRECTOR:  
DR. SU CHIEN-CHENG**

Aged 45, the son of Dr. TSAI Yen-Yu (Chairperson and Executive Director) and Mr. LEE Ming-Ta (Vice Chairman and Executive Director) and the elder brother of Dr. SU Sh-Hsyu who is also a Non-Executive Director of the Company. Dr. SU Chien-Cheng was a Non-Executive Director and re-designated as Executive Director effective from 15 December 2011. He is involved in the financial management and strategic management of the Group at Board level. He is also a member of the Remuneration Committee and the Executive Committee since 7 February 2013 and 18 December 2015, respectively. Dr. SU Chien-Cheng graduated from the University of Westminster in UK with a master degree of business administration and obtained his PhD in Business Administration in Shanghai University of Finance and Economics. He joined the Group in 1999. He has been a director of NATURAL BEAUTY BIO-TECHNOLOGY (HONG KONG) COMPANY LIMITED and Natural Beauty China Holding Limited since 16 May 2001 and 11 July 2008, respectively. He is currently also a director of some of our British Virgin Islands, PRC and Taiwan subsidiaries.

**NON-EXECUTIVE DIRECTOR:  
DR. SU SH-HSYU**

Aged 43, is the daughter of Dr. TSAI Yen-Yu (Chairperson and Executive Director) and Mr. LEE Ming-Ta (Vice Chairman and Executive Director) and the younger sister of Dr. SU Chien-Cheng (Executive Director). Dr. SU Sh-Hsyu had been an Executive Director since 21 September 2004 until she was redesignated as a Non-Executive Director on 24 November 2009, was further redesignated as an Executive Director on 15 December 2011 and was redesignated as a Non-Executive Director on 7 February 2013. She is also a member of the Audit Committee, Remuneration Committee and Executive Committee of the Company. Dr. SU Sh-Hsyu graduated from the London School of Economics with a Master of Science degree in industrial relations and human resources management and obtained her PhD in international and comparative education from Columbia University in New York, United States. Dr. SU Sh-Hsyu had been actively engaged in the marketing and business development of the Natural Beauty Group in Taiwan and China during the period from 2004 to 2009. Dr. SU Sh-Hsyu is involved in strategic management of the Group at Board level. Dr. SU Sh-Hsyu has been a director of NATURAL BEAUTY BIO-TECHNOLOGY (HONG KONG) COMPANY LIMITED and Natural Beauty China Holding Limited since 16 May 2001 and 11 July 2008, respectively. She is currently also a director of some of our PRC and Taiwan subsidiaries.

**執行董事：  
蘇建誠博士**

45歲，為主席兼執行董事蔡燕玉博士與副主席兼執行董事李明達先生的兒子，及本公司非執行董事蘇詩琇博士之胞兄。蘇建誠博士原任職非執行董事，自二零一一年十二月十五日起調任為執行董事，參與在董事會層面本集團的財務管理與策略性事業發展工作。彼亦分別自二零一三年二月七日及二零一五年十二月十八日起為本公司薪酬委員會成員及執行委員會成員。蘇建誠博士畢業於英國西敏寺大學，擁有工商管理碩士學位，並取得中國大陸上海財經大學企業管理哲學博士學位，於一九九九年加入本集團。彼分別由二零零一年五月十六日及二零零八年七月十一日起為自然美生物科技（香港）有限公司及自然美中國控股有限公司的董事。彼目前亦為本公司若干英屬維爾京群島、中國及台灣附屬公司的董事。

**非執行董事：  
蘇詩琇博士**

43歲，為主席兼執行董事蔡燕玉博士與副主席兼執行董事李明達先生的女兒，及執行董事蘇建誠博士之胞妹。蘇詩琇博士於二零零四年九月二十一日起任職執行董事，於二零零九年十一月二十四日起調任為非執行董事，於二零一一年十二月十五日起調任為執行董事，其後於二零一三年二月七日起調任為非執行董事。彼亦為本公司審核委員會、薪酬委員會及執行委員會成員。蘇詩琇博士畢業於英國倫敦政治經濟學院，擁有工業關係及人力資源管理碩士學位，並獲美國紐約哥倫比亞大學頒授國際及比較教育博士學位。蘇詩琇博士於二零零四年至二零零九年期間積極參與自然美集團於台灣及中國之市場推廣及業務發展。蘇詩琇博士參與在董事會層面本集團的策略性事業發展工作。蘇詩琇博士分別由二零零一年五月十六日及二零零八年七月十一日起任職自然美生物科技（香港）有限公司及自然美中國控股有限公司之董事。彼目前亦為本公司若干中國及台灣附屬公司的董事。

**INDEPENDENT NON-EXECUTIVE DIRECTOR:  
MR. CHEN RUEY-LONG**

Aged 68, obtained his Bachelor degree of Economics from National Chung-Hsing University in 1970. He was the Minister of the Ministry of Economic Affairs of Taiwan from 2006 to 2008. Prior to that, he held various positions and represented the Ministry of Economic Affairs of Taiwan in various countries and was based in Switzerland from 1987 to 1996 and in Belgium from 1974 to 1979. Mr. CHEN was the Board Chairman of the Institute for Information Industry in Taiwan from 2008 to 2009. Mr. CHEN is currently the Board Chairman of SINOCON Industrial Standards Foundation in Taiwan, the Secretary-general of Cross-Strait CEO Summit, a director of Bank of Panhsin in Taiwan and Teknowledge Development Corporation in Taiwan, and the Board Chairman and Chief Operating Officer of Powerchip Technology Corporation (stock code: 5346), listed on the Taiwan GreTai Securities Market. He is also a director of HannStar Board Corporation (stock code: 5469), Asia Cement Corporation (stock code: 1102) and GINTECH ENERGY CORPORATION (stock code: 3514); a managing director and independent director of Formosa Chemicals and Fibre Corporation (stock code: 1326); an independent director of China Petrochemical Development Corporation, Ltd. (stock code: 1314) and INVENTEC CORPORATION (stock code: 2356), which are listed on the Taiwan Stock Exchange. From June 2011 until 10 June 2014, he was an independent director of E-Ton Solar Tech. Co., Ltd. (stock code: 3452), listed on the Taiwan GreTai Securities Market. He was appointed as the Group's Independent Non-Executive Director on 1 February 2010. He is also the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company.

**獨立非執行董事：  
陳瑞隆先生**

68歲，於一九七零年獲國立中興大學頒授經濟學學士學位。彼於二零零六年至二零零八年期間擔任台灣經濟部部長。在此之前，他曾出任多個要職，並在多個國家代表台灣經濟部，並於一九八七年至一九九六年獲派駐瑞士及於一九七四年至一九七九年獲派駐比利時。陳先生於二零零八年至二零零九年出任台灣財團法人資訊工業策進會董事長。陳先生現為台灣財團法人華聚產業共同標準推動基金會董事長、兩岸企業家峰會秘書長、台灣板信商業銀行及智仁科技開發股份有限公司董事，以及在台灣證券櫃檯買賣中心上市的力晶科技股份有限公司（股份代號：5346）董事長及營運總監。彼同時也是在台灣證券交易所上市的瀚宇博德股份有限公司（股份代號：5469）、亞洲水泥股份有限公司（股份代號：1102）及昱晶能源科技股份有限公司（股份代號：3514）董事；台灣化學纖維股份有限公司（股份代號：1326）常務董事及獨立董事；中國石油化學工業開發股份有限公司（股份代號：1314）及英業達股份有限公司（股份代號：2356）獨立董事。於二零一一年六月至二零一四年六月十日，他曾擔任在台灣證券櫃檯買賣中心上市的益通光能科技股份有限公司（股份代號：3452）獨立董事。彼於二零一零年二月一日獲委任為本集團獨立非執行董事。彼亦為本公司審核委員會主席、薪酬委員會及提名委員會成員。

**INDEPENDENT NON-EXECUTIVE DIRECTOR:  
MR. LU CHI-CHANT**

Aged 65, is currently an independent non-executive director of Eagle Nice (International) Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 02368), and an independent director of K Laser Technology Inc. (stock code: 2461), Li Peng Enterprise Co., Ltd. (stock code: 1447) and LEALEA ENTERPRISE CO., LTD (stock code: 1444), all listed on the stock exchange of Taiwan. He is also an independent director of Nyquest Technology Co., Ltd., a company listed on the Taiwan GreTai Securities Market (stock code: 6494). From 2012 to 2013, Mr. LU was an independent director of First Sino Bank, a licensed bank established in the People's Republic of China. Mr. LU obtained a bachelor's degree in Mechanical Engineering from National Taiwan University in 1974 and passed the professional qualification examinations in Taiwan for certified public accountant in 1983 and for securities investment analyst in 1988. During the period from 1976 to 1984, Mr. LU worked as a mechanical engineer in Formosa Plastics Corporation, a company established in Taiwan which is principally engaged in the manufacturing of plastic raw materials and products. Mr. LU joined Deloitte & Touche Taiwan as an auditor in 1984 and he became a partner there in 1986. Mr. LU left Deloitte & Touche Taiwan in 2011. He was appointed as the Group's Independent Non-Executive Director on 18 December 2015. He is also the Chairman of Remuneration Committee and a member of both the Audit Committee and Nomination Committee of the Company.

**獨立非執行董事：  
盧啟昌先生**

65歲，現為鷹美（國際）控股有限公司（一家於聯交所主板上市之公司，股份代號：02368）之獨立非執行董事，同時亦為光群雷射科技股份有限公司（股份代號：2461）、力鵬企業股份有限公司（股份代號：1447）及力麗企業股份有限公司（股份代號：1444）（均於台灣證券交易所上市）之獨立董事。彼亦為於台灣證券櫃檯買賣中心上市之九齊科技股份有限公司的獨立董事（股份代號：6494）。於二零一二年至二零一三年，盧先生為華一銀行（一家於中華人民共和國成立的持牌銀行）之獨立董事。盧先生於一九七四年獲得國立台灣大學機械工程學士學位，並分別於一九八三年及一九八八年在台灣通過執業會計師及證券投資分析師之專業資格考試。於一九七六年至一九八四年期間，盧先生出任台灣塑膠工業股份有限公司（一家於台灣成立之公司，主要從事生產塑膠原材料及產品）之機械工程師。盧先生於一九八四年加入勤業眾信聯合會計師事務所出任核數師，並於一九八六年成為其合夥人。盧先生於二零一一年離開勤業眾信聯合會計師事務所。彼於二零一五年十二月十八日獲委任為本集團獨立非執行董事。彼亦為本公司薪酬委員會主席、審核委員會及提名委員會成員。

## Directors' and Senior Management Profiles 董事及高級管理層履歷

### INDEPENDENT NON-EXECUTIVE DIRECTOR: MR. HSIEH PANG-CHANG (ALIAS SHIA BEN-CHANG)

Aged 54, obtained his Ph.D degree in Biological Statistics from Department of Agronomy of the National Taiwan University. He holds various positions in the Taipei Medical University, including the dean of the College of Management, a director of Big Data Research Center and a professor of Executive Master Program of Business Administration in Biotechnology (EMBA) of the College of Management. He is also the president of ChungHwa Market Research Society and the honorary president of ChungHwa Data Mining Society. Mr. HSIEH is currently an independent director of Sirtec International Co., Ltd. (stock code: 5356), a company listed on the Taiwan GreTai Securities Market. He was a director of Waterland Financial Holding Co., Ltd. (stock code: 2889) and International Bills Finance Corporation (stock code: 5840), both listed on the Taiwan Stock Exchange. He was also a director of Waterland Securities Investment Consulting Co., Ltd. and CyberSoft Digital Services Corporation, an Information Technology company established in Taiwan. During the period from 1991 to 2015, Mr. HSIEH worked as an associate professor of Department of Business Mathematics of Soochow University, a professor of The Institute of Biological Statistics of National Taiwan University, the Chairman of Department of Statistics of Fu Jen Catholic University, a director of Institute of Business Administration of Fu Jen Catholic University and an editor of DIGITIMES Inc., respectively. He was appointed as the Group's Independent Non-Executive Director on 1 February 2016. He is also the Chairman of the Nomination Committee and a member of both the Audit Committee and Remuneration Committee of the Company.

### GROUP CHIEF EXECUTIVE OFFICER: MR. HSIAO WEN-CHUNG (ALIAS MARK SHAW)

Aged 59, joined the Group on 16 October 2006 as the Chief Operating Officer of Taiwan and other markets. He was subsequently re-designated as the Chief Operating Officer of the Group with effect from 15 April 2009 and was responsible for consolidating and expanding the Group's operations until 9 February 2010. Mr. HSIAO was appointed as Chief Operating Officer and Interim Chief Executive Officer of the Group with effect from 21 December 2015 and 1 January 2016 respectively and was subsequently re-designated as the Chief Executive Officer of the Group and ceased to be the Chief Operating Officer with effect from 1 September 2016. Mr. HSIAO graduated from the Department of Journalism of Chinese Culture University in 1981. Prior to joining the Group in October 2006, Mr. HSIAO has over 23 years of operational management experience in the consumer goods industry. He was the National Key Account Manager of Tait & Co., the National Sales Director of Unilever Taiwan, the Sales and Marketing Director, Greater China of Warner-Lambert and Energizer Schick Taiwan Limited, leading the sales team of the company operating globally in the broad categories of household and personal care products. From November 2014 to November 2015, Mr. HSIAO was the Executive Vice President of Panion & BF Biotech Inc., Taiwan (Stock Code: 1760).

### 獨立非執行董事： 謝邦昌先生

54歲，獲得國立台灣大學農藝學系生物統計組博士學位。彼現於台北醫學大學出任多個要職，包括管理學院院長、大數據研究中心主任及管理學院生物科技高階管理碩士在職專班教授。彼亦擔任中華市場研究協會理事長及中華資料採礦協會榮譽理事長。謝先生現為在台灣證券櫃檯買賣中心上市的協益電子股份有限公司（股份代號：5356）之獨立董事。彼曾為在台灣證券交易所上市的國票金融控股股份有限公司（股份代號：2889）及國際票券金融股份有限公司（股份代號：5840）之董事。彼亦曾為國票證券投資顧問股份有限公司及經貿聯網科技股份有限公司（一間於台灣成立的資訊科技公司）之董事。於一九九一年至二零一五年期間，謝先生分別出任東吳大學商用數學系副教授、國立台灣大學生物統計研究所教授、輔仁大學統計系系主任、輔仁大學商學研究所所長及東森媒體集團之主筆。彼於二零一六年二月一日獲委任為本集團獨立非執行董事。彼亦為本公司提名委員會主席、審核委員會及薪酬委員會成員。

### 集團行政總裁： 蕭文聰先生

59歲，於二零零六年十月十六日加盟本集團，擔任台灣及其他地區營運長。彼其後於二零零九年四月十五日起調任為集團營運長，專責鞏固及擴充本集團業務，直至二零一零年二月九日止。蕭先生分別於二零一五年十二月二十一日及二零一六年一月一日獲委任為集團營運長及代理行政總裁，其後於二零一六年九月一日起調任為本集團行政總裁並終止擔任集團營運長。蕭先生於一九八一年畢業於中國文化大學新聞系。於二零零六年十月加入本集團前，蕭先生於消費品行業擁有逾二十三年營運管理經驗。彼曾擔任英商德記洋行全國主要客戶經理及英商聯合利華公司全國業務處長，並曾擔任美商華納藍茂公司、美商勁量舒適股份有限公司大中華區業務行銷總監，帶領該公司銷售團隊於全球經營各類家居及個人護理產品。自二零一四年十一月至二零一五年十一月期間，蕭先生擔任台灣寶齡富錦生技股份有限公司（股份代號：1760）執行副總職位。



**GROUP CHIEF FINANCIAL OFFICER:  
MR. TSAI TIEN-CHUN**

Aged 47, joined the Group on 1 July 2016 as the Chief Financial Officer of the Group. Mr. TSAI graduated from National Taiwan University with a Master degree in Accounting in 1995 and graduated from Guanghai School of Management of Peking University with a Master degree in Business Administration in 2008. He is currently a PhD student in Accounting at Xiamen University. He obtained certificate of Certified Public Accountant (CPA) in Taiwan in 1995 and qualified as a Chartered Financial Analyst (CFA) Charterholder in 2004. Prior to joining the Group, Mr. TSAI worked for Ta-Yung Shin Yeh Co. Ltd. and Yulon Motor Co. Ltd. with practical experience of more than twenty years; the former is the biggest private land management company in Taiwan, while the latter is the biggest automotive group in Taiwan. While serving as Senior Manager of Strategy & Planning Department of Ta-Yung Shin Yeh Co. Ltd., Mr. TSAI devoted to optimizing land utilization through investment management in organic agriculture, hotel management, leisure farm exploitation, kindergarten, department store, supermarket and etc. In Yulon Motor Co. Ltd., he was responsible for tax, treasury, accounting, cost management and external negotiations, and he successfully consolidated almost a hundred subsidiaries into an automotive management center through investment management. After that, Mr. TSAI worked for Luxgen (Hangzhou) Motor Co. Ltd. as Administrative Director with extensive management experience in the People's Republic of China.

**GROUP OPERATION VICE PRESIDENT:  
MR. WANG KUANG JUI**

Aged 49, is in full charge of operational management of the Company. Mr. WANG graduated from the Chinese Culture University in Taiwan with a Bachelor degree of Mass Communication. Prior to joining the Group in 2006, Mr. WANG held senior positions in Dragon Logistics Co., Ltd and Trust-Mart Hypermarket. He was also a senior executive and the chief information officer of Amigo Logistics Corporation in Taiwan.

**GROUP CHIEF EDUCATION OFFICER:  
MS. WU CHIN HSIN**

Aged 54, joined the Group in 1981. Ms. WU used to serve as the training director and self-owned spa manager in Taiwan. She was the training director of PRC from 2003 to 2010. Starting from April 2013, she was appointed as the Group Chief Education Officer and in charge of the direction and training of PRC NB franchising stores, and she manages self-owned spa and training center in Shanghai. She also works with R&D team in the development of new products.

**集團財務長：  
蔡天俊先生**

47歲，於二零一六年七月一日加盟本集團擔任集團財務長。蔡先生畢業於台灣大學及北京大學，分別於一九九五年取得台灣大學會計研究所碩士及於二零零八年取得北京大學光華管理學院工商管理碩士。彼目前就讀於廈門大學會計博士班。彼於一九九五年於台灣取得註冊會計師(CPA)並於二零零四年取得特許金融分析師(CFA)的資格。蔡先生於加盟本公司前，曾任職於大永興業股份有限公司及裕隆汽車事業管理中心，前者為台灣地區最大私人土地管理公司，而後者為台灣地區最大汽車集團，擁有逾二十年的實務經驗。蔡先生於大永興業股份有限公司任職時為企劃部協理，為該公司土地進行活化利用，就有機農業、酒店管理、休閒農場開發、幼兒園、百貨公司、超市等產業進行創業投資與投資後管理。於裕隆集團任職時，除管理該汽車集團的稅務、資金、會計、成本管理與對外財務談判外，其透過投資管理的方式整合集團約百家子公司組成汽車事業管理中心形成強大的綜效，彼之後擔任納智捷(杭州)汽車公司之行政總監，具備豐富的中國大陸管理經驗。

**集團營運副總裁：  
王光瑞先生**

49歲，全面負責本公司營運管理工作。王先生畢業於臺灣文化大學，取得大眾傳播學學士學位。於二零零六年加盟本公司前，王先生曾於中國龍邦物流及好又多量販集團擔任高階主管，並曾擔任台灣東源物流事業股份有限公司高階主管及資訊長等職務。

**集團教育長：  
吳金繡女士**

54歲，於一九八一年加入本集團。吳女士先後擔任台灣培訓部主任及臺灣直營SPA館經理。彼於二零零三年至二零一零年擔任中國區培訓總監。彼自二零一三年四月起擔任集團教育長，負責中國大陸自然美加盟連鎖店輔導和培訓，管理上海直營SPA館及上海技能培訓中心，並與公司研發團隊合作開發新產品。

## Directors' and Senior Management Profiles 董事及高級管理層履歷

### FRANCHISING DEPARTMENT GENERAL MANAGER: MR. LIANG CHUN-HUNG

Aged 58, joined the Group in June 1999. Mr. LIANG is in charge of marketing and sales in Taiwan. He was subsequently re-designated as Operation Director of the Greater China starting from February 2002 and was responsible for counters and distributor channels, until February 2010. Mr. LIANG graduated from Tunghai University with a bachelor degree in business management in 1985. Prior to joining the Group in June 1999, Mr. LIANG has 14 years of operational management experience in the consumer goods industry. He had worked in NIVEA, Elizabeth Arden, YSL and FLORIS and took charge of marketing and overall planning. From May 2010 to December 2015, Mr. LIANG was the Chief Executive Officer of ESENS International Group.

### GROUP ADMINISTRATION VICE PRESIDENT: MS. CHEN HWA LIEN

Aged 68, joined the Group in 1993 as the vice general manager of PRC headquarters and was in charge of the administration, logistics and human resources of the Group's PRC operation until February 2010. Prior to joining the Group, Ms. CHEN had over 10 years of regional operational management experience in Taiwan. She was one of the key employees for the Group's expansion in the PRC. Starting from January 2016, Ms. CHEN serves as the Group Chief Contoller and is in charge of internal control and risk management.

### COMPANY SECRETARY: MS. HO SIU PIK

Ms. HO is a director of Corporate Services of Tricor Services Limited ("Tricor"), a global professional services provider specializing in integrated Business, Corporate and Investor Services. Ms. HO has over 20 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. HO is a Chartered Secretary and a Fellow of both The Hong Kong Institute of Chartered Secretaries ("HKICS") and The Institute of Chartered Secretaries and Administrators ("ICSA") in the United Kingdom. Ms. HO is a holder of the Practitioner's Endorsement from HKICS. (Note: The Company has engaged Tricor as external service provider and appointed Ms. HO as the Company's company secretary since 11 December 2013.)

### 加盟事業部總經理： 梁鈞鉞先生

58歲，於一九九九年六月加盟本集團。梁先生負責集團市場行銷及兼管台灣業務與銷售。彼其後於二零零二年二月起調任為集團大中華區營運部總監，專責百貨專櫃、經銷商業務，直至二零一零年二月止。梁先生於一九八五年畢業於台灣東海大學，獲企業管理學士學位。於一九九九年六月加入本集團前，梁先生於消費品行業擁有十四年營運管理經驗。彼曾擔任妮維雅、伊莉莎伯•雅頓、伊芙•聖羅蘭、馥黎詩等公司的營銷企劃、整體統籌等工作。自二零一零年五月至二零一五年十二月期間，梁先生擔任馥仕國際事業集團總裁職位。

### 集團行政管理副總裁： 陳華蓮女士

68歲，於一九九三年加入本集團，擔任中國大陸管理處之副總經理，負責本集團中國大陸業務之行政管理、後勤及人力資源工作，直至二零一零年二月止。在加入本集團之前，陳女士在台灣擁有逾十年地區行政管理經驗，為本集團開拓中國大陸市場的要員之一。自二零一六年一月開始，陳女士擔任集團稽核長，負責集團內部監控及風險管理。

### 公司秘書： 何小碧女士

何女士現為卓佳專業商務有限公司（「卓佳」）企業服務部董事。卓佳是全球性的專業服務公司，為客戶提供商務、企業及投資者綜合服務。何女士於企業服務範疇擁有逾二十年經驗，一直為香港上市公司，以及跨國公司、私人公司及離岸公司提供專業的企業服務。何女士為特許秘書，以及香港特許秘書公會（「HKICS」）及英國特許秘書及行政人員公會（「ICSA」）的資深會員。何女士亦持有由香港特許秘書公會發出的執業者認可證明。（註：本公司聘用卓佳為外聘服務機構及自二零一三年十二月十一日起委任何女士為本公司的公司秘書。）

# Directors' Report 董事會報告書

The Directors have pleasure to present their annual report and the audited consolidated financial statements for the year ended 31 December 2016.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in (a) manufacturing and sales of a range of products including skin care, beauty, aroma-therapeutic products and health supplements and make-up products under the "Natural Beauty" brand and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training. The activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements.

## BUSINESS REVIEW

The business review of the Group during the year ended 31 December 2016 (including an analysis of the Group's performance during the year using key performance indicators and a discussion of the Group's future business development) is set out in the Chairman's Statement in the Environmental, Social and Governance Report of the Company for the year 2016.

## Compliance with the Relevant Laws and Regulations

As far as the Board of Directors and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 December 2016, there was no material breach of, or non-compliance, with the applicable laws and regulations by the Group.

## Relationship with Employees

Competitive remuneration packages are maintained to attract, retain and motivate capable staff members and are reviewed on a regular basis. The Group maintains good relations with its employees and is committed to their training and development. Professional training courses are offered to beauticians employed by the Group and to franchisees on a regular basis.

## Relationship with Suppliers, Customers and other Stakeholders

The Group understands the importance of maintaining good relationships with its suppliers and customers to meet its immediate and long-term goals. During the year ended 31 December 2016, there were no material and significant disputes between the Group and its suppliers, customers and other stakeholders.

董事欣然呈交彼等截至二零一六年十二月三十一日止年度之年度報告書及經審核綜合財務報表。

## 主要業務

本公司為投資控股公司。本集團主要從事(a)以「自然美」品牌製造及銷售護膚產品、美容及精油產品、健康食品及化妝品等各式各樣產品及(b)提供肌膚護理、美容及水療服務以及肌膚護理顧問服務及美容培訓。本集團主要附屬公司之業務載於綜合財務報表附註33。

## 業務審視

本集團於截至二零一六年十二月三十一日止年度之業務審視(包括以重要業務指標對本集團於年內表現之分析及對本集團未來業務發展之討論)列載於本公司二零一六年度之環境、社會及管治報告內之主席報告。

## 遵守相關法例及規例

據董事會及管理層所知,本集團於所有重大方面皆已遵守對本集團業務及營運具重大影響之相關法例及規例。於截至二零一六年十二月三十一日止年度內,本集團概無嚴重違反或不遵守適用法例及規例。

## 僱員關係

為招聘、留聘及鼓勵表現卓越的僱員,本集團保持具競爭力之薪金組合,並定期檢討。本集團與其僱員維持良好合作關係,並承擔彼等的培訓及發展,更定期為本集團聘用之美容師及加盟者提供專業培訓課程。

## 供應商、客戶和其他持份者關係

本集團深明與供應商及顧客維持良好關係對達成其短期及長期目標的重要性。於截至二零一六年十二月三十一日止年度內,本集團與其供應商、顧客及其他持份者並無發生重大糾紛。

# Directors' Report

## 董事會報告書

### BUSINESS REVIEW (Continued)

#### Environmental Policies and Performance

The Group is committed to the long-term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavors to comply with the applicable environmental laws and regulations and to adopt effective measures to ensure the efficient usage of resources, energy conservation and waste reduction. Such initiatives include the recycling of used papers, the adoption of energy saving measures. During the year ended 31 December 2016, the Group had not been subject to any fines or other penalties due to any non-compliance with health, safety or environmental regulations.

For details of the Company's environment policy and performance, please refer to the Environmental, Social and Governance Report of the Company for the year 2016.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 82.

An interim dividend of HK\$0.041 per share (2015: interim dividend of HK\$0.0392) and a special interim dividend of HK\$0.025 per share, amounting to approximately HK\$82,086,138 and HK\$50,052,523 respectively, were paid to the shareholders during the year. At the Board meeting held on 28 March 2017, the Directors recommended the payment of a final dividend of HK\$0.0327 per share (2016: final dividend of HK\$0.0292) and a special final dividend of HK\$0.025 per share to the shareholders of the Company whose names appear on the register of members on 6 June 2017, amounting to approximately HK\$65,468,700 and HK\$50,052,523 respectively. The proposed final dividend and special final dividend are subject to approval by the shareholders at the annual general meeting of the Company to be held on 25 May 2017. Details of the dividends are set out in note 13 to the consolidated financial statements.

### 業務審視 (續)

#### 環境政策和績效

本集團致力於其經營環境和社區的長期可持續發展。以對環境負責任的方式行事，本集團努力遵守有關環境保護的法例及規例，及採取有效措施，以實現資源的高效利用，節省能源和減少廢物。這些舉措包括紙張回收利用及採用節能措施。於截至二零一六年十二月三十一日止年度，本集團概無因不遵守健康、安全或環境法規遭處以罰款或其他處罰。

本公司的環境政策及表現之詳情，請參閱本公司二零一六年度的環境、社會及管治報告。

### 業績及分派

本集團截至二零一六年十二月三十一日止年度之業績載於第82頁之綜合損益及其他全面收益表。

年內，本公司向股東派發中期股息每股0.041港元（二零一五年：中期股息0.0392港元）及特別中期股息每股0.025港元，分別合共約82,086,138港元及50,052,523港元。於二零一七年三月二十八日召開之董事會會議上，董事建議向於二零一七年六月六日名列本公司股東名冊之股東派付末期股息每股0.0327港元（二零一六年：末期股息0.0292港元）及特別末期股息每股0.025港元，分別合共約65,468,700港元及50,052,523港元。擬定末期股息及特別末期股息須待股東於二零一七年五月二十五日召開之本公司股東週年大會作出批准後方可作實。有關股息詳情載於綜合財務報表附註13。

## CLOSURES OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on the following dates:

## 暫停辦理股東登記手續

本公司將於下列日期暫停辦理股東登記手續：

Book Closure Period 暫停辦理股東登記期間	Purpose 目的	Final Lodging Date 最後遞交日期
Friday, 19 May 2017 to Thursday, 25 May 2017 二零一七年五月十九日（星期五） 至二零一七年五月二十五日（星期四）	To determine the identity of members who are entitled to attend and vote at the 2017 Annual General Meeting 為確定有權出席二零一七年度股東週年大會 並於會上投票之股東身份	Thursday, 18 May 2017 二零一七年五月十八日 （星期四）
Monday, 5 June 2017 to Tuesday, 6 June 2017 二零一七年六月五日（星期一） 至二零一七年六月六日（星期二）	To determine the identity of members who are entitled to the final dividend 為確定符合資格獲取末期股息之股東身份	Friday, 2 June 2017 二零一七年六月二日 （星期五）

During and including the book closure periods described in the table above, no transfer of shares will be effected.

於上表所述暫停辦理股東登記期間內，將不會進行任何股份之過戶登記。

In order to qualify for attending and voting at the 2017 Annual General Meeting or to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on the final lodging dates mentioned in the table above.

為符合資格出席二零一七年度股東週年大會並於會上投票，或為符合資格獲取末期股息，所有過戶文件連同有關股票最遲須於上表所述最後遞交日期下午四時三十分前，送達本公司之香港股份過戶登記分處香港證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales and purchases attributable to the Group's five largest customers and suppliers were less than 12% of the Group's total turnover and purchases for the year.

## 主要客戶及供應商

年內，本集團五大客戶及供應商應佔總銷售額及採購額，分別佔本集團本年度之總營業額及總採購額不足12%。

## INVESTMENT PROPERTIES

The Group's investment properties as at 31 December 2016 were fair valued by an independent firm of professional property valuers. The net increase in fair value of investment properties, which has been credited to the consolidated statement of profit or loss and other comprehensive income, amounted to HK\$532,000.

## 投資物業

於二零一六年十二月三十一日，本集團之投資物業由獨立專業物業估值師行按公平值基準進行估值。投資物業公平值之增加淨額為532,000港元，已計入綜合損益及其他全面收益表。

Details of movements during the year in the investment properties of the Group are set out in note 14 to the consolidated financial statements.

本集團之投資物業於年內之變動詳情載於綜合財務報表附註14。

## PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 24 to the consolidated financial statements.

## FIVE-YEAR SUMMARY

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2016 and for the previous four financial years are set out on pages 171 and 172 of this Annual Report.

## DIRECTORS

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

Executive Directors:

Dr. TSAI Yen-Yu (alias Dr. TSAI Yen-Pin)  
Mr. LEE Ming-Ta (alias Mr. LEE Ming-Tah)  
Dr. SU Chien-Cheng

Non-Executive Director:

Dr. SU Sh-Hsyu

Independent Non-Executive Directors:

Mr. CHEN Ruey-Long  
Mr. LU Chi-Chant  
Mr. HSIEH Pang-Chang (alias Mr. SHIA Ben-Chang) (appointed on 1 February 2016)  
Mr. YANG Tze-Kaing (resigned on 1 February 2016)

## 物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註15。

## 股本

本公司之股本於年內之變動詳情載於綜合財務報表附註24。

## 五年摘要

本集團截至二零一六年十二月三十一日止年度及過去四個財政年度的業績、資產及負債摘要，載於本年度報告第171及172頁。

## 董事

年內及截至本報告書刊發日期，本公司董事如下：

執行董事：

蔡燕玉博士（又名蔡燕萍博士）  
李明達先生  
蘇建誠博士

非執行董事：

蘇詩琇博士

獨立非執行董事：

陳瑞隆先生  
盧啓昌先生  
謝邦昌先生（於二零一六年二月一日獲委任）  
楊子江先生（於二零一六年二月一日辭任）

## DIRECTORS (Continued)

In accordance with Article 100 of the Company's articles of association, any Director appointed by the Board to fill a causal vacancy shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

In addition, in accordance with Article 117 of the Company's Articles of Association, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then a number not less than one-third, shall retire from office by rotation at each annual general meeting. Dr. TSAI Yen-Yu, Dr. SU Sh-Hsyu and Mr. CHEN Ruey-Long shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers all the Independent Non-Executive Directors to be independent.

Directors are required to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at Board meetings and withdraw if appropriate.

## CHAIRPERSON, VICE CHAIRMAN AND BOARD COMMITTEES

The Chairperson and Vice Chairman of the Board and the members of each of the committees of the Company during the year and up to the date of this report were:

### Chairperson and Vice Chairman

Dr. TSAI Yen-Yu (Chairperson of the Board)  
Mr. LEE Ming-Ta (Vice Chairman of the Board)

## 董事 (續)

根據本公司組織章程細則第100條，任何由董事會委任以填補臨時空缺的董事之任期將於其委任後舉行首次本公司股東大會時屆滿，屆時該名董事將符合資格於會上膺選連任。

此外，根據本公司組織章程細則第117條，三分之一在任的董事（或倘數目並非三或三之倍數，則不少於三分之一的董事）須於每屆股東週年大會輪值退任。蔡燕玉博士、蘇詩琇博士及陳瑞隆先生將於應屆股東週年大會上輪值退任，且符合資格並願意膺選連任。

本公司已接獲各獨立非執行董事根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第3.13條就彼等之獨立性而發出之年度確認書。本公司認為，全體獨立非執行董事均屬獨立。

董事須申報彼等在由董事會會議所審議的任何建議或交易中的直接或間接利益（如有），並酌情避席。

## 主席、副主席及董事委員會

年內及截至本報告書刊發日期，董事會主席及副主席以及本公司轄下各委員會之成員如下：

### 主席及副主席

蔡燕玉博士（董事會主席）  
李明達先生（董事會副主席）

## CHAIRPERSON, VICE CHAIRMAN AND BOARD COMMITTEES (Continued)

### Members of Audit Committee:

Mr. CHEN Ruey-Long (Chairman)  
Dr. SU Sh-Hsyu  
Mr. LU Chi-Chant  
Mr. HSIEH Pang-Chang (appointed on 1 February 2016)  
Mr. YANG Tze-Kaing (resigned on 1 February 2016)

### Members of Remuneration Committee:

Mr. LU Chi-Chant (Chairman)  
Dr. SU Chien-Cheng  
Dr. SU Sh-Hsyu  
Mr. CHEN Ruey-Long  
Mr. HSIEH Pang-Chang (appointed on 1 February 2016)  
Mr. YANG Tze-Kaing (resigned on 1 February 2016)

### Members of Executive Committee:

Mr. LEE Ming-Ta (Chairman)  
Dr. TSAI Yen-Yu  
Dr. SU Chien-Cheng  
Dr. SU Sh-Hsyu  
Mr. YANG Tze-Kaing (resigned on 1 February 2016)

### Members of Nomination Committee:

Mr. HSIEH Pang-Chang (Chairman) (appointed on 1 February 2016)  
  
Dr. TSAI Yen-Yu  
Mr. LEE Ming-Ta  
Mr. CHEN Ruey-Long  
Mr. LU Chi-Chant  
Mr. YANG Tze-Kaing (resigned on 1 February 2016)

## 主席、副主席及董事委員會 (續)

### 審核委員會成員：

陳瑞隆先生 (主席)  
蘇詩琇博士  
盧啓昌先生  
謝邦昌先生 (於二零一六年二月一日獲委任)  
楊子江先生 (於二零一六年二月一日辭任)

### 薪酬委員會成員：

盧啓昌先生 (主席)  
蘇建誠博士  
蘇詩琇博士  
陳瑞隆先生  
謝邦昌先生 (於二零一六年二月一日獲委任)  
楊子江先生 (於二零一六年二月一日辭任)

### 執行委員會成員：

李明達先生 (主席)  
蔡燕玉博士  
蘇建誠博士  
蘇詩琇博士  
楊子江先生 (於二零一六年二月一日辭任)

### 提名委員會成員：

謝邦昌先生 (主席) (於二零一六年二月一日獲委任)  
蔡燕玉博士  
李明達先生  
陳瑞隆先生  
盧啓昌先生  
楊子江先生 (於二零一六年二月一日辭任)



## CHAIRPERSON, VICE CHAIRMAN AND BOARD COMMITTEES (Continued)

The compositions of the Audit Committee, the Remuneration Committee, the Executive Committee and the Nomination Committee of the Company as well as the Chairperson and Vice Chairman of the Company as of date of this report are set out below:

## 主席、副主席及董事委員會 (續)

下表載列截至本報告書刊發日期，本公司審核委員會、薪酬委員會、執行委員會及提名委員會之組成人員以及本公司主席及副主席：

		Board Committees			
		Audit Committee	Remuneration Committee	Executive Committee	Nomination Committee
Board of Directors	董事會	審核委員會	薪酬委員會	執行委員會	提名委員會
<b>Executive Directors</b>	<b>執行董事</b>				
Dr. TSAI Yen-Yu (Chairperson of the Board)	蔡燕玉博士 (董事會主席)	-	-	M	M
Mr. LEE Ming-Ta (Vice Chairman of the Board)	李明達先生 (董事會副主席)	-	-	C	M
Dr. SU Chien-Cheng	蘇建誠博士	-	M	M	-
<b>Non-Executive Director</b>	<b>非執行董事</b>				
Dr. SU Sh-Hsyu	蘇詩琇博士	M	M	M	-
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>				
Mr. CHEN Ruey-Long	陳瑞隆先生	C	M	-	M
Mr. LU Chi-Chant	盧啓昌先生	M	C	-	M
Mr. HSIEH Pang-Chang	謝邦昌先生	M	M	-	C

Notes:

C Chairman/Chairperson of the relevant Board committees  
M Member of the relevant Board committees

附註：

C 有關董事會委員會的主席  
M 有關董事會委員會的成員

## DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2016, in the opinion of the Directors of the Company, the Company's reserves available for distribution to shareholders were approximately HK\$48,138,000 which represents the share premium and retained profits of the Company.

## DIRECTORS' SERVICE CONTRACTS

The Directors' service contracts entered into between the Company and each of Dr. TSAI Yen-Yu, Mr. LEE Ming-Ta, Dr. SU Chien-Cheng (Executive Directors) and Dr. SU Sh-Hsyu (Non-Executive Director) expired on 31 December 2014 and were renewed with the same terms for another three years from 1 January 2015 to 31 December 2017 with an initial annual remuneration of HK\$1,000,000, nominal HK\$1, HK\$1,250,000 and HK\$1,250,000, respectively.

The Director's service contract entered into between the Company and the Independent Non-Executive Director, Mr. LU Chi-Chant expired on 17 December 2016 and was renewed with the same terms for another one year from 18 December 2016 to 17 December 2017.

The Director's service contracts entered into between the Company and each of Mr. CHEN Ruey-Long and Mr. HSIEH Pang-Chang, the Independent Non-Executive Directors, expired on 31 January 2017 and were renewed with the same terms for another one year from 1 February 2017 to 31 January 2018.

These service contracts may be terminated by either party giving to the other party one to three calendar months' notice in writing.

The Director's service contract entered into between the Company and the Independent Non-Executive Director, Mr. YANG Tze-Kaing expired on 31 January 2016 and was not renewed following his resignation on 1 February 2016.

## 本公司之可供分派儲備

於二零一六年十二月三十一日，本公司董事認為，本公司可供分派予股東之儲備約為48,138,000港元，該等儲備乃本公司之股份溢價及保留溢利。

## 董事服務合約

本公司與執行董事蔡燕玉博士、李明達先生、蘇建誠博士及非執行董事蘇詩琇博士各自訂立之董事服務合約已於二零一四年十二月三十一日屆滿，並按相同條款分別以初步年薪1,000,000港元、象徵式1港元、1,250,000港元及1,250,000港元續訂，自二零一五年一月一日起至二零一七年十二月三十一日止，為期三年。

本公司與獨立非執行董事盧啓昌先生訂立之董事服務合約已於二零一六年十二月十七日屆滿，並已按相同條款續訂，自二零一六年十二月十八日起至二零一七年十二月十七日止，為期一年。

本公司與獨立非執行董事陳瑞隆先生及謝邦昌先生各自訂立之董事服務合約已於二零一七年一月三十一日屆滿，並已按相同條款續訂，自二零一七年二月一日起至二零一八年一月三十一日止，為期一年。

上述服務合約可由任何一方透過向對方發出一至三個曆月之書面通知予以終止。

本公司與獨立非執行董事楊子江先生的董事服務合約已於二零一六年一月三十一日屆滿並隨彼於二零一六年二月一日辭任後沒有續訂。

## DIRECTORS' SERVICE CONTRACTS (Continued)

The annual remuneration pursuant to such service contracts for the year ended 31 December 2016 are summarised as follows:

## 董事服務合約 (續)

截至二零一六年十二月三十一日止年度，根據上述服務合約支付之年薪概述如下：

Name of Director	董事姓名	Director type	Director type	Annual	
				Annual Director fee (HK dollars)	Annual increment on Director fee
		董事類別	年度董事袍金 (港元)	年度增幅	酌情花紅
Dr. TSAI Yen-Yu	蔡燕玉博士	ED	1,000,000	Note (a)附註(a)	Note (b)附註(b)
Mr. LEE Ming-Ta	李明達先生	ED	1	Note (a)附註(a)	Note (b)附註(b)
Dr. SU Chien-Cheng	蘇建誠博士	ED	1,250,000	Note (a)附註(a)	Note (b)附註(b)
Dr. SU Sh-Hsyu	蘇詩琇博士	NED	1,250,000	Note (a)附註(a)	Note (b)附註(b)
Mr. CHEN Ruey-Long	陳瑞隆先生	INED	240,000	N/A不適用	N/A不適用
Mr. YANG Tze-Kaing (Note (c))	楊子江先生 (附註(c))	INED	20,000	N/A不適用	N/A不適用
Mr. LU Chi-Chant	盧啓昌先生	INED	240,000	N/A不適用	N/A不適用
Mr. HSIEH Pang-Chang (Note (d))	謝邦昌先生 (附註(d))	INED	220,000	N/A不適用	N/A不適用
Total	總計		4,220,001		

ED: Executive Director  
NED: Non-Executive Director  
INED: Independent Non-Executive Director

ED：執行董事  
NED：非執行董事  
INED：獨立非執行董事

Notes:

附註：

- |  |   |
|--|---|
| <p>(a) The annual increment of the Directors' fee for Executive Director and Non-Executive Director shall not exceed 10% of the annual fee of preceding year.</p> <p>(b) Executive Directors and Non-Executive Director may receive a bonus approved by and at the discretion of the Board from time to time. The bonus to all Executive Directors and Non-Executive Director shall not exceed 15% of the audited consolidated profit attributable to owners of the Company in respect of that financial year of the Group.</p> <p>(c) Resigned on 1 February 2016.</p> <p>(d) Appointed on 1 February 2016.</p> | <p>(a) 執行董事及非執行董事之董事袍金每年增幅不得超過上一年之年度袍金10%。</p> <p>(b) 執行董事及非執行董事可收取董事會不時酌情批准之花紅。給予全體執行董事及非執行董事之花紅不得超過本集團於該財政年度之本公司擁有人應佔經審核綜合溢利15%。</p> <p>(c) 於二零一六年二月一日辭任。</p> <p>(d) 於二零一六年二月一日獲委任。</p> |
|--|---|

### DIRECTORS' SERVICE CONTRACTS (Continued)

No Director bonus was proposed nor paid for the years ended 31 December 2015 and 2016.

Save as disclosed above, no Director has any unexpired service contract which is not terminable by the Group within one year without payment of compensation, other than normal statutory obligations.

### Management Contracts

No contracts, other than the service contracts disclosed in the paragraph headed "Directors' Service Contracts" above or employment contracts, concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year 2016.

### Permitted Indemnity

Pursuant to the Company's Articles of Association, every Director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

### Remuneration of Senior Management

The remuneration of the members of the senior management by band for the year ended 31 December 2016 is set out below:

Remuneration bands	薪酬範圍	Number of members of senior management 高級管理人員人數
Nil – HK\$1,000,000	零 – 1,000,000港元	–
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	1
Total	總計	1

### 董事服務合約 (續)

於截至二零一五年及二零一六年十二月三十一日止年度，本公司並無建議派付或支付任何董事花紅。

除上文披露者外，本集團並無與董事訂立任何不可於一年內免付補償（一般法定補償除外）予以終止之未屆滿服務合約。

### 管理層合約

於二零一六年度內，除上文「董事服務合約」一段所披露的服務合約及僱傭合約外，本公司概無訂立涉及管理層及／或整體行政人員或本公司業務任何主要部份的合約，亦無有關合約存在。

### 獲准許的彌償

根據本公司組織章程細則的規定，本公司每名董事應有權獲得從本公司於其資產中補償所有因執行職務或與此有關的其他方面可能蒙受或招致之所有成本、費用、開支、損失及法律責任。

本公司已就本集團之董事可能面對任何訴訟時產生的責任和相關的費用購買保險。

### 高級管理人員的薪酬

截至二零一六年十二月三十一日止年度，高級管理人員按薪酬範圍劃分的薪酬載列如下：

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2016, the interests of the Directors, the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("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") contained in Appendix 10 of the Listing Rules, were as follows:

### Long positions in shares and underlying shares of the Company and its associated corporation

## 董事及主要行政人員持有之股份權益

於二零一六年十二月三十一日，董事、主要行政人員及彼等之聯繫人士於本公司及其相聯法團之股份、相關股份及債券中，擁有並已記錄於本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊內之權益，或已根據上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）另行知會本公司及聯交所之權益如下：

### 於本公司及其相聯法團之股份及相關股份之好倉

Director 董事	Company 公司	Nature of interest 權益性質	Number of ordinary shares 普通股數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比
Dr. TSAI Yen-Yu <sup>(1)</sup> 蔡燕玉博士 <sup>(1)</sup>	The Company 本公司	Interest of controlled companies 受控制公司權益	1,466,386,559	73.24%
Mr. LEE Ming-Ta <sup>(2)</sup> 李明達先生 <sup>(2)</sup>	The Company 本公司	Interest of spouse 配偶權益	1,466,386,559	73.24%

Director 董事	Associated corporation 相聯法團	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of shareholding interest 佔股權概約百分比
Dr. TSAI Yen-Yu 蔡燕玉博士	Next Focus Holdings Limited	Beneficial owner 實益擁有人	20,000	40%
Mr. LEE Ming-Ta 李明達先生	Next Focus Holdings Limited	Interest of spouse 配偶權益	20,000	40%
Dr. SU Chien-Cheng 蘇建誠博士	Next Focus Holdings Limited	Beneficial owner 實益擁有人	15,000	30%
Dr. SU Sh-Hsyu 蘇詩琇博士	Next Focus Holdings Limited	Beneficial owner 實益擁有人	15,000	30%

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES (Continued)

### Long positions in shares and underlying shares of the Company and its associated corporation (Continued)

Notes:

- (1) Dr. TSAI Yen-Yu directly owns 40% of Next Focus Holdings Limited, which, in turn, indirectly owns 100% of Standard Cosmos Limited, Next Focus Holdings Limited is therefore a controlled corporation of Dr. TSAI Yen-Yu pursuant to Section 316 of the SFO. As such, interest of the 1,466,386,559 shares of the Company owned by Next Focus Holdings Limited were attributable to Dr. TSAI Yen-Yu.
- (2) Mr. LEE Ming-Ta is the spouse of Dr. TSAI Yen-Yu and accordingly, is deemed to be interested in the 1,466,386,559 shares of the Company attributable to Dr. TSAI Yen-Yu pursuant to Section 316 of the SFO.

Details of the interests of Directors and chief executives in the derivatives interests in the Company for the year ended 31 December 2016 are disclosed in the Share Options which are set out in note 25 to the consolidated financial statements.

Other than as disclosed above, none of the Directors, the chief executives nor their associates had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2016.

## 董事及主要行政人員持有之股份權益 (續)

### 於本公司及其相聯法團之股份及相關股份之好倉 (續)

附註：

- (1) 蔡燕玉博士直接擁有Next Focus Holdings Limited 40%權益，而該公司則間接擁有Standard Cosmos Limited 100%權益。根據證券及期貨條例第316條，Next Focus Holdings Limited因而屬蔡燕玉博士之受控制法團。因此，Next Focus Holdings Limited所擁有之1,466,386,559股本公司股份之權益可歸於蔡燕玉博士。
- (2) 李明達先生為蔡燕玉博士之配偶，根據證券及期貨條例第316條，李明達先生被視作於蔡燕玉博士應佔之1,466,386,559股本公司股份中擁有權益。

截至二零一六年十二月三十一日止年度內，董事及主要行政人員所擁有之本公司衍生工具權益詳情在「認股權」一節披露，並載於綜合財務報表附註25。

除上文披露者外，於二零一六年十二月三十一日，概無任何董事、主要行政人員或彼等之聯繫人士於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

## SHARE OPTIONS

### The Company

Particulars of the Company's share option scheme are set out in note 25 to the consolidated financial statements.

On 13 May 2011, the Company adopted a share option scheme whereby the Board of Directors can grant options for the subscription of the Company's shares to any full-time employee of the Group, the chief executive, executive or non-executive director of the Group at the time when a share option is granted to such person as determined by the Board as a performance incentive and/or reward for their continued and improved service with the Group and by enhancing eligible participants' contribution to the Group, in order to advance the interests of the Company and its shareholders and such other persons.

During the year ended 31 December 2016, no share option was granted under the share option scheme.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### 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 listed securities of the Company during the year ended 31 December 2016.

## 認股權

### 本公司

本公司認股權計劃之詳情載於綜合財務報表附註25。

本公司於二零一一年五月十三日採納認股權計劃，據此，根據認股權計劃所述，董事會可按其絕對酌情權向本集團任何全職僱員以及本集團行政總裁、任何執行或非執行董事授出可認購本公司股份的認股權，作為提供工作表現之推動力及／或對彼等向本集團所作出的持續和良好的服務給予酬勞，並以增加此等合資格參與人士對本集團作出的貢獻，從而促進本公司和其股東及同類的其他人士之利益。

於二零一六年十二月三十一日止年度期間，本公司概無根據認股權計劃授出任何認股權。

## 購買股份或債券之安排

除上文所披露之認股權計劃外，於年內任何時間，本公司、其控股公司、其任何附屬公司或同系附屬公司均無參與訂立任何安排，致令本公司董事可藉收購本公司或任何其他法人團體之股份或債券而獲得利益。

### 購買、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, the following shareholders other than the Directors of the Company had notified the Company of their relevant interests in the issued capital of the Company.

## 主要股東

於二零一六年十二月三十一日，按本公司根據證券及期貨條例第336條存置之主要股東登記冊所示，以下股東（本公司董事除外）已知會本公司彼等於本公司已發行股本中擁有有關權益。

### Long position in shares and underlying shares of the Company

Ordinary shares of HK\$0.10 each of the Company

### 於本公司股份及相關股份之好倉

本公司每股面值0.10港元之普通股

Name of substantial shareholder 主要股東姓名／名稱	Notes 附註	Nature of interest 權益性質	Number of ordinary shares beneficially held 實益持有 普通股數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行 股本概約百分比
Efficient Market Investments Limited		Beneficial owner 實益擁有人	838,530,000(L)	41.88%
Adventa Group Limited		Beneficial owner 實益擁有人	236,580,000(L)	11.82%
Fortune Bright Group Limited		Beneficial owner 實益擁有人	236,580,000(L)	11.82%
Starsign International Limited	1	Interest of controlled companies 受控制公司權益	1,314,030,000(L)	65.63%
Next Focus Holdings Limited	2	Beneficial owner/Interest of controlled companies 實益擁有人／受控制公司權益	1,466,386,559(L)	73.24%

(L): Long position

(L) : 好倉



## SUBSTANTIAL SHAREHOLDERS (Continued)

### Long position in shares and underlying shares of the Company (Continued)

#### Ordinary shares of HK\$0.10 each of the Company (Continued)

Notes:

- (1) Starsign International Limited is the sole shareholder of Standard Cosmos Limited, which, in turn, is the sole shareholder of Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited. As such, the 1,311,690,000 shares of the Company collectively held by Efficient Market Investments Limited, Adventa Group Limited and Fortune Bright Group Limited and 2,340,000 shares of the Company held directly by Standard Cosmos Limited (totalling 1,314,030,000 shares of the Company) are attributable to Standard Cosmos Limited and Starsign International Limited.
- (2) Next Focus Holdings Limited directly held 152,356,559 shares of the Company and directly owns 100% of Starsign International Limited. As such, the 1,314,030,000 shares of the Company in which Starsign International Limited was interested were attributable to Next Focus Holdings Limited.

Save as the interests disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2016.

## 主要股東 (續)

### 於本公司股份及相關股份之好倉 (續)

#### 本公司每股面值0.10港元之普通股 (續)

附註：

- (1) Starsign International Limited為Standard Cosmos Limited之唯一股東，而Standard Cosmos Limited為Efficient Market Investments Limited、Adventa Group Limited及Fortune Bright Group Limited之唯一股東。因此，由Efficient Market Investments Limited、Adventa Group Limited及Fortune Bright Group Limited共同持有之1,311,690,000股本公司股份以及由Standard Cosmos Limited直接持有之2,340,000股本公司股份（合共1,314,030,000股本公司股份）可歸於Standard Cosmos Limited及Starsign International Limited。
- (2) Next Focus Holdings Limited直接持有152,356,559股本公司股份，同時直接擁有Starsign International Limited 100%權益，因此，Starsign International Limited擁有權益之1,314,030,000股本公司股份可歸於Next Focus Holdings Limited。

除上文披露之權益外，於二零一六年十二月三十一日，本公司並無獲知會於本公司已發行股本之任何其他有關權益或淡倉。

## CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

The Group had the following significant transactions with connected persons:

On 8 December 2016, (a) the Taipei Tenancy Agreement was entered into between 自然美生物科技股份有限公司 (Natural Beauty Bio-Technology Company Limited) ("Taiwan NB"), an indirect wholly-owned subsidiary of the Company, as tenant and Dr. TSAI Yen-Yu, an Executive Director and the controlling shareholder of the Company, as landlord in relation to the lease of certain premises in Taipei, Taiwan which has been used as the headquarters and training and spa centre of the Group in Taipei, Taiwan, for a period of two years from 1 January 2017 to 31 December 2018, with monthly rental of TW\$2,250,000 (equivalent to approximately HK\$548,112.1) to extend the term of the previous tenancy agreement of the same subject matter; and (b) the Pa-Der Tenancy Agreement was entered into between Taiwan NB as tenant and Dr. SU Chien-Cheng, an Executive Director, as landlord in relation to the lease of certain premises in Pa-Der Road, Taipei, Taiwan which has been used as a spa centre of the Group, in Taipei, Taiwan, for a period of two years from 1 January 2017 to 31 December 2018 with a monthly rental of TW\$75,000 (equivalent to approximately HK\$18,270.4) to extend the term of the previous tenancy agreement of the same subject matter.

Details of the above-mentioned tenancy agreements were set out in the announcements of the Company dated 29 October 2014 and 8 December 2016. Unless otherwise stated, for illustration purpose, the exchange rate used in the above tenancy agreements is HK\$1.00 to TW\$4.105.

The above transactions are regarded as continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. Particulars of the transactions are disclosed in note 29 to the consolidated financial statements.

The Independent Non-Executive Directors confirmed that the transactions have been entered into by the Group in the ordinary and usual course of its business, on terms no less favourable than terms available from independent third parties and were negotiated and conducted by the Group on an arm's length basis and on normal commercial terms and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and are in the interests of the Group and its shareholders as a whole.

## 關連交易及董事於重大合約之權益

本集團曾與關連人士進行下列重大交易：

於二零一六年十二月八日，(a)本公司之間接全資附屬公司自然美生物科技股份有限公司(「自然美台灣」)(作為租戶)與本公司執行董事及控股股東蔡燕玉博士(作為業主)，就台灣台北市某房屋作為本集團台灣台北市總部、培訓中心及水療中心訂立台北租賃協議，月租為新台幣2,250,000元(相當於約548,112.1港元)，租約期自二零一七年一月一日起至二零一八年十二月三十一日止，為期兩年，以延續具相同主題的前租賃協議的年期；及(b)自然美台灣(作為租戶)與執行董事蘇建誠博士(作為業主)就台灣台北市八德路某房屋作為本集團台灣台北市水療中心訂立八德路租賃協議，月租為新台幣75,000元(相當於約18,270.4港元)，租約期自二零一七年一月一日起至二零一八年十二月三十一日止，為期兩年，以延續具相同主題的前租賃協議的年期。

有關上述租賃協議詳情載於本公司日期為二零一四年十月二十九日及二零一六年十二月八日之公告內。除非文義另有所指，上述租賃協議所使用之匯率為1.00港元兌新台幣4.105元，惟此僅供表述之用。

根據上市規則第14A章，上述交易被視作為本公司之持續關連交易。有關交易詳情載於綜合財務報表附註29。

獨立非執行董事已確認，上述交易乃由本集團的日常業務過程中按一般商務條款訂立，其條款不遜於獨立第三者提供予本集團之條款，且根據監管有關交易之協議條款訂立，而交易條款屬公平合理，且符合本集團及其股東之整體利益。

## CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE (Continued)

The board of Directors confirmed that the Group's auditors have confirmed the matters set out in Rule 14A.56 of the Listing Rules.

Save as disclosed above:

- (i) no contracts of significance subsisted to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2016 or at any time during such year; and
- (ii) there were no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## EMOLUMENT POLICY

The emolument policy of the employees of the Group is adopted by the board of directors (the "Board") on the basis of their merit, qualifications and competence.

The emoluments of the Directors and chief executives of the Company are recommended by the Remuneration Committee and are decided by the Board, as authorised by shareholders at the annual general meeting, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 25 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

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

## 關連交易及董事於重大合約之權益 (續)

董事會確認，本集團核數師確認載於上市規則第14A.56條的事項。

除上文披露者外：

- (i) 本公司或其任何附屬公司概無訂立本公司董事直接或間接於其中擁有重大權益，且於二零一六年十二月三十一日年結日或該年內任何時間仍然生效之任何重大合約；及
- (ii) 並無任何其他交易需要按照上市規則之規定披露為關連交易。

## 董事於競爭業務的權益

年內，概無董事於與本集團之業務有直接或間接競爭或可能存在競爭之任何業務中擁有任何權益。

## 酬金政策

本集團僱員之酬金政策由董事會（「董事會」）根據僱員之專長、資歷及能力而採納。

本公司董事及主要行政人員之酬金乃由薪酬委員會經考慮本公司經營業績、個人表現及可資比較市場數據後提出建議，再由董事會作出決定，並經股東在股東週年大會上授權。

本公司已採納一項認股權計劃，以獎勵董事及合資格僱員。該計劃之詳情載於綜合財務報表附註25。

## 優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股份。

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this Annual Report.

## AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2016 have been audited by Messrs. Deloitte Touche Tohmatsu which being eligible, offer themselves for reappointment at the forthcoming annual general meeting.

On behalf of the Board

**TSAI Yen-Yu**

*Chairperson*

Hong Kong

28 March 2017

## 公眾持股量

根據本公司獲得公開的資訊及董事的知情範圍內，截至本年報日期，本公司已發行總股本至少25%由公眾持有。

## 核數師

本公司截至二零一六年十二月三十一日止年度之綜合財務報表已由德勤•關黃陳方會計師行審核，彼合資格並願意於應屆股東週年大會再應聘連任。

代表董事會

**蔡燕玉**

*主席*

香港

二零一七年三月二十八日

# Independent Auditor's Report 獨立核數師報告書

## Deloitte. 德勤

### TO THE MEMBERS OF NATURAL BEAUTY BIO-TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

#### Opinion

We have audited the consolidated financial statements of Natural Beauty Bio-Technology Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 82 to 170, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### Basis for Opinion

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

### 致自然美生物科技有限公司 全體股東

(於開曼群島註冊成立之有限公司)

#### 意見

本核數師(以下簡稱「我們」)已審計列載於第82頁至第170頁有關自然美生物科技有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況報表,與截至該日止年度的綜合損益表、綜合全面其他損益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,上述綜合財務報表已根據《香港財務報告準則》真實和公平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和貴集團截至該日止年度的溢利及現金流量,並已按照香港《公司條例》的披露規定妥善編製。

#### 意見基礎

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。我們就該等準則承擔的責任在本報告「核數師就審計集團財務報表承擔的責任」部分中闡述。根據香港會計師公會的《職業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他職業道德責任。我們相信,我們所獲得的審計證據能充分及適當地為我們的審計意見提供基礎。

## 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 matter 關鍵審計事項

#### *Valuation of allowance for inventories* 存貨撥備估值

We identified the valuation of allowance for inventories as a key audit matter due to the significant management estimate involved in the net realizable value and the significant impact on the financial statements.

由於存貨撥備估值之可變現淨值所涉及的重大管理層估計及對財務報表具有重大影響，因此我們將該事項識別為關鍵審計事項。

As disclosed in note 18 to the consolidated financial statements, the Group inventories mainly include raw materials and finished goods. As at 31 December 2016, the allowance for obsolete inventories of the Group amounted to approximately HK\$9,957,000.

誠如綜合財務報表附註18所披露，貴集團存貨主要包括原材料及製成品。於二零一六年十二月三十一日，貴集團陳舊存貨撥備約為9,957,000港元。

As set out in note 4 to the consolidated financial statements, management of the Group reviews inventories on a product-by-product basis at the end of each reporting period, and makes allowance for obsolete inventories or slow-moving inventories that are no longer suitable for use in production or trading. Management estimates the net realizable value for such items with reference to the recent selling prices, subsequent sales and market conditions.

誠如綜合財務報表附註4所載，貴集團管理層會於各報告期間結算日因應個別產品審閱存貨，並會就不再適合用作生產或交易之陳舊及滯銷存貨項目作出撥備。管理層會參考近期售價、其後銷售及市場狀況而估計該等項目之可變現淨值。

## 關鍵審計事項

關鍵審核事項是根據我們的職業判斷，對二零一六年十二月三十一日及截至該日止年度集團財務報表的審計最為重要的事項。這些事項是在我們審核整體集團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。

### How our audit addressed the key audit matter 在審計中對關鍵審計事項的處理方法

Our procedures in relation to valuation of allowance for inventories included.

我們針對存貨撥備估值的審計程序包括：

- Obtaining an understanding of management controls over the identification of obsolete inventories and the assessment of their net realizable value;
- 瞭解管理層就識別陳舊存貨及評估其可變現淨值之控制方法；
- Evaluating the reasonableness of the methods and estimation used in net realizable value of inventories;
- 評估就存貨可變現淨值所使用的方法及估值之合理性；
- Involving our internal IT specialist in testing the inventory aging reports generated by the application system and checking to the supporting documents for its accuracy, on a sample basis;
- 委託我們的內部資訊科技專家測試應用系統所產生的存貨庫齡報告，並就其準確性以抽樣方式檢查證明文件；
- Performing physical observation of the Group's physical inventory, inspecting the Group's facilities to identify any deficiency of the count process and observing the inventories position to identify any indicator of impairment.
- 對貴集團之實體存貨進行實地觀察，檢測貴集團之廠房設備，以識別任何盤點過程中可能發生的缺漏，並觀察存貨狀況以識別任何減值跡象。

## Key Audit Matters (Continued)

### Key audit matter 關鍵審計事項

#### *Revenue Recognition on Product Sales* 產品銷售額確認收入

We identified the revenue recognition on product sales as a key audit matter due to the significant impact on financial statements.

由於產品銷售額確認收入對財務報表具有重大影響，因此我們將該事項識別為關鍵審計事項。

Product sales are the Group's key revenue source and primarily come from franchised spas, self-owned spas and concessionary counters at department stores, while terms of trade would vary.

產品銷售為貴集團主要收入來源，且主要源自加盟水療中心、自資經營水療中心及百貨公司專櫃，其中貿易條款可能互相有所不同。

As disclosed in note 5 to the consolidated financial statements, the Group recognised total revenue amounted to approximately HK\$475,225,000 in 2016, in which product sales amounted to approximately HK\$469,894,000, or 98.9% of the Group's total revenue.

誠如綜合財務報表附註5所披露，貴集團於二零一六年確認總收入約為475,225,000港元，其中二零一六年之產品銷售額達約469,894,000港元（或佔貴集團總收入98.9%）。

## 關鍵審核事項（續）

### How our audit addressed the key audit matter 在審計中對關鍵審計事項的處理辦法

Our procedures in relation to revenue recognition on product sales included:

我們針對收入確認的審計程序包括：

- Obtaining the sales contracts, on a sample basis, and reviewing the key terms of trade to assess if the revenue recognition policy is in compliance with the relevant accounting standard;
- 以抽樣方式取得銷售合約並審閱主要貿易條款，以評估收入確認制度是否符合相關會計標準；
- Checking to inventories and sales records subsequent to the year end for any significant sales returns occurred after balance sheet date;
- 檢查資產負債表日期後的存貨及銷售記錄，以確認本年度結算日後是否發生任何重大銷售退貨；
- Checking to the supporting documents on a sample basis before and after the balance sheet date to ensure that revenue was properly recognised in the appropriate period.
- 以抽查方式檢查資產負債表日期前後的證明文件以確保收入於適當期間內已妥為確認。

## Other Information

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

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

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

## Responsibilities of 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.

## 年度報告書內的其他資訊

貴公司董事須對其他資訊負責。其他資料包括年報內所包含的資料，但不包括集團財務報表及我們就此發出的核數師報告書（「其他資訊」）。

我們對集團財務報表的意見並不涵蓋其他資訊，我們亦不對其他諮詢發表任何形式的鑒證結論。

在我們審計集團財務報表時，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與集團財務報表或我們在審核過程中所了解的情況有重大抵觸或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資訊有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

## 董事及治理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，擬備真實而公平的集團財務報表，並對其認為為使集團財務報表的擬備不存在由于欺詐或錯誤而導致的重大錯誤陳述所必須的內部控制負責。

在擬備集團財務報表時，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準，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。

治理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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

## 核數師就審計綜合財務報表須承擔的職責

我們的目標是合理確定整體而言此等綜合財務報表是否不存在由於欺詐或者錯誤而導致的重大錯誤陳述，並發出包含審核意見的核數師報告。我們概不會就本報告內容向任何人士承擔或負上任何責任。合理確定屬高層次的核證，但不能擔保根據《香港審計準則》進行的審核工作總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表做出的經濟決定時，被視為重大錯誤陳述。

我們根據《香港審計準則》進行審計的工作之一，是運用職業判斷，在整個審核過程中保持職業懷疑態度。我們也：

- 識別及評估由於欺詐或錯誤而導致的重大錯報風險，因應這些風險設計及執行審核程序，獲取充足及適當的審核憑證為我們的意見的提供基礎。由於欺詐涉及串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯報風險比未能發現由於錯誤而導致出現重大錯報的風險更高。
- 瞭解與審核有關的內部控制，以設計適當的審核程序，但並非旨在對貴集團內部控制的有效性發表意見。
- 評估所採用會計政策是否適當，會計估計及關於董事的相關披露是否合理。

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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.

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.

## 核數師就審計綜合財務報表須承擔的職責 (續)

- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大影響。倘若我們總結認為存在重大不確定因素，我們需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，則修訂我們的意見。我們的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不再具有持續經營能力。
- 評估綜合財務報表（包括資料披露）的整體列報方式、結構及內容，以綜合財務報表是否已公允地反映及列報相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督和執行貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們就審核工作的計劃範圍和時間、在審核過程中的重大發現（包括內部控制的重大缺陷）及其他事項與管理層進行溝通。

我們亦向管理層作出聲明，確認我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響核數師獨立性的關係和其他事宜以及相關保障措施（如適用），與管理層溝通。

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 the independent auditor's report is Jacky Wong Suk Hung.

#### Deloitte Touche Tohmatsu

Certified Public Accountants  
Hong Kong

28 March 2017

### 核數師就審計綜合財務報表須承擔的職責 (續)

我們通過與管理層溝通，確認哪些是對本期綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不允許公開披露此等事項，或在極端罕見的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

出具獨立核數師報告書的審核項目合夥人為黃淑雄。

#### 德勤•關黃陳方會計師行

執業會計師  
香港

二零一七年三月二十八日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	5	475,225	506,913
Cost of sales	銷售成本		(122,366)	(109,419)
Gross profit	毛利		352,859	397,494
Other income and other gains	其他收益和利得	7	36,426	28,309
Distribution and selling expenses	分銷及銷售費用		(113,142)	(159,661)
Administrative expenses	行政開支		(73,420)	(87,154)
Other expenses and other losses	其他開支和損失		(6,506)	(8,596)
Profit before tax	除稅前溢利		196,217	170,392
Income tax expense	所得稅開支	8	(47,814)	(33,562)
Profit for the year	本年度溢利	9	148,403	136,830
<b>Other comprehensive income (expense):</b>	<b>其他全面收益(開支):</b>			
Item that will not be reclassified to profit or loss:	不會被重新分類至損益表之項目:			
Remeasurement of defined benefit pension plan	定額福利退休金計劃之重新計量	23	715	(347)
Item that may be reclassified subsequently to profit or loss:	其後可能被重新分類至損益表之項目:			
Exchange differences arising on translation	換算產生之匯兌差額		(36,473)	(44,786)
Total comprehensive income for the year	本年度全面收益總額		112,645	91,697
Profit for the year attributable to: Owners of the Company	以下人士應佔本年度溢利: 本公司擁有人		148,403	136,830
Total comprehensive income for the year attributable to: Owners of the Company	以下人士應佔本年度全面收益總額: 本公司擁有人		112,645	91,697
Earnings per share Basic and diluted	每股盈利 基本及攤薄	12	HK7.4 cents 7.4港仙	HK6.8 cents 6.8港仙

# Consolidated Statement of Financial Position

## 綜合財務狀況報表

At 31 December 2016  
於二零一六年十二月三十一日

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investment properties	14	7,196	6,524
Property, plant and equipment	15	173,542	187,351
Prepaid lease payments	16	48,296	53,796
Goodwill	17	25,510	27,046
Pledged bank deposits	20	1,706	3,662
Deferred tax assets	26	–	608
		<b>256,250</b>	<b>278,987</b>
<b>Current assets</b>	<b>流動資產</b>		
Inventories	18	49,842	46,905
Trade and other receivables	19	84,628	54,046
Prepaid lease payments	16	1,127	447
Pledged bank deposits	20	1,706	5,491
Bank balances and cash	20	428,633	502,721
		<b>565,936</b>	<b>609,610</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	21	132,198	117,484
Deferred income	22	6,223	6,593
Tax payable		24,305	19,560
		<b>162,726</b>	<b>143,637</b>
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>403,210</b>	<b>465,973</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>659,460</b>	<b>744,960</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Deferral tax liabilities	26	686	–
Retirement benefit obligations	23	4,101	12,332
		<b>654,673</b>	<b>732,628</b>
<b>Capital and reserves</b>	<b>股本及儲備</b>		
Share capital	24	200,210	200,210
Reserves		454,463	532,418
<b>Total equity</b>	<b>總權益</b>	<b>654,673</b>	<b>732,628</b>

The consolidated financial statements on pages 82 to 170 were approved and authorised for issue by the Board of Directors on 28 March 2017 and are signed on its behalf by:

Dr. TSAI Yen-Yu  
蔡燕玉博士  
DIRECTOR  
董事

Mr. LEE Ming-Ta  
李明達先生  
DIRECTOR  
董事

第82頁至第170頁的綜合財務報表於二零一七年三月二十八日獲董事會批准並授權刊發，並由以下代表簽署：

# 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 owners of the Company 本公司所有人應佔							Total
		Share capital	Capital surplus	Share premium	Statutory reserve	Translation reserve	Share option reserve	Retained earnings	Total
		股本	資本盈餘	股份溢價	法定儲備	匯兌儲備	認股權儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2015	於二零一五年一月一日餘額	200,210	42,554	41,016	163,490	127,028	1,775	197,833	773,906
Profit for the year	本年度溢利	-	-	-	-	-	-	136,830	136,830
Other comprehensive expense for the year	本年度其他全面開支	-	-	-	-	(44,786)	-	(347)	(45,133)
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	-	-	-	(44,786)	-	136,483	91,697
Recognition of equity-settled share based payment	確認股本權益結算股份付款	-	-	-	-	-	9,334	-	9,334
Dividends recognised as distribution (note 13)	確認為分派之股息(附註13)	-	-	-	-	-	-	(142,309)	(142,309)
Balance at 31 December 2015	於二零一五年十二月三十一日餘額	200,210	42,554	41,016	163,490	82,242	11,109	192,007	732,628
Profit for the year	本年度溢利	-	-	-	-	-	-	148,403	148,403
Other comprehensive (expense) income for the year	本年度其他全面(開支)收益	-	-	-	-	(36,473)	-	715	(35,758)
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	-	-	-	(36,473)	-	149,118	112,645
Dividends recognised as distribution (note 13)	確認為分派之股息(附註13)	-	-	-	-	-	-	(190,600)	(190,600)
Balance at 31 December 2016	於二零一六年十二月三十一日餘額	220,210	42,554	41,016	163,490	45,769	11,109	150,525	654,673

## 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

### Capital surplus

The capital surplus represents the difference between the consideration paid and the relevant share of the carrying value of the subsidiaries' net assets acquired upon the reorganisation of the Group in year 2002.

### Share premium

In accordance with the Companies Law of the Cayman Islands, the share premium account is distributable to the owners of the Company immediately following the date on which the dividend is proposed to be distributed.

### Statutory reserve

According to the relevant laws and regulations in the People's Republic of China ("PRC"), the PRC companies with foreign investment are required to transfer a certain percentage of its profit after tax, as determined under PRC accounting regulations (the net profit under PRC generally accepted accounting principles ("PRC GAAP")), to the general reserve fund and enterprise expansion fund. Distribution of these reserves shall be made in accordance with the Article of Association and approved by the board of directors each year. Other PRC companies are required to transfer a certain percentage of their net profit under PRC GAAP to the statutory surplus reserve fund until the reserve balance reaches 50% of their paid-in capital.

According to the laws and regulations of Taiwan, Taiwan companies shall set aside 10% of their statutory net income each year for the legal reserve, until the reserve balance has reached the paid-in share capital amount.

These above-mentioned reserves and funds cannot be used for purposes other than those for which they were created and are not distributable as cash dividends.

### 資本盈餘

資本盈餘指已付代價與應佔二零零二年本集團重組所收購附屬公司賬面資產淨值之差額。

### 股份溢價

根據開曼群島公司法，股份溢價賬可在緊隨建議分派股息日期後分派予本公司擁有人。

### 法定儲備

根據中華人民共和國（「中國」）有關法例及規例，中國外商投資公司須將根據中國會計規例（「中國公認會計原則」）釐定之除稅後溢利（「中國公認會計原則項下純利」）若干百分比轉撥至一般儲備基金及企業發展基金。分派該等儲備須根據公司組織章程細則之規定進行，並經董事會每年批准。其他中國公司須將其中國公認會計原則項下純利若干百分比轉撥至法定盈餘儲備積金，直至法定盈餘儲備積金結餘達到實繳股本的50%為止。

根據台灣法例及規例，台灣公司每年須預留其法定淨收益的10%作為法定儲備，直至法定儲備結餘達到實繳股本金額為止。

上述該等儲備和基金不能用於創造該等儲備和基金指定以外的其他用途也不能用作現金股息分配。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>		
Profit before tax	196,217	170,392
Adjustments for:		
Interest income	(6,187)	(11,721)
Depreciation of property, plant and equipment	22,440	33,832
Loss on disposal of property, plant and equipment	1,776	7,343
Receipt of comparison income arising from termination of a tenancy agreement	(19,094)	–
Release of prepaid lease payments	1,180	461
Increase in fair value of investment properties	(532)	(836)
Allowance for obsolete inventories	327	4,417
Expense of share based payment expense	–	9,334
(Reversal of) allowance on trade receivables	(414)	4,582
Operating cash flows before movements in working capital	195,713	217,804
Increase in inventories	(3,264)	(6,286)
Increase (decrease) in trade and other payables	14,714	(35,830)
(Increase) decrease in trade and other receivables	(29,870)	9,119
Decrease in deferred income	(370)	(984)
Decrease in retirement benefit obligations	(7,812)	(154)
Cash generated from operations	169,111	183,669
Income taxes paid	(41,159)	(43,585)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>127,952</b>	<b>140,084</b>



## Consolidated Statement of Cash Flows 綜合現金流量表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(19,030)	(14,403)
Purchase of land use right	購買土地使用權	–	(46,439)
Interest received	已收利息	6,187	11,721
Returned of deposits on acquisition for land use right	退回購買土地使用權押金	–	12,219
Receipt of compensation income arising from termination of a tenancy agreement	收取因終止租賃協議而產生的補償收益	19,094	–
Release (placement) of pledged bank deposits	解除(存入)抵押銀行存款	5,491	(9,153)
<b>NET CASH FROM (USED IN) IN INVESTING ACTIVITIES</b>	<b>投資活動所得(所用)現金淨額</b>	<b>11,742</b>	(46,055)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>融資活動所用現金淨額</b>		
Dividends paid	已派付股息	(190,600)	(142,309)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少</b>	<b>(50,906)</b>	(48,280)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>於一月一日之現金及現金等價物</b>	<b>502,721</b>	583,283
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>匯率變動之影響</b>	<b>(23,182)</b>	(32,282)
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>於十二月三十一日之現金及現金等價物</b>	<b>428,633</b>	502,721
represented by bank balances and cash	指銀行結存及現金		

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

### 1. General

The Company was incorporated in Cayman Islands on 29 June 2001 as an exempted company with limited liability and its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 28 March 2002. Its parent and ultimate holding company are Standard Cosmos Limited and Next Focus Holding Limited, respectively, and both were incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to this annual report.

The Company acts as an investment holding company. The Group is principally engaged in (a) manufacturing and selling of skin care, beauty and aroma-therapeutic products, health supplements and make-up products and (b) provision of skin treatments, beauty and spa services, skin care consulting and beauty training. The principal activities of its subsidiaries are set out in note 33 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

### 1. 一般資料

本公司於二零零一年六月二十九日在開曼群島註冊成立為獲豁免有限公司，其股份自二零零二年三月二十八日起在香港聯合交易所有限公司（「聯交所」）上市。本公司之控股公司及最終控股公司分別為Standard Cosmos Limited及Next Focus Holding Limited，兩家公司均於英屬維爾京群島註冊成立。本公司之註冊辦事處及主要營業地點之地址披露於本年報之公司資料部份。

本公司是一家投資控股公司。本集團主要業務為(a)製造及銷售護膚產品、美容及精油產品、健康食品及化妝品及(b)提供肌膚護理、美容及水療服務、肌膚護理顧問服務以及美容培訓。其附屬公司的主要業務呈列於綜合財務報表附註33。

本綜合財務報表是以港元（「港元」）呈列，亦為本公司的功能性貨幣。

## 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

*Amendments to HKFRSs that are mandatorily effective for the current year.*

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interest in Joint Operations</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2012 – 2014 Cycle</i>

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本年度強制生效之經修訂香港財務報告準則

本集團已於本年度首次應用下列香港會計師公會（「香港會計師公會」）頒佈之經修訂香港財務報告準則：

香港財務報告準則第11號（修訂本）	取得共同經營中權益的會計處理
香港會計準則第1號（修訂本）	披露倡議
香港會計準則第16號及香港會計準則第38號（修訂本）	澄清可接受之折舊與攤銷方法
香港會計準則第16號及香港會計準則第41號（修訂本）	農業：生產性植物
香港財務報告準則第10號及香港財務報告準則第12號及香港會計準則第28號（修訂本）	投資實體：應用合併豁免
香港財務報告準則（修訂本）	2012-2014年香港財務報告準則之年度改進

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

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

### 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

#### Annual Improvements to HKFRSs 2012 – 2014 Cycle

The Group has applied the Annual Improvements to HKFRSs 2012-2014 Cycle for the first time in the current year which include a number of amendments to various HKFRSs as summarised below.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in the currency should be used instead.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 2012-2014年香港財務報告準則之年度改進

本集團於本年度首次應用2012-2014年香港財務報告準則之年度改進，當中包括多項對各香港財務報告準則之修訂，簡介如下。

香港會計準則第19號（修訂本）澄清，離職後福利責任之貼現率將參考於報告期間結算日優質公司債券之市場收益率釐定。優質公司債券之市場深度應按貨幣層面（即與將予支付福利相同之貨幣）評估。就並無有關優質公司債券之活躍市場之貨幣而言，將採用以該貨幣計值之政府債券於報告期間結算日之市場收益率。

本年度應用經修訂的香港財務報告準則對本集團本年度及過往年度財務表現及狀況及／或該等綜合財務報表所載之披露並無重大影響。

## 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

### New and amendments to HKFRSs in issue but not yet effective

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

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	與客戶訂約收入及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第2號（修訂本）	股份付款交易之分類及計量 <sup>1</sup>
香港財務報告準則第4號（修訂本）	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合同 <sup>1</sup>
香港會計準則第10號及香港會計準則第28號（修訂本）	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
香港會計準則第7號（修訂本）	披露倡議 <sup>4</sup>
香港會計準則第12號（修訂本）	就未變現虧損確認遞延稅項資產 <sup>4</sup>
香港財務報告準則（修訂本）	2014-2016年香港財務報告準則之年度改進 <sup>5</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零一九年一月一日或之後開始之年度期間生效。

<sup>3</sup> 於待定日期或之後開始之年度期間生效。

<sup>4</sup> 於二零一七年一月一日或之後開始之年度期間生效。

<sup>5</sup> 於二零一七年一月一日或二零一八年一月一日或之後開始之年度期間生效，視情況而定。

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

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

### 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

#### HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which is relevant to the Group is:

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the application of HKFRS 9 in the future may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號為金融資產及金融負債的分類和計量、一般對沖會計及金融資產的減值規定引入了新的要求。

與本集團有關的香港財務報告準則第9號主要規定如下：

- 就金融資產的減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

本公司董事預期應用香港財務報告準則第9號可能在未來導致與本集團以攤銷成本計量的金融資產有關的尚未產生的信貸虧損之提早撥備。

## 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

### HKFRS 15 Revenue from Contracts with Customers

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

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

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

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

In 2016, the HKICPA issued Clarification to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第15號「與客戶訂約收入」

香港財務報告準則第15號建立一個全面的模式為實體從客戶訂約所產生的收入提供會計處理方法。香港財務報告準則第15號生效時將取代目前的收入確認原則，包括香港會計準則第18號「收入」，香港會計準則第11號「建造合同」及相關詮釋。

香港財務報告準則第15號的核心原則是「主體確認的收入應反映其向客戶轉讓已承諾商品或服務，其金額為預計有權向客戶收取的該商品或服務的對價」，具體而言，準則引入了5步的方法來確認收入：

- 第1步－ 識別與客戶簽訂的合同
- 第2步－ 識別合同中的履約義務
- 第3步－ 確定交易價格
- 第4步－ 將交易價格分攤至合同中的履約義務
- 第5步－ 在實體完成履約義務時確認收入

根據香港財務報告準則第15號，實體在完成履約義務時才能確認收入，即於特定履約義務之商品或服務的「控制權」轉移給客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確指引。此外，香港財務報告準則第15號要求廣泛的披露。

於二零一六年，香港會計師公會發表香港財務報告準則第15號之澄清，內容有關對履約責任的識別、主事人與代理人代價以及牌照申請指引。

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

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

### 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

#### HKFRS 15 Revenue from Contracts with Customers (Continued)

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported (e.g. fee on placing and recognition of rebates, sales return) as the timing of revenue recognition may be affected, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the directors of the Company performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosure in the consolidated financial statements.

The directors of the Company consider that the performance obligations are similar to the current identification of separate revenue components under HKAS 18, however, the allocation of total consideration to the respective performance obligations will be based on relative fair values which will potentially affect the timing and amounts of revenue recognition. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the directors of the Company performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第15號「與客戶訂約收入」（續）

本公司董事預期，由於確認收入的時間可能受到影響，於未來應用香港財務報告準則第15號可能影響呈報之金額（如配售費用及確認回扣、銷售退貨），並要求更多有關收入的披露。然而，在本公司董事進行詳盡檢閱前，對應用香港財務報告準則第15號的影響做出合理估計並不可行。此外，於未來應用香港財務報告準則第15號可能導致綜合財務報表的更多披露。

本公司董事認為，履約義務與香港會計準則第18號下目前對獨立收入組成部份的確認類似。然而，總代價將按相對公平值分配至各履約義務，可能會影響確認收入的時間及金額。然而在本公司董事進行詳盡檢閱前，對應用香港財務報告準則第15號的影響做出合理估計並不可行。此外，於未來應用香港財務報告準則第15號可能導致綜合財務報表更多披露。



## 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

### HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and cash flows respectively.

## 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個全面的模式。香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低價值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初始按成本計量並隨後按成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就任何租賃負債重新計量而調整。租賃負債初始按當日尚未支付的租賃款項的現值計量。隨後，租賃負債就利息及租賃款項以及（其中包括）租賃修訂的影響調整。就現金流分類而言，本集團目前將提前預付租賃款項呈列為有關自用租賃土地且該等分類為投資物業的投資現金流量，而其他經營租賃付款呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃款項將分配至分別呈列為融資及現金流量的本金及利息部份。

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### 2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

#### HKFRS 16 Leases (Continued)

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

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

Furthermore, extensive disclosure are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$43,967,000 as disclosed in note 27. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognize a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

Except as described above, the directors of the Company do not anticipate that the application of the remaining new and amendments to HKFRSs will have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements in future.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號「租賃」（續）

根據香港會計準則第17號，本集團已就本集團為承租人的租賃土地所作的融資租賃安排及預付租賃款項確認一項資產及一項相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產分類潛在變動，視乎本集團是否分開呈列使用權資產或將於同一相同項目內呈列相應相關資產（如有）而定。

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求廣泛的披露。

於二零一六年十二月三十一日，本集團有不可撤銷的經營租賃承擔43,967,000港元披露於附註27。初步評估顯示該等安排將符合香港財務報告準則第16號項下租賃的定義，因此本集團將就所有該等租賃確認使用權資產及對應負債，除非於應用香港財務報告準則第16號時其符合低價值或短期租賃。此外，新規定的應用可能導致上文所述的計量、呈列及披露有所變動。然而，在本公司董事完成詳細審閱前，對財務影響作出合理估計並不可行。

除上文所述者外，本公司董事並不預期應用餘下新訂及經修訂香港財務報告準則將會對本集團未來於綜合財務報表的呈報金額及所作出的披露產生重大影響。

### 3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

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

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

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

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

### 3. 主要會計政策

綜合財務報表已按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載列《香港聯合交易所有限公司證券上市規則》(「上市規則」)及香港《公司條例》(「公司條例」)所規定之適用披露資料。

除若干物業及金融工具於各報告期間結算日按公平值計量外，綜合財務報表乃按照歷史成本基準編製，詳情於下列會計政策闡釋。

歷史成本一般按交換貨品及服務所付代價之公平值計算。

公平值為於計量日期在市場參與者有序交易情況下出售一項資產而將收取或轉移一項負債而將支付之價格，不論該價格是否可以直接觀察或須運用另一種估值方法作出估計。在估算一項資產或負債之公平值時，本集團會考慮市場參與者於計量日期為該資產或負債定價時將予以考慮的該資產或負債特性。該等綜合財務報表中用於計量和／或披露目的之公平值均按此基準釐定，但不包括適用香港財務報告準則第2號「以股份付款」之股份付款交易、適用香港財務報告準則第17號租賃之租賃交易以及與公平值相似但並非公平值之計量，比如，香港財務報告準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值。

非金融資產的公平值計量乃經考慮一名市場參與者透過使用資產的最高及最佳用途或透過將資產出售予能使用資產的最高及最佳用途的其他市場參與者而產生經濟利益的能力。

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### 3. Significant Accounting Policies (Continued)

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

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

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

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

### 3. 主要會計政策 (續)

此外，出於財務報告目的，公平值計量根據公平值計量之輸入數據可觀察程度以及輸入數據於整體公平值計量中之重要性分為一級、二級和三級，詳述如下：

- 一級輸入數據為實體於計量日期可獲取之相同資產或負債於活躍市場的報價（未經調整）；
- 二級輸入數據為除一級所包括報價以外資產或負債直接或間接可觀察之輸入數據；及
- 三級輸入數據為資產或負債不可觀察之輸入數據。

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制之實體之財務報表。本公司在下列條件實現控制：

- 有能力操控投資對象；
- 可承擔或有權享有因參與投資對象營運而獲得之浮動回報；及
- 能夠運用其權力以影響回報。

如事實及情況表明上列三個控制元素中有一個或多個有所變動，則本公司將重新評估其是否對投資對象有控制權。

對附屬公司之綜合始於本集團取得附屬公司控制權時，止於本集團失去附屬公司控制權時。具體而言，年內所收購或出售之附屬公司之收入及開支，由本集團取得控制權之日起截至本集團失去控制權之日止計入綜合損益及其他全面收益表。

### 3. Significant Accounting Policies (Continued)

#### Basis of consolidation (Continued)

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

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

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

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 3. 主要會計政策 (續)

#### 綜合基準 (續)

損益或每個其他全面收益項目均分配予本公司擁有人及非控股權益。附屬公司之全面收益總額亦分配予本公司擁有人及非控股權益，即使此舉將會導致非控股權益金額錄得赤字結餘亦然。

如有需要，將會就附屬公司財務報表作出調整，以使其會計政策與本集團會計政策貫徹一致。

所有集團內公司間之資產、負債、權益、收入、開支及彼等成員公司間交易相關現金流均於綜合賬目時全面對銷。

#### 本集團擁有現有附屬公司權益之變動

倘本集團擁有現有附屬公司權益之變動並無導致本集團對該附屬公司失去控制權，則作為股本交易入賬。本集團之相關股本部份包括儲備及非控股權益之賬面值會作出調整，以反映彼等於附屬公司之有關權益變動。據以重新歸屬相關股本部分後，經調整之非控股權益金額與已付或已收代價之公平值之任何差額，會直接於權益中確認並歸屬於本公司擁有人。

本集團失去附屬公司控制權時，盈虧將於損益表中確認，而其計算方法為下列兩項之差額：(i)已收代價公平值及任何保留權益公平值之合計及(ii)資產（包括商譽）之賬面值及本公司擁有人應佔附屬公司負債。先前於其他全面收益內確認與該附屬公司有關之全部金額按猶如本集團已直接出售該附屬公司有關資產或負債之方式入賬（即重新分類至損益或轉撥至適用香港財務報告準則所規定／允許之其他權益類別）。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港會計準則第39號於其後入賬時被列作初始確認之公平值，或（如適用）於初始確認時被列作於聯營公司或合營企業投資之成本。

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### 3. Significant Accounting Policies (Continued)

#### Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

### 3. 主要會計政策 (續)

#### 商譽

收購業務所產生之商譽按收購業務日期確立的成本減累計減值虧損(如有)列賬。

為進行減值測試，商譽會分配至預期可受惠於合併協同效益之各現金產生單位(或各組現金產生單位)。其表示商譽則就內部管理目的被監察於最低層次但未有高於經營分部層次。

獲分配商譽之現金產生單位(或各組現金產生單位)會每年進行減值測試，以及於有跡象顯示該單位可能出現減值時，進行更頻密之減值測試。若於報告期間因收購而產生商譽，獲分配商譽之現金產生單位(或各組現金產生單位)會於有關報告期間結算日前進行減值測試。倘收回金額低於其賬面值，則減值虧損會先用作減低任何商譽賬面值，其後則根據各項資產之賬面值按比例分配至該單位(或各組現金產生單位)之其他資產。

出售相關現金產生單位時，於釐定出售損益金額時會計入商譽應佔金額。

### 3. Significant Accounting Policies (Continued)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebate and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income including that from operating service provided under service concession arrangements is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

#### Leasing

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

#### The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

### 3. 主要會計政策 (續)

#### 收入確認

收入按已收或應收代價公平值計量。收入乃減去估計客戶退貨、回扣及其他類似津貼。

收入是當收入金額能夠可靠計量、未來經濟利益有可能流入本集團，而本集團每項活動均符合具體條件時（如下文所述）被確認。

銷售貨品之收入於貨品付運及擁有權轉移時確認。

服務收入（包括根據服務特許權安排提供之經營服務）於提供服務時確認。

利息收入參考未償還本金及適用實際利率按時間比例計入。適用實際利率指於初步確認時就金融資產預期可使用年期之估計未來現金收入實際貼現至該資產賬面淨值之比率。

本集團之經營租賃收入確認會計政策詳見下文租賃會計政策。

#### 租賃

倘租賃條款向承租人轉讓擁有權絕大部份風險及回報之租賃則分類為融資租賃。所有其他租賃均分類為經營租賃。

#### 本集團作為出租人

來自經營租賃之租金收入，於有關租賃年期按直線基準在損益表確認。於磋商及安排經營租賃時招致的初始直接成本乃加至租賃資產的賬面值。除根據公平值模式計量之投資物業，該成本按直線法於租賃年內確認為開支。

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### 3. Significant Accounting Policies (Continued)

#### Leasing (Continued)

##### The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### Leasehold land and building

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

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

### 3. 主要會計政策 (續)

#### 租賃 (續)

##### 本集團作為承租人

經營租賃付款 (包括於經營租賃項下持有土地之收購成本) 於租賃年期按直線基準確認為開支，惟如有另一系統基準更能代表所消耗租賃資產經濟利益之時間模式則除外。經營租賃項下產生之或然租金於產生期間確認為開支。

倘訂立經營租賃將會獲得租賃優惠，則該等優惠會確認為負債。優惠利益總額按直線基準確認為租金開支減少，惟如有另一系統基準更能代表所消耗租賃資產經濟利益之時間模式則除外。

##### 租賃土地及樓宇

當租賃包括土地及樓宇兩部份時，本集團便會評估附於各部份所有權之絕大部份風險及回報是否已轉移至本集團，並根據此評估分別將各部份評定為融資租賃或經營租賃，惟如該兩部份均明顯為經營租賃，則整項租賃會分類為經營租賃。具體而言，最低租金付款 (包括任何一筆過預付款項) 會於租賃開始時，根據租賃土地部份及樓宇部份之租賃權益相對公平值，按比例在土地部份與樓宇部份兩者之間分配。

在租金付款能夠可靠分配之情況下，入賬列作經營租賃之租賃土地權益會於綜合財務狀況報表呈列為「自用土地租賃款」，並於租賃年期內按直線基準攤銷，惟根據公平值模式分類及入賬為投資物業者除外。當租金付款無法於土地部份與樓宇部份兩者之間可靠分配時，整項租賃一般歸類為融資租賃。



### 3. Significant Accounting Policies (Continued)

#### Foreign currencies

In preparing financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

### 3. 主要會計政策 (續)

#### 外幣

編製集團旗下各個別實體之財務報表時，以該實體之功能貨幣以外貨幣（外幣）進行之交易，按交易日期之適用匯率確認。於各報告期間結算日，以外幣計值之貨幣項目按該日之適用匯率重新換算。按公平值入賬並以外幣計值之非貨幣項目，按釐定其公平值當日之適用匯率重新換算。按歷史成本計量並以外幣計值之非貨幣項目，不予重新換算。

結算及重新換算貨幣項目所產生之匯兌差額，於其產生期間在損益確認。

就呈列綜合財務報表而言，本集團業務之資產及負債均按各報告期結算日之適用匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目乃按期內平均匯率換算，惟期內匯率出現重大波幅除外，於此情況下，將採用交易日期之適用匯率。所產生之匯兌差額（如有）會在其他全面收益內確認及於權益下以匯兌儲備累計。

收購海外業務所產生商譽及所收購可識別資產公平值調整，當作該海外業務之資產與負債處理，並按報告期間結算日之適用匯率重新換算。所產生之匯兌差額於其他全面收益內確認。

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### 3. Significant Accounting Policies (Continued)

#### Government grants

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

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

#### Retirement benefit costs and termination benefits

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

### 3. 主要會計政策 (續)

#### 政府補助金

在能夠合理保證本集團將符合政府補助金所附帶之條件及將會獲取補貼前，本集團不會確認政府補助金。

本集團將可收取作為開支或已產生虧損之補償之政府補助金，或為了提供即時財務援助予本集團且並無日後相關成本之政府補助金，於其可予收取期間在損益表中確認。

#### 退休福利成本及終止服務福利

向強制性公積金計劃作出之付款於僱員因提供服務而令其合資格享有供款時確認為開支。

就定額福利退休計劃而言，提供福利之成本乃採用預計單位給付成本法釐定，並於每個年度報告期間結算日作出精算估值。

定額福利成本分類如下：

- 服務成本（包括目前服務成本、過往服務成本以及削減及結算之收益及虧損）；
- 利息開支或收益淨額；及
- 重新計量。

### 3. Significant Accounting Policies (Continued)

#### Retirement benefit costs and termination benefits (Continued)

The Group presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

#### Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

### 3. 主要會計政策 (續)

#### 退休福利成本及終止服務福利 (續)

本集團將定額福利成本的首兩個組成部份於損益中僱員福利開支項目內呈列。削減盈虧按過往服務成本入賬。過往服務成本於計劃修訂期間之損益中確認。淨利息按淨定額福利責任或資產乘以該期間開始時之貼現率計算。

重新計量(包含精算盈虧、資產最高限額變動之影響(如適用)以及計劃資產回報(不包括利息))即時反映於綜合財務狀況報表,並將支出或貨項於其產生期間在其他全面收益中確認。其他全面收益中確認之重新計量即時反映於保留溢利,且將不會重新分類至損益。

於綜合財務狀況報表確認之退休福利責任即本集團定額福利計劃之實際盈虧。該等計算所產生之任何盈餘以任何可用計劃退款或日後計劃供款扣減之數的經濟利益現值為限。

終止福利之負債於本公司實體無法撤銷終止福利要約時或本公司確認任何相關重組成本時(以較早者為準)確認。

#### 短期和其他長期僱員福利

短期僱員福利於僱員提供服務時以預期支付福利之未折現金額確認。除有其他香港財務報告準則規定或允許將福利計入資產成本外,所有短期僱員福利皆確認為開支。

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### 3. Significant Accounting Policies (Continued)

#### Short-term and other long-term employee benefits (Continued)

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

#### Share-based payment arrangements

##### Equity-settled share based payment transactions

##### Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

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

### 3. 主要會計政策 (續)

#### 短期和其他長期僱員福利 (續)

僱員得到的福利(如工資和薪金、年假和病假)經扣除所有已支付金額確認為負債。

其他長期僱員福利負債的確認，以本集團換取相關僱員服務預期到報告日為止的估計未來現金流出的現值計量。除有其他香港財務報告準則規定或允許將其計入資產成本的情況下外，任何由服務成本、利息及重新計量所產生的負債之賬面值變動皆於損益中確認。

#### 股份付款安排

##### 股本權益結算股份付款交易

##### 授予僱員的股份期權

以股本權益結算股份支付給僱員和其他提供類似服務的人士，按照權益工具在授予日的公平值計量。

根據本集團估計最終歸屬權益工具數目，以授予日公平值釐定的股本權益結算股份付款按直線基準在歸屬期間於損益支銷；另於權益(認股權儲備)作相應增加。於各報告期間結算日，本集團調整預算預期歸屬權益工具數目。若有任何原預算調整，其影響在損益中確認，因此累計費用反映預算調整，另於認股權儲備作相應調整。

當認股權獲行使時，過往於認股權儲備確認之金額將轉撥至股份溢價。倘認股權於歸屬日期後遭沒收，或於屆滿日期仍未獲行使，則過往於認股權儲備確認之金額將轉撥至保留溢利。

### 3. Significant Accounting Policies (Continued)

#### Taxation

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

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

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

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

### 3. 主要會計政策 (續)

#### 稅項

所得稅費用指即期應付稅項及遞延稅項之總和。

即期應付稅項按年內應課稅溢利計算。由於應課稅溢利不包括其他年度之應課稅或可扣稅收入或開支項目，亦不包括毋須課稅或不可扣稅之項目，故與綜合損益及其他全面收益表所呈報除稅前溢利不同。本集團即期稅項負債按報告期間結算日已頒佈或實際上已頒佈稅率計算。

遞延稅項乃就綜合財務報表之資產及負債賬面值與計算應課稅溢利時作相應稅基用途之資產及負債賬面值兩者之間的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般就所有可扣減暫時差額確認，惟以將來很可能取得應課稅盈利而令該等可扣減暫時差額得以運用之部份為限。如不影響應課稅溢利或會計溢利之交易（業務合併除外）之資產及負債於初步確認時產生暫時差額，則有關資產及負債不予確認。此外，如商譽於初步確認時產生暫時差額，則遞延稅項不予確認。

本集團會就附屬公司投資之相關應課稅暫時差額確認遞延稅項負債，惟如本集團能控制有關暫時差額之撥回，且暫時差額可能不會於可見未來撥回則除外。就確認該等投資之相關可扣減暫時差額所產生之遞延稅項資產而言，其僅以很可能取得足夠之應課稅溢利而令暫時差額之利益得以運用，且有關暫時差額預期可於可見將來撥回之情況為限確認。

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### 3. Significant Accounting Policies (Continued)

#### Taxation (Continued)

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

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

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

For the purposes of measuring deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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

### 3. 主要會計政策 (續)

#### 稅項 (續)

本集團會於各報告期間結算日檢討遞延稅項資產之賬面值予以調低，以不再可能取得足夠之應課稅溢利可供收回全部或部份資產為限。

遞延稅項資產及負債乃按報告期間結算日已頒佈或實際上已頒佈之稅率（及稅務法律），按預期於清償負債或變賣資產期間應用之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期間結算日收回或償還資產及負債賬面值產生之稅務後果。

就計量遞延稅項資產而言，利用公平值模式計量之投資物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於本集團之業務模式（其業務目標是隨時間流逝而非透過銷售消耗投資物業所包含之絕大部份經濟利益）內持有時，有關假設會被推翻。

當期及遞延稅項乃於損益表中確認，除非該等稅項與於其他全面收益或直接於權益中確認之項目有關，在此情況下，當期及遞延稅項亦分別於其他全面收益確認或直接於權益中確認。就業務合併進行初步會計處理而產生之當期或遞延稅項而言，有關稅務影響乃計入業務合併之會計處理內。

### 3. Significant Accounting Policies (Continued)

#### Property, plant and equipment

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

### 3. 主要會計政策 (續)

#### 物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務或就行政用途之樓宇、租賃地(分類為融資租賃)及永久業權土地(除下述在建物業外),其於綜合財務狀況報表按成本減日後累計折舊及累計減值虧損(如有)列賬。

正在興建中以作生產、供應或行政用途之物業按成本減任何已確認減值虧損列賬。成本包括專業費用,及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。該等物業於落成及可作擬定用途時分類至物業、廠房及設備項下之適當類別。該等資產將於資產可作擬定用途時,按其他物業資產之相同基準,開始計算折舊。

折舊乃以直線法按估計可使用年期撇銷其資產成本(除在建物業外)減其剩餘價值確認。估計可使用年限、殘值及折舊方法均於各報告期間結算日時檢討,而估計之任何變動的影響則預先入賬。

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時解除確認。出售或停止使用一項物業、廠房及設備所產生之任何盈虧乃按出售所得款項與資產賬面值之差額釐定,並於損益表內確認。

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### 3. Significant Accounting Policies (Continued) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

#### Impairment losses on tangible assets other than goodwill

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

### 3. 主要會計政策 (續) 投資物業

投資物業指為了賺取租金及／或資本增值而持有之物業。

投資物業初步按成本計量，包括直接產生的開支。於初步確認後，投資物業按其公平值計量。本集團所有經營租賃項下持作賺取租金或資本增值為目的物業權益乃作為投資物業分類入賬，並採用公平值模式計量。投資物業公平值變動所產生之盈虧，於生期間計入損益表。

在建投資物業的建築成本資本化作為在建投資物業賬面值的一部份。

於投資物業出售或永久停止使用及預計不會從出售該物業中獲得未來經濟收益時，投資物業會終止確認。終止確認物業所產生任何盈虧（按出售所得款項淨額與該資產賬面值之差額計算）於物業終止確認之期間計入損益。

#### 商譽以外有形資產減值虧損

於報告期間結算日，本集團會審閱可使用年期有限的有形資產之賬面值，以釐定是否出現任何跡象顯示該等資產正面臨減值虧損。倘存在任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損（如有）程度。當無法估計單項資產的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。當可以確定合理和一貫的分配基礎，公司資產亦分配至各個現金產生單位；或在可識別的合理和一貫的分配基礎上分配至最小組現金產生單位。



### 3. Significant Accounting Policies (Continued)

#### Impairment losses on tangible assets other than goodwill

(Continued)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then the other asset on a pro-rata basis based on the carrying amount of each assets in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3. 主要會計政策 (續)

#### 商譽以外有形資產減值虧損 (續)

可收回金額即以下兩項較高者：公平值減出售成本或使用價值。評估使用價值時，估計未來現金流量按稅前貼現率折現至其現值，該貼現率反映當前市場對資金時間值之評估以及在估計未來現金流量未有調整之該資產的特有風險。

倘一項資產（或現金產生單位）之可收回金額估算低於其賬面值，則該資產（或現金產生單位）賬面值須減至其可收回金額之水準。於分配減值虧損時，減值虧損將首先分配以減低任何分配至該單位之商譽賬面值（如適用），其後則根據該單位內各項資產之賬面值按比例分配至該單位之其他資產。資產賬面值不得減少至低於其公平值減出售成本（如可計量）、其使用價值（如可計量）及零之中的最高值。已另行分配至資產之減值虧損金額按比例分配至該單位其他資產。減值虧損會即時於損益表確認，除非有關資產是根據另一項準則以重估金額入賬，該情況下減值虧損則按該項準則以重估減值處理。

倘減值虧損其後撥回，則資產（或現金產生單位）賬面值將增至經修訂估計之可收回金額，惟所增加賬面值不得超過假設該資產（或現金產生單位）於過往年度並無確認減值虧損而釐定之賬面值。減值虧損之撥回會即時於損益表確認，除非有關資產根據另一項準則以重估金額列賬，該情況下減值虧損撥回則按該項準則以重估增值處理。

#### 存貨

存貨以成本值或可變現淨值（以較低者為準）入賬。存貨成本乃根據加權平均法計算。可變現淨值指存貨之估計售價減去所有估計完成成本及作出銷售之必要成本。

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### 3. Significant Accounting Policies (Continued)

#### Financial instruments

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

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

#### Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Effective interest method

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

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

### 3. 主要會計政策 (續)

#### 金融工具

當集團旗下實體成為工具合約條文之訂約方時，便會確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接產生之交易成本（除按公平值計入損益的金融資產或金融負債之外），會於初步確認時在金融資產或金融負債（視前者適用）之公平值計入或扣除。收購或按公平值計入損益的金融資產或金融負債直接產生的交易成本即時於損益確認。

#### 金融資產

本集團之金融資產分類為貸款及應收賬款。分類是根據金融資產性質和目的在初步確認時決定。所有正常途徑買賣的金融資產以交易日作為確認和終止確認基礎。正常途徑買賣是指需要按一般市場規定或慣例須在一定期間內交付資產的金融資產買賣。

#### 實際利息法

實際利息法為計算債務工具攤銷成本以及將利息收入分配予有關期間之方法。實際利率為按債務工具的預計年期或較短期間（倘適用）實際貼現估計未來現金收入（包括構成實際利率組成部份之所有已付或已收費用、交易成本及其他溢價或折扣）至初步確認時之賬面淨值之利率。

就債務工具而言，利息收入乃按實際利率基準確認。

### 3. Significant Accounting Policies (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans, pledged bank deposits and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

##### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets other than available-for-sale, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit terms of the customers, observable changes in national or local economic conditions that correlate with defaults on receivables.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 貸款及應收賬款

貸款及應收賬款為附帶固定或可釐定付款，且並無在活躍市場報價之非衍生金融資產。於初步確認後，貸款，已抵押銀行存款及應收賬款（包括貿易及其他應收賬款、銀行結存及現金）採用實際利息法按攤銷成本減任何減值計量。

利息收益的確認運用實際利息法；短期應收款項除外，因為確認利息並不重要。

##### 金融資產減值

本集團會於報告期間結算日評估金融資產（按公平值計入損益者除外）有否出現減值跡象。倘有客觀證據顯示，由於初步確認金融資產後發生之一項或多項事件，導致金融資產之估計未來現金流量受到影響，則金融資產會被視為已出現減值。

就所有金融資產而言（可供出售金融資產除外），減值之客觀證據可能包括：

- 發行人或訂約方出現重大財政困難；或
- 違約，例如：逾期或拖欠支付利息或本金；或
- 借款人可能破產或進行債務重組。

應收賬款組合減值之客觀證據可能包括本集團過往收賬經驗、組合內逾期付款超過有關客戶平均信貸期次數增加，或國家或當地經濟環境出現與欠繳應收賬款有關之可觀察變化。

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### 3. Significant Accounting Policies (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (Continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

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

For financial assets measured at amortised cost, 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, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### Financial liabilities and equity instruments

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

##### Equity instruments

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

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 金融資產減值 (續)

就按攤銷成本列賬之金融資產而言，所確認之減值虧損金額為資產之賬面值與按金融資產真實利率貼現估計未來現金流量之現值兩者之差額。

所有金融資產之減值虧損直接於金融資產之賬面值作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬之賬面值變動將於損益確認。當貿易應收賬款被視為不可收回時，其將於撥備賬內撇銷。過往已撇銷的款項如其後收回，將計入損益。

就按攤銷成本計量之金融資產而言，倘於往後期間減值虧損款額有所減少，而客觀上與確認減值後發生之事件有關，則過往已確認之減值虧損會撥回損益表，惟撥回減值當日之投資賬面值不得超過假設並無確認減值之原有攤銷成本。

#### 金融負債及股本工具

由集團旗下實體發行之債務及股本工具，會根據已訂立合約安排之內容，以及金融負債及股本工具之定義，分類為金融負債或權益。

##### 股本工具

股本工具指能證明在本集團資產擁有剩餘權益（已扣除其所有負債）之任何合約。本集團發行之股本工具按已收取之所得款項經扣除直接發行成本後確認。

### 3. Significant Accounting Policies (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments (Continued)

##### Effective interest method

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

##### Financial liabilities at amortised cost

Financial liabilities including trade payables and other payables are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股本工具 (續)

##### 實際利息法

實際利息法為計算金融負債攤銷成本以及將利息支出分配予有關期間之方法。實際利率為按金融負債之預計年期或較短期間 (倘適用) 實際貼現估計未來現金付款 (包括構成實際利率組成部份之所有已付或已收費用、交易成本及其他溢價或折扣) 至初步確認時之賬面淨值之利率。利息開支按實際利息法確認。

##### 按攤銷成本入賬之金融負債

金融負債 (包括貿易及其他應付賬款) 其後採用實際利息法按攤銷成本計量。

##### 終止確認

本集團僅會於資產之現金流量合約權利屆滿時，或當本集團轉讓金融資產且有關資產擁有權利之絕大部份風險及回報已轉移予另一實體時，終止確認有關金融資產。倘本集團並無轉移或保留擁有權之絕大部份風險及回報，並繼續控制所轉讓資產，則本集團就可能需支付之款額確認資產及相關負債之保留權益。倘本集團保留已轉讓金融資產擁有權之絕大部份風險及回報，則本集團將繼續確認有關金融資產，並就已收取所得款項確認有抵押借款。

在終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收益中確認並於權益中累計之累計盈虧之總和之差額，將於損益表中確認。

本集團於 (及僅於) 其責任已被解除、註銷或屆滿時，終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之間的差額，乃於損益表中確認。

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### 4. Key Sources of Estimation Uncertainty

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

#### Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise. As at 31 December 2016, the carrying amount of goodwill is HK\$25,510,000 (2015: HK\$27,046,000). Details of the recoverable amount calculation are set out in note 17.

#### Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment 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 (i.e. the effective interest rate computed at initial recognition). Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstance, a material impairment loss may arise. As at 31 December 2016, the carrying amount of trade receivables is HK\$72,972,000 (2015: HK\$41,210,000), net of allowance for doubtful debts of HK\$1,476,000 (2015: HK\$6,753,000).

### 4. 導致估計出現不確定性主要來源

於報告期間結算日有重大風險導致下一財政年度資產及負債賬面值須作出重大調整而與未來有關之主要假設及導致估計出現不確定性之其他主要來源，於下文討論。

#### 商譽之估計減值

在釐定商譽有否出現減值時，需要估計獲分配商譽之現金產生單位之可收回金額，即使用值或公平值減去出售成本兩者中之較高者。使用價值計算需要本集團估計預期有關現金產生單位所產生之未來現金流及合適之貼現率以計算現值。倘實際未來現金流較預期為少，或事實及環境變動導致對日後現金量進行下調修訂，則會產生重大減值虧損。於二零一六年十二月三十一日，商譽之賬面值為25,510,000港元（二零一五年：27,046,000港元）。可收回金額之計算詳情載於附註17。

#### 貿易應收賬款之估計減值

當出現減值虧損之客觀證據時，本集團便會考慮估計未來現金流量。減值虧損款額乃按資產賬面值與按金融資產原實際利率（即初步確認時計算之實際利率）貼現估計之未來現金流量現值（不包括尚未產生之未來信貸虧損）之差額計量。倘未來現金流量低於預期，或事實及環境變動導致對日後現金量進行下調修訂，則可能會產生重大減值虧損。於二零一六年十二月三十一日，貿易應收賬款之賬面值為72,972,000港元（二零一五年：41,210,000港元），當中已扣除呆賬撥備1,476,000港元（二零一五年：6,753,000港元）。

#### 4. Key Sources of Estimation Uncertainty (Continued)

##### Impairment of inventories

Management of the Group reviews inventories on a product-by-product basis at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production or trading. Management estimates the net realisable value for such items based primarily on the latest invoice prices, sales after year end and current market conditions. As at 31 December 2016, the carrying amount of inventories net of allowance for inventory of HK\$9,957,000 (2015: HK\$13,270,000) amounted to HK\$49,842,000 (2015: HK\$46,905,000).

#### 5. Revenue

Revenue represents the net amount received and receivables for (i) goods sold by the Group to outside customers which is stated net of sales returns and allowances and (ii) service income from provision of skin treatments, beauty and spa services for the year, and is analysed as follows:

#### 4. 導致估計出現不確定性主要來源 (續)

##### 存貨之估計減值

本集團之管理層會於各報告期間結算日因應個別產品審閱存貨，並會就已確認為不再適合用作生產或交易之陳舊及滯銷存貨項目作出撥備。管理層主要根據最近期發票價格、年結後銷售額及現行市況估計該等項目之可變現淨值。於二零一六年十二月三十一日，存貨之賬面值扣除存貨撥備9,957,000港元（二零一五年：13,270,000港元）為49,842,000港元（二零一五年：46,905,000港元）。

#### 5. 收入

收入指本年度有關下列各項之已收及應收淨額：(i)本集團售予外部客戶之貨品（扣除銷售退貨及撥備後列賬）及(ii)提供肌膚護理、美容及水療服務之服務收入，現分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales of goods	產品銷售	469,894	500,480
Service income	服務收入	5,331	6,433
		<b>475,225</b>	<b>506,913</b>

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### 6. Segment Information

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”), the Chief Executive Officer (“CEO”) of the Company, in order to allocate resources to the segment and to assess its performance. The CEO of the Company reviews internal reports which focus on geographical segments by location of customers for the purposes of resource allocation and assessment of segment performance. This is the basis upon which the Group is organised.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

1. The PRC
2. Taiwan
3. Others (Hong Kong and Malaysia)

### 6. 分部資料

香港財務報告準則第8號規定，經營分部須按照主要營運決策人（「主要營運決策人」）（即本公司行政總裁（「行政總裁」））定期審閱之本集團內部報告之組成部份來劃分，主要營運決策人基於有關報告分配資源予各分部，並評估分部表現。為了作出資源分配及評估分部表現，本公司行政總裁會審閱內部報告，有關報告主要關注按客戶所在劃分的地域分部。此乃本集團組織管理之基準。

具體而言，根據香港財務報告準則第8號之規定，本集團之可報告及經營分部如下：

1. 中國大陸
2. 台灣
3. 其他（香港及馬來西亞）



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### 6. Segment Information (Continued) Segment revenues and results

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

For the year ended 31 December 2016

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收入	386,409	85,655	3,161	475,225
Segment profit (loss)	分部溢利(虧損)	177,969	26,461	(4,105)	220,325
Unallocated corporate expenses	未分配公司支出				(10,295)
Unallocated income	未分配收益				6,187
Profit before tax	除稅前溢利				196,217

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### 6. 分部資料(續) 分部收入及業績

下文為本集團之持續經營收入及業績按可報告及經營分部作出之分析。

For the year ended 31 December 2015

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收入	418,524	84,987	3,402	506,913
Segment profit	分部溢利	157,231	25,607	4,585	187,423
Expense of share based payment	股份付款支出				(9,334)
Unallocated corporate expenses	未分配公司支出				(19,418)
Unallocated income	未分配收益				11,721
Profit before tax	除稅前溢利				170,392

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### 6. Segment Information (Continued)

#### Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of equity-settled share based payments, central administration costs, directors' salaries and interest income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Segment assets and liabilities are not reported to the CODM for the purposes of resource allocation and assessment of segment performance.

#### Other segment information

### 6. 分部資料 (續)

#### 分部收入及業績 (續)

經營分部之會計政策與本集團之會計政策相同(如附註3所述)。分部溢利(虧損)為各分部賺取所得之溢利(所產生之虧損)，當中並未分配股本權益結算股份付款、中央行政費用、董事薪酬及利息收入。此乃為了作出資源分配及表現評估而向主要營運決策人作出報告之標準。分部資產及負債並無就資源分配及分部表現評估而向主要營運決策人作出報告。

#### 其他分部資料

		PRC	Taiwan	Others	Segment and consolidated total
		中國大陸	台灣	其他	分部及綜合總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>2016</b>	<b>二零一六年</b>				
Amounts included in the measure of segment profit (loss):	分部溢利(虧損)計入下列款額:				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,148	4,270	22	22,440
Release of prepaid lease payments	撥回自用土地租賃款	1,180	-	-	1,180
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,617	159	-	1,776
Compensation income arising from termination of a tenancy agreement	因終止租賃協議而產生的補償收益	(19,094)	-	-	(19,094)
Allowance (reversal of allowance) for obsolete inventories	陳舊存貨撥備(撥備撥回)	293	(2)	36	327
Reversal of allowance on trade receivables	貿易應收賬款撥備撥回	(414)	-	-	(414)

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### 6. Segment Information (Continued) Other segment information (Continued)

### 6. 分部資料 (續) 其他分部資料 (續)

		PRC	Taiwan	Others	Segment and consolidated total
		中國大陸	台灣	其他	分部及綜合總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2015	二零一五年				
Amounts included in the measure of segment profit:	分部溢利計入下列款額：				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	28,107	5,697	28	33,832
Release of prepaid lease payments	撥回自用土地租賃款	461	–	–	461
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	7,343	–	–	7,343
Allowance for obsolete inventories	陳舊存貨撥備	3,395	973	49	4,417
Allowance on trade receivables	貿易應收賬款撥備	4,582	–	–	4,582

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### 6. Segment Information (Continued) Geographical information

The Group is principally engaged in (a) manufacturing and sale of a range of products including skin care, beauty and aroma-therapeutic products, health supplements and mark-up products and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training. The analysis of the Group's revenue by type of business for the year are set out in note 5 to the consolidated financial statements.

The Group's non-current assets are presented based on the geographical location of the assets as detailed below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The PRC	中國大陸	208,470	232,020
Taiwan	台灣	47,740	46,904
Others	其他	40	63
		<b>256,250</b>	<b>278,987</b>

### Information about major customers

The Group has a very wide customer base, no single customer contributed 10% or more to the Group's revenue for both 2016 and 2015.

### 6. 分部資料 (續) 地域資料

本集團主要從事(a)製造及銷售護膚、美容、精油產品、健康食品及化妝品等各式各樣產品，及(b)提供肌膚護理、美容及水療服務以及肌膚護理顧問及美容培訓。本集團年內收入按業務類別作出之分析載於綜合財務報表附註5。

本集團之非流動資產按資產所在地域詳情呈列如下：

### 關於主要客戶資料

本集團之客戶基礎廣闊。於二零一六年及二零一五年兩個年度各年，並無任何單一客戶所提供之收入佔本集團之收入超過10%。

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### 7. Other Income and other gains

### 7. 其他收益和利得

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on bank deposits	銀行存款利息	6,187	11,721
Rental income from investment properties	投資物業之租金收益	179	23
Rental income from other properties and equipment	其他物業及設備之租金收益	2,115	2,550
Financial refunds (Note 1)	財務退款(註1)	6,498	8,527
Increase in fair value of investment properties	投資物業公平值增加	532	843
Reversal on tax audit accrual (note 8)	稅務審計應繳撥回(附註8)	-	2,668
Compensation income arising from termination of a tenancy agreement (Note 2)	因終止租賃協議而產生的補償收益(註2)	19,094	-
Others	其他	1,821	1,977
		<b>36,426</b>	<b>28,309</b>

Note 1: Pursuant to the local practice of the finance bureau of the provinces in which certain of the PRC subsidiaries operate, the PRC subsidiaries will receive financial refunds from other taxes paid in the form of government grants by way of negotiation with the relevant finance bureau. However, the refunds are subject to review annually. It is therefore uncertain if these subsidiaries will continue to be eligible for such financial refunds in the future.

The financial refunds represent unconditional tax refunds received from the local government in compensation for taxes incurred and paid by the PRC operating entities of the Group.

Note 2: In 2004, Shanghai Jiangqiao Agriculture Development Co. Ltd. ("Jiangqiao") as lessor and the Group, as lessee entered into a lease agreement to build a spa resort in Jiangqiao County, Jiading District, Shanghai. During the current period, through negotiation, both Jiangqiao and the Group agreed to terminate the agreement in advance. Meanwhile Jiangqiao agreed to pay a compensation amounted to approximately RMB15,983,000 (equivalent to approximately HK\$19,094,000) to the Group.

註1: 根據若干中國大陸附屬公司經營所在省份之財政部門所採納之當地慣例, 有關中國大陸附屬公司將可透過與有關財政部門進行磋商, 從而透過政府補助金形式獲發放財務退款, 有關退款乃從其他已繳稅款中撥付。然而, 由於有關退款須每年進行檢討, 故此未能確定有關附屬公司於日後會否繼續合乎資格享有上述財務退款。

財務退款指本集團中國大陸經營實體來自地方政府所獲得的無條件稅收返還以補償其發生及支付的稅款。

註2: 於二零零四年, 上海江橋農業發展有限公司(「江橋」)(作為出租人)與本集團(作為承租人)就於上海嘉定縣江橋區建設一間水療渡假村而訂立租賃協議。於本期間內, 江橋及本集團透過協商後, 雙方同意提前終止協議。同時, 江橋同意向本集團支付補償金額約人民幣15,983,000元(相當於約19,094,000港元)。

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### 8. Income Tax Expense

### 8. 所得稅開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The charge comprises:	支出包括：		
Taxation in PRC	中國大陸稅項		
Current year	本年度	36,542	32,024
Over provision in prior years	過往年度超額撥備	(2,982)	(6,499)
Withholding tax on dividends	股息預扣稅	5,636	8,510
		<u>39,196</u>	<u>34,035</u>
Taxation in Taiwan	台灣稅項		
Current year	本年度	3,321	4,900
Over provision in prior years	過往年度超額撥備	(9)	(1,697)
Withholding tax on dividends	股息預扣稅	3,621	2,120
Under provision of withholding tax on dividends	股息預扣稅撥備不足	-	4,936
		<u>6,933</u>	<u>10,259</u>
Taxation in Hong Kong and other jurisdictions	香港及其他司法權區稅項		
Current year	本年度	1,426	4,518
Over provision in prior years	過往年度超額撥備	(899)	(2,144)
Tax refund of changing tax rate	稅率調整退稅	-	(14,368)
		<u>527</u>	<u>(11,994)</u>
Deferred taxation (note 26)	遞延稅項 (附註26)		
Current year	本年度	1,158	1,262
		<u>47,814</u>	<u>33,562</u>

## 8. Income Tax Expense (Continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. The statutory withholding tax rate for non-PRC resident is 10%. As the Company has obtained tax benefit approval from the tax bureau in 2014, which stipulate that the withholding tax rate for Natural Beauty China Holding Limited could be reduced to 5% for the dividend income from July 2011 to June 2017 and 7% for royalty fee from January 2012 to December 2014. Thus, in 2015, the tax authority returned the prior years' over-paid taxes accordingly and disclosed as tax refund of changing tax rate.

Pursuant to the relevant laws and regulations in Taiwan and applicable tax treaty, dividend withholding tax is imposed at a rate of 12.5% under Taiwan-Malaysia tax treaty, and 20% on dividends declared in respect of profits earned by Taiwan subsidiaries that are received by non-local resident entities. In 2015, the Taiwan tax bureau initiated a tax audit on the Taiwan withholding tax affairs of a Taiwan subsidiary of the Group for the years 2012, 2013, 2014 and 2015, and decided that dividend withholding tax rate applies to the Group should be 20%, as the Group is not applicable to Taiwan-Malaysia tax treaty. Accordingly, the Group recognised an under provision of withholding tax on dividends amounting to HK\$4,936,000 and other related expense amounting to HK\$3,159,000 (under other expense) in 2015.

The PRC tax bureau initiated a tax audit on the PRC tax affairs of a PRC subsidiary of the Group for the years 2012 and 2013. During the year ended 31 December 2015, the tax bureau concluded on the tax audit for the said years. Accordingly, the PRC subsidiary paid relevant expenses and reversed over provision of related expense RMB2,216,000 (equivalent to approximately HK\$2,668,000) (under other income) in 2015.

Corporate Income Tax in Taiwan is charged at 17% in both years.

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

## 8. 所得稅開支 (續)

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,自二零零八年一月一日起,中國大陸附屬公司之稅率為25%。非中國居民的法定預扣稅稅率為10%。本公司在二零一四年取得稅務局的稅收優惠批准:自然美中國控股有限公司的股息預扣稅稅率由二零一一年七月起至二零一七年六月降為5%;及特許權使用費的預扣稅稅率由二零一二年一月起至二零一四年十二月降為7%。因此在二零一五年稅務機關退還過往年度多繳稅款及披露為稅率調整的退稅。

根據台灣相關法律及規定以及適用稅務協定,台灣和馬來西亞之稅務協定下之股息預扣稅定為12.5%,就台灣附屬公司賺取的所得溢利而宣派並由非本地居民企業收取之股息其股息預扣稅率為20%。二零一五年台灣稅務局對於本集團台灣附屬公司二零一二年、二零一三年、二零一四年及二零一五年度台灣股息預扣稅事務啟動稅務審計,並由於本集團不適用於台灣和馬來西亞的稅務協定,當局責令本集團股息預扣稅率應該為20%。因此於二零一五年,本集團確認股息預扣稅撥備不足為4,936,000港元及其他有關費用為3,159,000港元(列入其他開支)。

中國稅務局對於本集團一間中國附屬公司的二零一二年和二零一三年度中國稅務啟動稅務審計。截至二零一五年十二月三十一日止年度,稅務機關結束對所述年度之稅務審計。因此,中國附屬公司於二零一五年支付相關開支及就有關開支撥回超額撥備人民幣2,216,000元(約相當於2,668,000港元)(列入其他收益)。

於上述兩個年度,台灣企業所得稅按17%計算。

香港利得稅按上述兩個年度之估計應課稅溢利之16.5%計算。

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### 8. Income Tax Expense (Continued)

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before tax	除稅前溢利	<b>196,217</b>	170,392
Tax at domestic rates applicable to profits of taxable entities in the countries concerned (Note)	應課稅實體於有關國家之溢利按當地適用稅率計算稅項(附註)	<b>101,447</b>	65,643
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	<b>5,558</b>	6,462
Tax effect of income not taxable for tax purpose	毋須課稅收益之稅務影響	<b>(56,223)</b>	(24,397)
Under provision of withholding tax on dividends	股息預扣稅撥備不足	-	4,936
Utilisation of tax losses previously not recognised	動用過往未確認之稅務虧損	<b>(9,408)</b>	(4,824)
Over provision in respect of prior years	過往年度超額撥備	<b>(3,890)</b>	(10,340)
Deferred tax liabilities on undistributed earnings of PRC and Taiwan subsidiaries	有關中國大陸及台灣附屬公司之未分派盈利之遞延稅項負債	<b>10,330</b>	10,450
Tax refund of changing tax rate	稅率調整退稅	-	(14,368)
Income tax expense for the year	本年度所得稅支出	<b>47,814</b>	33,562

Note: As the Group operates in several different tax jurisdictions, separate reconciliations using the domestic tax rate in each individual tax jurisdiction have been aggregated and presented.

### 8. 所得稅開支(續)

本年度稅項支出與綜合損益及其他全面收益表所示除稅前溢利對賬如下：

附註：由於本集團於多個不同稅務司法權區經營業務，故此以各個個別稅務司法權區當地稅率作出之獨立對賬已合併並呈列。



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### 9. Profit for the Year

### 9. 本年度溢利

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	本年度溢利已扣除（計入）下列各項：		
Staff costs:	員工成本：		
Directors' emoluments (note 10)	董事酬金（附註10）	5,323	5,620
Other staff salaries and allowances	其他員工薪酬及津貼	89,505	96,751
Retirement benefits scheme contributions, excluding directors:	退休福利計劃供款，不包括董事：		
– defined contribution plans (note 23 (b))	– 定額供款計劃（附註23(b)）	14,790	15,836
– defined benefit plan (note 23 (a))	– 定額福利計劃（附註23(a)）	352	355
Expense of share based payment	股份付款開支	–	9,334
Total staff costs	員工成本總額	<b>109,970</b>	127,896
Depreciation of property, plant and equipment	物業、廠房及設備折舊	22,440	33,832
Cost of inventories recognised as an expense	已確認為開支之存貨成本	108,891	95,861
Release of prepaid lease payments	撥回自用土地租賃款	1,180	461
Auditor's remuneration	核數師酬金	2,999	3,381
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,776	7,343
Compensation income arising for termination of a tenancy agreement	因終止租賃協議而產生的補償收益	(19,094)	–
Research and development costs	研發成本	2,464	3,679
Allowance for obsolete inventories, included in cost of sales	陳舊存貨撥備（計入銷售成本）	327	4,417
Advertising and promotion expenses	廣告及推廣開支	28,781	33,809
Net exchange loss (gain)	匯兌虧損（收益）淨額	<b>3,110</b>	(3,477)

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### 10. Directors' and Chief Executive's Emoluments

The emoluments paid or payable to each of the eight (2015: fifteen) directors and the chief executive were as follows:

For the year ended 31 December 2016

	Directors 董事											Chief Executive Mr. HSIAO Wen-Chung 行政總裁 蕭文聰	Total 2016
	Dr. TSAI Yen-Yu 蔡燕玉 博士	Mr. LEE Ming-Ta 李明達 先生	Dr. SU Chien-Cheng 蘇建誠 博士	Dr. SU Sh-Hsyu 蘇詩琇 博士	Mr. CHEN Ruey-Long 陳瑞隆 先生	Mr. YANG Tze-Kaing 楊子江 先生	Mr. LU Chi-Chant 盧啓昌 先生	Mr. HSIEH Pang-Chang 謝邦昌 先生	Total directors' emoluments 董事酬金 總計	Mr. HSIAO Wen-Chung 蕭文聰 先生			
Fees 袍金	1,000	-	1,250	1,250	240	20	240	220	4,220	499	4,719		
Other emoluments 其他酬金	-	328	302	302	-	-	-	-	932	1,806	2,738		
Salaries and other benefits 薪金及其他福利	21	52	49	49	-	-	-	-	171	47	218		
Contributions to retirement benefits scheme 退休福利計劃供款													
Total emoluments 酬金總額	1,021	380	1,601	1,601	240	20	240	220	5,323	2,352	7,675		

截至二零一六年十二月三十一日止年度

### 10. 董事及主要行政人員酬金

已付或應付八名(二零一五年:十五名)董事及主要行政人員之酬金如下:

截至二零一六年十二月三十一日止年度

For the year ended 31 December 2015

	Directors 董事															Total 2015	
	Dr. TSAI Yen-Yu 蔡燕玉 博士	Mr. LEE Ming-Ta 李明達 先生	Dr. SU Chien-Cheng 蘇建誠 博士	Dr. SU Sh-Hsyu 蘇詩琇 博士	Mr. NG Patrick Thomas 施維德 先生	Ms. NG Shieu Yeung 吳秀澄 女士	Ms. GONG Zhizhi 龔少熾 女士	Mr. POON Yee Man 潘爾文 先生	Mr. Gregory Michael 唐子明 先生	Mr. CHANG Hsiunguo 張淑國 先生	Mr. Francis MACHER 周素嫻 女士	Ms. THOMPSON 陳瑞隆 先生	Mr. CHEN Ruey-Long 楊子江 先生	Mr. YANG Tze-Kaing 盧啓昌 先生	Mr. LU Chi-Chant 謝邦昌 先生		
Fees 袍金	1,000	-	1,250	1,250	-	-	-	-	-	232	232	240	240	8	4,452	3,675	8,127
Other emoluments 其他酬金	-	347	319	319	-	-	-	-	-	-	-	-	-	-	985	60	1,045
Salaries and other benefits 薪金及其他福利	38	61	42	42	-	-	-	-	-	-	-	-	-	-	183	3	186
Contributions to retirement benefits scheme 退休福利計劃供款																	
Equity-settled share based payments 股本權益結算股份 付款	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,352	5,352
Total emoluments 酬金總額	1,038	408	1,611	1,611	-	-	-	-	-	232	232	240	240	8	5,620	9,090	14,710

截至二零一五年十二月三十一日止年度

## 10. Directors' and Chief Executive's Emoluments

(Continued)

Notes:

- (i) Ms. NG Shieu Yeing Christina, Mr. POON Yee Man Alwin resigned as directors of the Company on 11 August 2015.
- (ii) Mr. Patrick Thomas SIEWERT, Mr. Gregory Michael ZELUCK, Mr. Francis GOUTENMACHER and Ms. Su-Mei THOMPSON resigned as directors of the Company on 18 December 2015.
- (iii) Ms. GONG Zhizhi and Mr. CHANG Hsiuguo was appointed as directors of the Company on 11 August 2015, and resigned as director of the Company on 18 December 2015.
- (iv) Mr. LU Chi-Chant was appointed as director of the Company on 18 December 2015.
- (v) Ms. CHANG Karen Yi Fen ceased to hold office as Chief Executive Officer with effect from 1 January 2016.
- (vi) Mr. YANG Tze-Kaing resigned as directors of the Company on 1 February 2016.
- (vii) Mr. HSIAO Wen-Chung was appointed as Interim Chief Executive Officer of the Group with effect from 1 January 2016 and was re-designated as Chief Executive Officer of the Group with effect from 1 September 2016.
- (viii) Executive Directors and Non-Executive Directors are entitled to a management bonus aggregately not exceeding 15% of the audited consolidated profit attributable to owners of the Company in respect of that financial year of the Group, as recommended by the Remuneration Committee.

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2015 and 2016.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

## 10. 董事及主要行政人員酬金 (續)

註：

- (i) 吳秀濤女士及潘爾文先生於二零一五年八月十一日辭任本公司董事。
- (ii) 施維德先生，唐子明先生，Francis GOUTENMACHER先生及周素媚女士於二零一五年十二月十八日辭任本公司董事。
- (iii) 龔陟熾女士及張淑國先生於二零一五年八月十一日獲委任為董事，及於二零一五年十二月十八日辭任本公司董事。
- (iv) 盧啓昌先生於二零一五年十二月十八日獲委任為本公司董事。
- (v) 張挹芬女士自二零一六年一月一日起不再擔任行政總裁。
- (vi) 楊子江先生自二零一六年二月一日起辭任本公司董事。
- (vii) 蕭文聰先生自二零一六年一月一日起獲委任為本集團代理行政總裁，並自二零一六年九月一日起調任為本集團行政總裁。
- (viii) 執行董事及非執行董事可享有由薪酬委員會建議之管理層花紅，有關花紅總額不得超過本集團於有關財政年度之本公司擁有人應佔經審核綜合溢利15%。

於截至二零一五年及二零一六年十二月三十一日止兩個年度，本集團概無向董事支付任何酬金，作為吸引彼等加入本集團或在加入本集團時之酬金或作為離職補償。

年內，概無任何有關董事或主要行政人員放棄或同意放棄任何薪酬之安排。

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### 11. Employees' Emoluments

Of the five individuals with the highest emoluments in the Group, four (2015: three) were directors and the chief executive of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the remaining one (2015: two) individuals were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,211	2,068
Contributions to retirement benefits scheme	退休福利計劃供款	39	24
		<b>1,250</b>	<b>2,092</b>

The emoluments of the one (2015: two) individuals were within the following bands:

		2016 二零一六年 Headcount 人數	2015 二零一五年 Headcount 人數
Nil – HK\$1,000,000	零 – 1,000,000港元	–	1
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	1	1

### 11. 僱員酬金

本集團五名最高薪酬人士中，其中四名（二零一五年：三名）為本公司董事及主要行政人員，彼等之酬金詳情已於上文附註10披露。餘下一名（二零一五年：兩名）人士之酬金如下：

一名（二零一五年：兩名）最高薪酬人士之酬金介乎以下範圍：

## 12. Earnings Per Share

The calculation of the basic earnings per share attributable to the owners of the Company is based on the profit attributable to the owners of the Company of approximately HK\$148,403,000 (2015: HK\$136,830,000) and on the number of 2,002,100,932 (2015: 2,002,100,932) ordinary shares of the Company in issue during the year.

The computation of diluted earnings per share for 2016 and 2015 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price in both years.

## 12. 每股盈利

本公司擁有人應佔每股基本盈利乃根據本公司擁有人應佔溢利約148,403,000港元(二零一五年：136,830,000港元)及年內本公司已發行普通股數2,002,100,932股(二零一五年：2,002,100,932股)計算。

於二零一六年及二零一五年，每股攤薄盈利之計算並無假設本公司購股權獲行使，原因為該等購股權之行使價高於兩個年度之平均市價。

## 13. Dividends

## 13. 股息

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Dividends recognised as distribution during the year:	年內確認為分派之股息：		
Interim dividend, paid – HK\$0.0410 per share for 2016 (2015: HK\$0.0392 per share for 2015)	已派付中期股息 – 二零一六年每股0.0410港元(二零一五年：二零一五年每股0.0392港元)	82,086	78,482
Special interim dividend, paid – HK\$0.0250 per share for 2016 (2015: Nil)	已派付特別中期股息 – 二零一六年每股0.0250港元(二零一五年：無)	50,053	–
Final dividend, paid – HK\$0.0292 per share for 2015 (2015: HK\$0.03188 per share for 2014)	已派付末期股息 – 二零一五年每股0.0292港元(二零一五年：二零一四年每股0.03188港元)	58,461	63,827
		<b>190,600</b>	142,309

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2016 of HK\$0.0327 per share (2015: final dividend of HK\$0.0292 per share in respect of the year ended 31 December 2015) and a special final dividend of HK\$0.025 per share (2015: Nil), amounting to HK\$65,468,700 (2015: HK\$58,461,347) and HK\$50,052,523 (2015: Nil) in aggregate, respectively, have been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

在報告期間結算日後，董事建議派付截至二零一六年十二月三十一日止年度末期股息每股0.0327港元(二零一五年：截至二零一五年十二月三十一日止年度末期股息每股0.0292港元)及特別末期股息每股0.025港元(二零一五年：零)，分別合共65,468,700港元(二零一五年：58,461,347港元)及50,052,523港元(二零一五年：零)，惟須待股東於應屆股東週年大會批准後方可作實。

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### 14. Investment Properties

### 14. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2015	於二零一五年一月一日	5,915
Exchange realignment	匯兌調整	(227)
Increase in fair value recognised in profit	於溢利確認之公平值增加	836
At 31 December 2015	於二零一五年十二月三十一日	6,524
Exchange realignment	匯兌調整	140
Increase in fair value recognised in profit	於溢利確認之公平值增加	532
At 31 December 2016	於二零一六年十二月三十一日	7,196

The fair values of the Group's investment properties at 31 December 2016 and 2015 have been arrived at on the basis of a valuation carried out on those dates by Euro-Asia Real Estate Appraisers Firm, independent qualified professional valuers not connected with the Group. Euro-Asia Real Estate Appraisers Firm are members of the Institute of Valuers, and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation was arrived at using the direct comparison approach by reference to market evidence of recent transaction prices for similar properties in the similar locations and conditions.

本集團之投資物業於二零一六年及二零一五年十二月三十一日之公平值，乃按歐亞不動產估價師聯合事務所（與本集團並無關連之獨立合資格專業估值師）於上述日期進行之估值計算所得。歐亞不動產估價師聯合事務所為估值師學會（Institute of Valuers）會員，其具備合適資格，最近亦有評估有關地區類似物業之經驗。有關估值乃使用直接比較法，並經參考類似物業（地區及狀況大致相同）之近期交易價格市場證據後得出。

#### 14. Investment Properties (Continued)

The carrying value of investment properties shown above are situated on freehold land in Taiwan.

#### 14. 投資物業 (續)

上述投資物業 (賬面值如上文所示) 位於台灣之永久業權土地。

Fair value hierarchy 公平值層次結構	Valuation technique 估值方法	Significant unobservable inputs(s) 主要不可觀察之輸入數據	Relationship of unobservable input(s) to fair value 不可觀察之輸入數據與公平值之關係
Level 3 三級	Direct comparison method and income method 直接比較法與收益法  The key inputs are: 主要輸入數據為：	Capitalisation rate, taking into account of the capitalisation of rental income potential nature of the property, prevailing market condition 資本化率，考慮及現時市況下物業之潛在租金收益性質的資本化	The higher the capitalisation rate, the lower the fair value 資本化率越高，公平值越低
	1) Capitalisation rate; 2) Monthly rent; 3) Price per square metre 1) 資本化率； 2) 月租； 3) 每平方米價格	Monthly rent, using direct market comparable and taking into account of age, location and individual factors such as road frontage, size of property and layout/design of the base level 月租，使用直接市場可比價格並考慮及樓齡、位置及個別因素，比如一樓的道路通達、物業面積及佈局／設計	The higher the monthly rent, the higher the fair value 月租越高，公平值越高
		Price per square metre, using market direct comparable and taking into account of location and other individual factors such as road frontage, size of property, etc. of the base level 每平方米價格，使用直接市場可比價格並考慮及位置及其他個別因素，比如一樓的道路通達、物業面積等	The higher the price per square metre, the higher the fair value 每平方米價格越高，公平值越高

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### 15. Property, Plant and Equipment

### 15. 物業、廠房及設備

		Freehold land 永久業權 土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、 裝置及設備 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本								
At 1 January 2015	於二零一五年 一月一日	16,016	187,382	53,841	50,811	2,858	96,785	10,938	418,631
Exchange realignment	匯兌調整	2,370	(25,436)	(1,927)	3,434	119	4,569	(233)	(17,104)
Additions	增添	-	1,045	2,891	629	-	4,996	4,842	14,403
Disposals	出售	-	-	(12,807)	(277)	(10)	(41,958)	(379)	(55,431)
Transfer	轉讓	-	11,576	8,829	(14,327)	-	-	(6,078)	-
At 31 December 2015	於二零一五年 十二月三十一日	18,386	174,567	50,827	40,270	2,967	64,392	9,090	360,499
Exchange realignment	匯兌調整	(2,474)	(7,344)	(1,277)	(2,418)	(26)	(2,851)	(400)	(16,790)
Additions	增添	-	4,514	5,732	1,744	180	2,970	3,890	19,030
Disposals	出售	-	-	(767)	(336)	(742)	(1,667)	(1,235)	(4,747)
Transfer	轉讓	-	-	1,149	624	-	5,809	(7,582)	-
At 31 December 2016	於二零一六年 十二月三十一日	15,912	171,737	55,664	39,884	2,379	68,653	3,763	357,992
DEPRECIATION	折舊								
At 1 January 2015	於二零一五年 十二月三十一日	-	61,358	33,318	29,803	989	69,455	-	194,923
Exchange realignment	匯兌調整	-	(2,172)	(2,828)	(1,889)	(61)	(569)	-	(7,519)
Provided for the year	年內撥備	-	3,166	10,293	5,933	397	14,043	-	33,832
Eliminated on disposals	於出售時撇銷	-	-	(11,303)	(230)	(10)	(36,545)	-	(48,088)
Transfer	轉讓	-	3,410	8,829	(12,239)	-	-	-	-
At 31 December 2015	於二零一五年 十二月三十一日	-	65,762	38,309	21,378	1,315	46,384	-	173,148
Exchange realignment	匯兌調整	-	(3,761)	(1,271)	(1,275)	(22)	(1,838)	-	(8,167)
Provided for the year	年內撥備	-	5,323	6,011	3,225	337	7,544	-	22,440
Eliminated on disposals	於出售時撇銷	-	-	(741)	(318)	(521)	(1,391)	-	(2,971)
At 31 December 2016	於二零一六年 十二月三十一日	-	67,324	42,308	23,010	1,109	50,699	-	184,450
CARRYING VALUES	賬面值								
At 31 December 2016	於二零一六年 十二月三十一日	15,912	104,413	13,356	16,874	1,270	17,954	3,763	173,542
At 31 December 2015	於二零一五年 十二月三十一日	18,386	108,805	12,518	18,892	1,652	18,008	9,090	187,351



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### 15. Property, Plant and Equipment (Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Freehold land	Nil
Buildings	40 years
Leasehold improvements	The shorter of the unexpired period of the lease and estimated useful life of 3 to 10 years
Machinery	5 – 10 years
Motor vehicles	3 – 5 years
Furniture, fixtures and equipment	2 – 15 years

### 15. 物業、廠房及設備 (續)

上述物業、廠房及設備項目(在建工程除外)按直線基準根據以下年率折舊:

永久業權土地	無
樓宇	40年
租賃物業裝修	未屆滿租賃年期或估計可使用年期3至10年(以較短者為準)
廠房及機器	5 – 10年
汽車	3 – 5年
傢具、裝置及設備	2 – 15年

### 16. Prepaid Lease Payments

### 16. 自用土地租賃款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's prepaid lease payments comprise leasehold land rights in the PRC under medium-term land use rights	本集團之自用土地租賃款包括於中國大陸根據中期土地使用權持有之租賃土地使用權	<u>49,423</u>	<u>54,243</u>
Analysed for reporting purposes as:	就申報用途分析如下:		
Non-current asset	非流動資產	<u>48,296</u>	53,796
Current asset	流動資產	<u>1,127</u>	447
		<u>49,423</u>	<u>54,243</u>

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### 17. Goodwill

### 17. 商譽

		HK\$'000 千港元
<hr/>		
COST	成本	
At 1 January 2015	於二零一五年一月一日	31,464
Exchange realignment	匯兌調整	(1,226)
		<hr/>
At 31 December 2015	於二零一五年十二月三十一日	30,238
Exchange realignment	匯兌調整	(1,536)
		<hr/>
At 31 December 2016	於二零一六年十二月三十一日	28,702
<hr/>		
IMPAIRMENT	減值	
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日	3,192
		<hr/>
CARRYING VALUES	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	25,510
		<hr/>
At 31 December 2015	於二零一五年十二月三十一日	27,046
		<hr/>

For the purposes of impairment testing, goodwill has been allocated to an individual cash generating unit, namely, sale of cosmetic products in the PRC CGU. The carrying amounts of goodwill as at 31 December 2016 and 2015 is allocated to this CGU.

就減值測試而言，商譽已獲分配至獨立現金產生單位，即於中國大陸銷售美容產品之現金產生單位。於二零一六年及二零一五年十二月三十一日之商譽賬面值乃分配至此現金產生單位。

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period using a declining growth rate and cash flows over five years are extrapolated assuming no growth rate, and discount rate of 7.9% (2015: 7%). One key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of this unit to exceed the aggregate recoverable amount of this unit.

現金產生單位之可收回金額已根據使用價值計算釐定。計算方法基於管理層已批准之五年財務預算並使用遞減增長率作出之現金流量預測，而五年之現金流量則根據零增長率之假設及7.9%貼現率（二零一五年：7%）推斷。使用價值計算方法之另一項主要假設與估計現金流入／流出有關（包括預算銷售額及毛利率），有關估計按現金產生單位之過往表現及管理層對市場發展之預期釐定。管理層相信，任何該等假設之任何合理可能變動均不會導致此現金產生單位之賬面總值超出此現金產生單位之可收回總金額。

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18. Inventories

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
Raw materials	原材料	37,109	31,573
Finished goods	製成品	22,690	28,602
		59,799	60,175
Allowance for obsolete inventories	陳舊存貨撥備	(9,957)	(13,270)
		49,842	46,905

19. Trade and Other Receivables

19. 貿易及其他應收賬款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables	貿易應收賬款	74,448	47,963
Less: allowance for doubtful debts	減：呆賬撥備	(1,476)	(6,753)
		72,972	41,210
Prepayments	預付款項	6,063	7,016
Other receivables	其他應收賬款	5,593	5,820
Total trade and other receivables	貿易及其他應收賬款總額	84,628	54,046

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### 19. Trade and Other Receivables (Continued)

The Group allows an average credit period of 30 to 60 days (2015: 45 days) to its trade customers. The credit period provided to customers can vary based on a number of factors including the customer's credit profile and sales promotion policy. The aging analysis of trade receivables net of allowance for doubtful debts presented based on the date of delivery of goods at the end of the reporting period as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Aged:	賬齡：		
Within credit period	信貸期內	57,218	31,943
Credit period – 180 days	信貸期 – 180日	15,754	9,267
		<u>72,972</u>	<u>41,210</u>

Included the Group's receivable balances are debtors with aggregate carrying amount of HK\$15,754,000 (2015: HK\$9,267,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Aged:	賬齡：		
Credit period – 180 days	信貸期 – 180日	15,754	9,267

### 19. 貿易及其他應收賬款 (續)

本集團給予其貿易客戶平均30日至60日之信貸期(二零一五年: 45日)。提供客戶之信貸期可依據多項因素(包括客戶之信用狀況及促銷政策)而有所不同。於報告期間結算日,按發貨日期計算呈列之貿易應收賬款(已扣除呆賬撥備)賬齡分析如下:

本集團應收賬款結餘包括總賬面值15,754,000港元(二零一五年: 9,267,000港元)於本報告日期已逾期的賬款,本集團並無就其減值虧損作出撥備。本集團並沒有就該等逾期結餘持有任何抵押品。

已逾期但不需減值的貿易應收賬款賬齡:

## 19. Trade and Other Receivables (Continued)

The directors of the Company assessed the credit quality of those debtors that the balances are past due by reviewing their financial position, the past repayment record and the experience on any recent history of default. The amounts are considered recoverable. The Group does not hold any collateral over these balances.

Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits to customers are reviewed regularly. The majority of the trade receivables that are neither past due nor impaired have no history of defaulting on repayments.

### Movement in the allowance for doubtful debts

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance at the beginning of the year	年初餘額	6,753	2,460
Amounts recovered during the year	年內收回金額	(1,364)	(324)
Allowance on receivables	應收賬款撥備	950	4,906
Amounts written off as uncollectible	撇銷不可回收款項金額	(4,565)	-
Exchange realignment	匯兌調整	(298)	(289)
Balance at the end of the year	年末餘額	<u>1,476</u>	<u>6,753</u>

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$1,476,000 (2015: HK\$6,753,000), which have been identified with financial difficulties. The Group does not hold any collateral over these balances.

## 19. 貿易及其他應收賬款 (續)

本公司董事對逾期結餘評估債務人的信貸質素，審查其財務狀況，過往的還款記錄和任何近期的違約經驗，認為該逾期結餘數額可以全數收回。本集團並未就該等逾期結餘持有任何抵押品。

接納任何新客戶前，本集團利用內部信貸系統對潛在客戶的信貸質素進行評估並且釐定其信用額度。本集團對客戶的額度進行定期審查。大部份未逾期亦未減值的貿易應收賬款沒有不履行償還的歷史。

### 呆賬撥備變動

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance at the beginning of the year	年初餘額	6,753	2,460
Amounts recovered during the year	年內收回金額	(1,364)	(324)
Allowance on receivables	應收賬款撥備	950	4,906
Amounts written off as uncollectible	撇銷不可回收款項金額	(4,565)	-
Exchange realignment	匯兌調整	(298)	(289)
Balance at the end of the year	年末餘額	<u>1,476</u>	<u>6,753</u>

呆賬撥備包括確定有財務困難的個別減值貿易應收賬款之總結餘共計1,476,000港元(二零一五年: 6,753,000港元)。本集團並未就該等逾期結餘持有任何抵押品。

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### 20. Pledged Bank Deposits/Bank Balances and Cash

In 2015, the Group signed a guarantee agreement and placed bank deposits with China Merchants Bank of China ("CMBC"), in order for CMBC to issue guarantee letters to Fengxian government for the Group's acquisition of the land use right. The pledged bank deposits will be released upon the expirations of the guarantee letters.

In 2015, the Group placed the pledged bank deposits in CMBC for the said transaction. As at 31 December 2016, the carrying amount of the pledged bank deposits was RMB3,054,000 (equivalent to approximately HK\$3,412,000), of which RMB1,527,000 (equivalent to approximately HK\$1,706,000) will be released in 2017 and RMB1,527,000 (equivalent to approximately HK\$1,706,000) will be released in 2018.

As at 31 December 2016, the Group's bank deposits of US\$510,000 (2015: US\$697,000) (equivalent to approximately HK\$3,958,000 (2015: HK\$5,371,000)) was denominated in a currency other than the functional currency of the relevant group entity.

### 21. Trade and Other Payables

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables	貿易應付賬款	20,880	14,942
Deposits from customers	客戶押金	26,901	36,798
Other tax payables	其他應付稅項	25,654	8,476
Accruals	應付費用	48,914	47,499
Other payables	其他應付賬款	9,849	9,769
Total trade and other payables	貿易及其他應付賬款總額	132,198	117,484

### 20. 已抵押銀行存款／銀行結存及現金

於二零一五年，本集團為購買土地使用權與中國招商銀行（「招商銀行」）簽署保證協議及用銀行存款作為抵押以便招商銀行向奉賢區政府開出保函。已抵押銀行存款將在保函期滿後解除抵押。

於二零一五年，本集團已為上述交易抵押銀行存款存於招商銀行。於二零一六年十二月三十一日，抵押銀行存款賬面值為人民幣3,054,000元（相當於約3,412,000港元），其中人民幣1,527,000元（相當於約1,706,000港元）將於二零一七年解除抵押，人民幣1,527,000元（相當於約1,706,000港元）將於二零一八年解除抵押。

於二零一六年十二月三十一日，金額為510,000美元（二零一五年：697,000美元）（相當於約3,958,000港元（二零一五年：5,371,000港元））之本集團銀行存款，乃按相關集團實體功能貨幣以外之貨幣計值。

### 21. 貿易及其他應付賬款

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### 21. Trade and Other Payables (Continued)

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 90 days	90日內	20,221	13,239
91 days to 365 days	91日至365日	215	54
Over 365 days	超過365日	444	1,649
		<b>20,880</b>	14,942

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

### 21. 貿易及其他應付賬款 (續)

於報告期間結算日，按發票日期計算呈列之貿易應付賬款賬齡分析如下：

購買貨品之平均信貸期為90日。本集團已制定財務風險管理政策，以確保所有應付賬款均於信貸時限內償付。

### 22. Deferred Income

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Prepaid treatment fees	預付療程費	<b>6,223</b>	6,593

Deferred income represents the receipts via credit cards, cheques and cash from sales of beauty services to customers and recognised in the profit or loss upon the services to the customers are provided.

### 22. 遞延收益

遞延收益指向客戶銷售美容服務而透過信用卡、支票及現金收取之款項，其於向客戶提供服務時在損益表確認。

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### 23. Retirement Benefits Plans

#### (a) Defined benefit plan

The Group's Taiwan subsidiaries participate in a central pension scheme providing benefits to certain employees in accordance with the Labour Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the scheme to pay the benefits earned. The Group currently contributes at 2% of the total salaries as determined and approved by the relevant government authorities. Under the scheme, the employees are entitled to retirement benefits equal to two months' salary for each year of service for the first 15 years and one month's salary for each year of service following the 15 years, but not more than 45 months' salary in aggregate on the attainment age of 60. No other post-retirement benefits are provided.

The Group's net obligation in respect of the pension scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. An actuarial valuation as at 31 December 2016 and 2015 was carried out by a qualified staff member of PricewaterhouseCoopers Taiwan, who is a member of The Actuarial Institute of the Republic of China. The actuarial valuation indicates that the Group's obligations under this defined benefit retirement scheme are 2% (2015: 2%) covered by the deposits paid with the Bank of Taiwan, Ltd.

### 23. 退休福利計劃

#### (a) 定額福利計劃

本集團台灣附屬公司根據台灣勞動基準法(經修訂)參加中央退休金計劃,以向若干僱員提供福利。本集團有責任確保有關計劃具有充裕資金,足以支付僱員賺取所得之福利。本集團現按薪金總額2%作出供款,有關比率由有關政府當局釐定及批准。根據有關計劃,僱員可享有之退休福利如下:於首15個服務年度,每年可享有相等於兩個月薪金之退休福利;於首15個服務年度之後,每年可享有相等於一個月薪金之退休福利,惟屆60歲時所得退休福利合共不得超過45個月薪金。本集團並無提供任何其他退休後福利。

本集團就退休金計劃而承擔之債務淨額,乃按僱員現時及過往期間提供服務而賺取所得之日後福利預計金額計算,有關福利會貼現以釐定現值,並會扣除任何計劃資產之公平值。有關計算由合資格精算師採用預計單位給付成本法計算。於二零一六年及二零一五年十二月三十一日之精算估值乃由資誠聯合會計師事務所之合資格員工進行,其為中華民國精算學會會員。上述精算估值顯示,本集團在是項定額福利退休計劃下之債務為2%(二零一五年:2%),由已付予台灣銀行有限公司之存款支付。



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### 23. Retirement Benefits Plans (Continued)

#### (a) Defined benefit plan (Continued)

- (i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

		2016 二零一六年	2015 二零一五年
Discount rate	貼現率	1.10%	1.80%
Expected return on plan assets	計劃資產之預期回報率	1.10%	1.80%
Expected rate of salary increases	預期薪金增加幅度	2.00%	3.25%

The actuarial valuation showed that the market value of plan assets was HK\$7,037,000 (2015: HK\$247,000).

精算估值顯示計劃資產之市值為7,037,000港元（二零一五年：247,000港元）。

- (ii) Amounts recognised in profit or loss in respect of the defined benefit plans are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current service cost	現時服務成本	125	122
Interest on obligations	債務利息	232	256
Expected return on plan assets	計劃資產之預期回報	(5)	(23)
		<b>352</b>	355

- (ii) 已於損益表中確認之定額福利計劃金額如下：

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### 23. Retirement Benefits Plans (Continued)

#### (a) Defined benefit plan (Continued)

- (iii) Amounts recognised in other comprehensive income (expense) in respect of the defined benefit plans are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Remeasurement on the net defined benefit liability:	重新計量定額福利負債淨額：		
– Actuarial gain (loss) arising from remeasurement	– 重新計量產生之精算收益（虧損）	715	(398)
– Expected return on plan assets	– 計劃資產之預期回報	–	51
		<u>715</u>	<u>(347)</u>

- (iv) The amounts included in the consolidated statement of financial position arising from the Group's obligations in respect of its defined benefit plans are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Present value of funded defined benefit obligations	已供款定額福利債務之現值	11,138	12,579
Fair value of plan assets	計劃資產之公平值	<u>(7,037)</u>	<u>(247)</u>
Net liability arising from defined benefit obligations	定額福利債務產生之淨負債	<u>4,101</u>	<u>12,332</u>

### 23. 退休福利計劃（續）

#### (a) 定額福利計劃（續）

- (iii) 已於其他全面收益（開支）中確認之定額福利計劃金額如下：

- (iv) 已計入綜合財務狀況報表之定額福利計劃產生之本集團債務金額如下：

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### 23. Retirement Benefits Plans (Continued)

#### (a) Defined benefit plan (Continued)

- (v) Movements in the present value of the defined benefit obligations in the current year were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	12,579	13,874
Current service cost	現時服務成本	125	122
Interest on obligations	債務利息	232	256
Benefits paid	已付福利	(1,363)	(1,549)
Actuarial (gain) loss	精算(收益)虧損	(715)	398
Exchange differences on foreign plans	海外計劃匯兌差額	280	(522)
At 31 December	於十二月三十一日	11,138	12,579

- (vi) Movements in the fair value of the plan assets in the current year were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	247	1,252
Contributions from the employer	僱主供款	6,798	508
Expected return on plan assets	計劃資產之預期回報	5	23
Benefits paid	已付福利	-	(1,549)
Actuarial gains	精算收益	-	51
Exchange differences on foreign plans	海外計劃匯兌差額	(13)	(38)
At 31 December	於十二月三十一日	7,037	247
Actual return on plan assets	計劃資產之實際回報	2	(23)

### 23. 退休福利計劃 (續)

#### (a) 定額福利計劃 (續)

- (v) 本年度定額福利債務現值之變動如下：

- (vi) 本年度計劃資產公平值之變動如下：

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### 23. Retirement Benefits Plans (Continued)

#### (a) Defined benefit plan (Continued)

- (vi) Movements in the fair value of the plan assets in the current year were as follows: (Continued)

The directors' assessment of the expected return is based on historical return trends and analysts' predictions of the market for the assets in the next twelve months.

The major categories of plan assets, and the percentage of the fair value at the end of the reporting period for each category are as follows:

		2016 二零一六年 %	2015 二零一五年 %
Deposits with financial institutions	財務機構存款	18.04	17.94
Short term bills	短期票據	2.74	2.54
Stocks	股份	10.09	9.11
Bonds	債券	12.00	12.18
Others	其他	57.13	58.23
		<b>100.00</b>	<b>100.00</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by HK\$883,000 (increase by HK\$1,020,000).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by HK\$897,000 (decrease by HK\$798,000).

### 23. 退休福利計劃 (續)

#### (a) 定額福利計劃 (續)

- (vi) 本年度計劃資產公平值之變動如下：(續)

董事所作預期回報評估乃根據過往回報走勢及分析員對資產市場未來十二個月之預測進行。

計劃資產之主要類別以及於報告期間結算日各類別估計計劃資產公平值之百分比如下：

釐定定額債務所用主要精算假設為貼現率及預期薪金增加。以下敏感度分析乃根據各假設於報告期間結算日之合理可能變動同時所有其他假設維持不變而釐定。

- 如果貼現率增加(減少)100個基點，則定額福利債務將減少883,000港元(增加1,020,000港元)。
- 如果預期薪金增長增加(減少)1%，則定額福利債務將增加897,000港元(減少798,000港元)。

## 23. Retirement Benefits Plans (Continued)

### (a) Defined benefit plan (Continued)

- (vi) Movements in the fair value of the plan assets in the current year were as follows: (Continued)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### (b) Defined contribution plans

- (i) The Group operates a Mandatory Provident Fund Scheme ("the HK MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and Mandatory Provident Fund Scheme under the Labour Standards Law (as amended) in Taiwan (the "TW MPF Scheme"). The HK MPF scheme and the TW MPF Scheme are defined contribution retirement scheme administered by independent trustees. Under the HK MPF scheme and TW MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% and 6%, respectively, of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (with effect from 1 June 2014) for the HK MPF Scheme while there is no cap to monthly income under the TW MPF Scheme. Contributions to the scheme vest immediately.

## 23. 退休福利計劃 (續)

### (a) 定額福利計劃 (續)

- (vi) 本年度計劃資產公平值之變動如下：(續)

上列敏感度分析可能並不代表定額福利債務之實際變動，因為若干假設可能互相關連，致使假設不太可能孤立於其他假設出現變動。

此外，呈列上述敏感度分析時，定額福利債務之現值已於報告期間結算日採用預計單位給付成本法計算，計算於綜合財務狀況報表中確認之定額福利債務負債亦採用此種計算方式。

編製敏感度分析所用方法和假設較過往年度並無變動。

### (b) 定額供款計劃

- (i) 本集團根據香港強制性公積金計劃條例為於香港僱傭條例管轄範圍內聘用之僱員設立強制性公積金計劃（「香港強積金計劃」），另根據台灣勞動基準法（經修訂）設立強制性公積金計劃（「台灣強積金計劃」）。香港強積金計劃及台灣強積金計劃為由獨立信託人管理之定額供款退休計劃。根據香港強積金計劃及台灣強積金計劃，僱主及僱員須各自向計劃作出供款，供款額分別相當於僱員有關收入5%及6%。香港強積金計劃之每月有關收入上限為30,000港元（由二零一四年六月一日起生效），而台灣強積金計劃並無每月收入上限。計劃供款即時撥歸僱員所有。

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### 23. Retirement Benefits Plans (Continued)

#### (b) Defined contribution plans (Continued)

- (ii) The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefit plan operated by the PRC government. As stipulated by the regulations of the PRC, these relevant subsidiaries participate in various defined contribution retirement plans organised by the relevant authorities for its PRC employees. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the pension liabilities to these retired staff. The Group is required to make contributions to the retirement plans which are calculated based on certain prescribed rates and the salaries, bonuses and certain allowances of its PRC employees. The Group has no other material obligations for the payment of pension benefits associated with these plans beyond the annual contributions described above.

The total cost charged to profit or loss of HK\$14,790,000 (2015: HK\$15,836,000) represents contributions paid on payable to these schemes by the Group in respect of the current accounting period.

### 23. 退休福利計劃 (續)

#### (b) 定額供款計劃 (續)

- (ii) 本集團中國大陸附屬公司之僱員為中國政府經營之國家管理退休福利計劃成員。有關附屬公司已根據中國法規規定，為其中國大陸僱員參加多個由有關當局安排之定額供款退休計劃。僱員有權收取之退休金乃根據有關政府法規之規定，按彼等於退休時之基本薪金及服務年期計算。中國政府負責向有關退休員工發放退休金，而本集團則須向有關退休計劃作出供款，供款額按若干指定比率及本集團中國大陸僱員之薪金、花紅及若干津貼計算。就支付上述計劃之相關退休福利而言，除了作出上述年度供款外，本集團再無任何其他重大責任。

計入損益表之總成本為14,790,000港元（二零一五年：15,836,000港元），乃本集團就現行會計期間已付或應付該等計劃之供款。

## 24. Share Capital

## 24. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股0.1港元之普通股		
Authorised:	法定：		
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日	4,000,000,000	400,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日	2,002,100,932	200,210

## 25. Share Option Scheme

Pursuant to the written resolution passed by the shareholders on 11 March 2002, the Company has adopted a share option scheme (the "Old Scheme") for the primary purpose of providing incentives to directors and eligible employees. Under the Old Scheme, the Company may grant options to full-time employees (including executive and non-executive Directors) of the Company or its subsidiaries to subscribe for the shares at a consideration of HK\$1 for each lot of share options granted. Options granted must be taken up within 28 days of the date of grant. The Old Scheme will remain valid for a period of 10 years commencing on 11 March 2002.

A new share option scheme ("New Scheme") with terms exactly the same as the Old Scheme with different exercisable periods was approved at the Annual General Meeting ("AGM") on 13 May 2011. Upon the approval of the New Scheme, the amended Old Scheme was terminated at the AGM on 13 May 2011.

## 25. 認股權計劃

根據股東於二零零二年三月十一日通過之書面決議案，本公司採納了一項認股權計劃（「舊計劃」），主要目的在於提供獎勵予董事及合資格僱員。根據舊計劃，本公司可向本公司或其附屬公司之全職僱員（包括執行董事及非執行董事）授出可認購股份之認股權，每批授出認股權之代價為1港元。有關人士必須於授出日期起計28日內接納獲授之認股權。舊計劃之有效期自二零零二年三月十一日起生效，為期十年。

於二零一一年五月十三日舉行之股東週年大會（「股東週年大會」）上，股東批准新的認股權計劃（「新計劃」），新計劃之條款與舊計劃之條款完全相同但行使期間不同。於新計劃獲批准後，本公司亦於二零一一年五月十三日舉行之股東週年大會上終止經修訂舊計劃。

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### 25. Share Option Scheme (Continued)

Options granted under the New Scheme may be exercised during such period as would be determined by the board of directors of the Company (the "Board") and notified to each grantee upon grant of the option, but in any event not later than 10 years from the date of grant of the option. The subscription price for shares under the New Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the higher of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; and (b) the average of the closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option.

The total number of shares in respect of which options may be granted under the New Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in the 12-month period up to and including the date of such grant in excess of 0.1% of the Company's share capital in issue or with an aggregate value in excess of HK\$5 million based on the closing price of the shares at the date of each grant must be approved in advance by the Company's shareholders.

The Company may grant share options under the New Scheme to specified participants over and above the scheme mandate limit or the refreshed scheme mandate limit referred to above subject to shareholders' approval in general meetings and the issue of a circular.

The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes of the Company (or the subsidiary) must not exceed 30% of the relevant class of securities of the Company (or the subsidiary) in issue from time to time. No options may be granted under any schemes of the Company (or the subsidiary) if this will result in the limit being exceeded.

### 25. 認股權計劃 (續)

認股權承授人可於本公司董事會（「董事會」）在新計劃下授出認股權時所決定並知會各承授人之期間行使認股權，惟在任何情況下，必須於授出認股權日期起計十年內行使。根據新計劃，股份認購價可由董事會全權酌情釐定，惟在任何情況下，認購價不得低於以下價格之較高者：(a)於認股權授出日期（必須為營業日），股份在聯交所每日報價表所示收市價；及(b)於緊接有關認股權授出日期前五個營業日，股份於聯交所每日報價表所示平均收市價。

未經本公司股東事先批准前，根據新計劃可能授出認股權所涉股份總數，不得超過本公司任何時間之已發行股份的10%。未經本公司股東事先批准前，任何人士在任一個年度內已獲授及可能獲授之認股權予以行使時所獲發行及將獲發行之股份數目，不得超過本公司任何時間之已發行股份的1%。主要股東或獨立非執行董事於截至（並包括）授出日期止十二個月期間內獲授之認股權如超過本公司已發行股本的0.1%，或根據授出日期股份收市價計算之總值超過5,000,000港元，必須事先獲得本公司股東批准。

本公司可向指定參與者授出超過上述計劃授權限額或更新計劃授權限額之認股權，惟須符合取得股東在股東大會作出批准及刊發通函之規定。

根據新計劃及本公司（或有關附屬公司）任何其他計劃已授出但尚未行使之所有認股權予以行使時可能發行之股份總數，不得超過本公司（或有關附屬公司）不時已發行之有關類別證券之30%。如授出認股權將會導致所發行證券超逾限額，則不得根據本公司（或有關附屬公司）之任何計劃授出認股權。



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### 25. Share Option Scheme (Continued)

As at 31 December 2015 and 2016, the number of shares in respect of which options had been granted and remained outstanding under the New Scheme was nil.

The following table discloses movements of the Company's share options granted under New Scheme held by employees during the years ended 31 December 2015 and 2016:

Date of grant	Exercisable period	Exercise price	Outstanding at 1.1.2015 於二零一五年一月一日 尚未行使	Granted during the year 年內授出	Cancelled during the year 年內註銷	Lapsed/ forfeited during the year 年內失效/ 沒收	Outstanding at 1.1.2016 於二零一六年一月一日 尚未行使	Granted during the year 年內授出	Cancelled during the year 年內註銷	Lapsed/ forfeited during the year 年內失效/ 沒收	Outstanding at 31.12.2016 於二零一六年十二月三十一日 尚未行使
授出日期	行使期	行使價	尚未行使	年內授出	年內註銷	年內失效/ 沒收	尚未行使	年內授出	年內註銷	年內失效/ 沒收	尚未行使
19 April 2013 二零一三年 四月十九日	19 April 2022 to 18 April 2023 二零二二年四月十九日至 二零二三年四月十八日	HK\$0.99 0.99港元	14,515,228	-	(11,712,288)	(2,802,940)	-	-	-	-	-
10 May 2013 二零一三年 五月十日	10 May 2022 to 9 May 2023 二零二二年五月十日至 二零二三年五月九日	HK\$0.99 0.99港元	38,039,918	-	(38,039,918)	-	-	-	-	-	-
6 May 2014 二零一四年 五月六日	6 May 2023 to 5 May 2024 二零二三年五月六日至 二零二四年五月五日	HK\$0.99 0.99港元	21,522,584	-	(18,519,433)	(3,003,151)	-	-	-	-	-
2 December 2014 二零一四年 十二月二日	2 December 2023 to 1 December 2024 二零二三年十二月二日至 二零二四年十二月一日	HK\$0.99 0.99港元	7,607,983	-	(7,607,983)	-	-	-	-	-	-
31 March 2015 二零一五年 三月三十一日	31 March 2024 to 30 March 2025 二零二四年三月三十一日至 二零二五年三月三十日	HK\$0.99 0.99港元	-	3,500,000	(3,500,000)	-	-	-	-	-	-
			81,685,713	3,500,000	(79,379,622)	(5,806,091)	-	-	-	-	-
Exercisable at the end of the year 年終時可行使											Nil 零
Weighted average exercise price 加權平均行使價		HK\$0.99 0.99港元	HK\$0.99 0.99港元	HK\$0.99 0.99港元	HK\$0.99 0.99港元	Nil 零	Nil 零	Nil 零	Nil 零	Nil 零	Nil 零

### 25. 認股權計劃 (續)

於二零一五年及二零一六年十二月三十一日，根據新計劃已授出但仍尚未行使之認股權股份數目為零。

下表披露於截至二零一五年及二零一六年十二月三十一日止年度本公司根據新計劃授出並由僱員持有之認股權之變動：

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### 25. Share Option Scheme (Continued)

On 4 April 2011, the Company granted share options ("2011 Options") to certain employees to subscribe for a maximum of 90,895,381 shares and was vested over a four-year period subject to the achievement of performance targets determined by the board of directors.

On 19 April 2013, the Group cancelled 3,363,528 2011 Options and accounted for such cancellation as an acceleration of vesting and therefore recognised immediately approximately HK\$919,000 that otherwise would have been recognised for service received over the remainder of the vesting period.

Following the cancellation of the aforesaid remaining 2011 Options, an aggregate of 42,144,222 share options ("2014 Options") were granted to the Chief Executive of the Company and other employees of the Group during the year ended 31 December 2014.

Each of the 2013 Options and 2014 Options (collectively "the options") should be vested over 4 years commencing from the date falling on the publication of the audited financial results of the Group for the financial year 2014 (in the case of 2013 Options), year 2015 (in the case of May 2014 Options) and year 2016 (in the case of December 2014 Options) (respectively referred to as the "First Year", as the case may be) respectively, at the rate of up to a maximum of 40% for the First Year and up to a maximum of 20% for each of the following three years, subject to (i) the achievement of performance targets for each financial year as determined by the Board as its sole discretion, and (ii) the Option holder remaining an Eligible Person (as defined in the share option scheme of the Company) at the time of each vesting of the Options. Also, the option holders can only exercise the 2014 Options and 2013 Options nine years after the date of granting the options provided that if the employment or service with the Company or any of the subsidiaries of the option holders is terminated with cause or the option holders resign from their employment or service without good reason (as stipulated in the share option scheme), the 2014 Options and 2013 Options granted but not yet exercised will lapse automatically. Accordingly, the vesting period for these options under accounting treatment is regarded as a nine-year period, which is from the date of grant to the beginning of the earliest exercisable date of the options.

### 25. 認股權計劃 (續)

於二零一一年四月四日，本公司向若干僱員授出可認購最多達90,895,381股股份之認股權（「二零一一年認股權」），有關認股權定於四年內歸屬，歸屬條件為必須達致董事會所釐定之表現目標。

於二零一三年四月十九日，本集團註銷3,363,528份二零一一年認股權，並將該等註銷以加速歸屬入賬，由此即時確認假設如無該等註銷則餘下歸屬期所獲得服務原本可確認之金額，約919,000港元。

註銷前述餘下二零一一年認股權後，本集團於二零一四年十二月三十一日向本公司高級管理人員及本集團其他僱員授出總計42,144,222份認股權（「二零一四年認股權」）。

二零一三年認股權及二零一四年認股權（統稱為「認股權」）將分別自本集團刊發二零一四年財政年度（就二零一三年認股權而言）、二零一五年財政年度（就二零一四年五月認股權而言）及二零一六年財政年度（就二零一四年十二月認股權而言）（分別稱為「第一年」，視情況而定）經審核財務業績當日起計四年期間歸屬，歸屬比率為第一年最多達40%，隨後三年每年最多達20%，認股權之歸屬條件為於每次歸屬時：(i)必須達致董事會就每個財政年度全權酌情釐定之表現目標；及(ii)認股權持有人必須仍為合資格人士（定義見本公司之認股權計劃）。此外，認股權持有人僅可於二零一四年認股權和二零一三年認股權授出日期後九年內行使該等認股權，惟倘認股權持有人與本公司或任何附屬公司之僱傭或服務關係因故終止或認股權持有人無充分理由而辭職或停止提供服務（如認股權計劃所規定），其所獲授且尚未行使之二零一四年認股權和二零一三年認股權將自動失效。因此，須予以會計處理之認股權的歸屬期視為自授出日期至認股權最早可行使日期開始之九年期限。

## 25. Share Option Scheme (Continued)

On 31 March 2015, the Company granted share options ("2015 Options") to certain employees to subscribe for a maximum of 3,500,000 shares and was vested over a nine-year period subject to the achievement of performance targets determined by the Board of Directors. The estimated fair value of the 2015 Options was approximately HK\$404,950. The fair value was calculated using the Binomial Tree Pricing Model.

The inputs into the model were as follows:

Grant date	31.03.2015	
授出日期	二零一五年 三月三十一日	
Weighted average share price as at date of grant	授出日期之加權平均股價	HK\$0.65 0.65港元
Exercise price	行使價	HK\$0.99 0.99港元
Time to maturity	到期期限	10 years 10年
Expected volatility	預計波幅	41.69%
Dividend yield	股息率	5.49%
Risk-free interest rate	無風險利率	1.42%
Fair value of share options	認股權之公平值	HK\$0.1157 0.1157港元

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

Expected volatility was determined by historical daily volatilities of the Company's share prices as at the valuation date.

## 25. 認股權計劃 (續)

於二零一五年三月三十一日，本公司向若干僱員授出認購最多3,500,000股股份及歸屬期九年的認股權（「二零一五年認股權」）授出視乎能否完成董事會釐定的表現目標。二零一五年認股權的估計公平值約為404,950港元。公平值乃採用二項樹式定價模式計算。

有關模式之輸入參數如下：

計算認股權公平值所使用之變數及假設，乃基於董事之最佳估計而作出。變數及假設之變動可能導致認股權之公平值有所增減。

預計波幅乃根據截至估值日期本公司股價之過往每日波幅釐定。

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### 25. Share Option Scheme (Continued)

On 4 September 2015, Next Focus Holdings Limited ("Next Focus") entered into an agreement to acquire (the "Acquisition") the other 50% in the share capital of Starsign International Limited, which controls approximately 65.63% of the share capital of the Company, not already owned by it from CA NB Limited ("CA NB"). CA NB is an exempted company incorporated in the Cayman Islands with limited liability. Next Focus is a company incorporated in the British Virgin Islands, which is ultimately held as to 40 per cent., 30 per cent. and 30 per cent. by each of Dr. Tsai Yen-Yu, Dr. Su Chien-Cheng and Dr. Su Sh Hsyu, respectively. Each of Dr. Tsai Yen-Yu and Dr. Su Chien-Cheng is currently an executive director while Dr. Su Sh Hsyu is currently a non-executive director of the Company.

The closing of the Acquisition took place on 16 September 2015. Next Focus is required to make a mandatory general offer for all the offer shares of the Company pursuant to note 8 of Rule 26.1 of the Hong Kong code on Takeovers and Mergers (the "Takeovers Code") and to make an appropriate offer to the option holders for all share options in compliance with Rule 13 of the Takeovers Code by way of cancellation of the share options (collectively, the "Offers").

On 22 September 2015, the Board of Directors of the Company resolved to immediate vest all unvested Options granted in 2013, 2014 and 2015 pursuant to the terms of the share option scheme. Accordingly, the Group recognised all unrecognised share based payment expense in the current year. Following acceptance of the Offers, the relevant all share options together with all rights attaching thereto were cancelled in December 2015.

The Group recognised approximately HK\$9,334,000 in the consolidated statement of profit or loss and other comprehensive income in relation to share options granted by the Company during the prior year.

### 25. 認股權計劃 (續)

於二零一五年九月四日，Next Focus Holdings Limited (「Next Focus」) 簽署協議向CA NB Limited (「CA NB」) 收購(「收購」) Starsign International Limited之其尚未持有其他50%權益，後者控制本公司股本約65.63%。CA NB在開曼群島註冊成立為獲豁免有限公司。Next Focus是在英屬維爾京群島註冊成立；蔡燕玉博士、蘇建誠博士及蘇詩琇博士分別最終持有股本之40%，30%及30%。蔡燕玉博士和蘇建誠博士現任本公司執行董事而蘇詩琇博士現任本公司非執行董事。

收購在二零一五年九月十六日完成。Next Focus須根據香港收購合併守則(「收購合併守則」)第26.1條註釋8就所有要約股份提出強制性全面要約，並須遵照收購合併守則第13條通過註銷認股權就所有認股權向所有認股權持有人提出適當要約(統稱「要約」)。

於二零一五年九月二十二日，本公司董事會議決即時歸屬所有根據認股權計劃條款於二零一三年、二零一四年及二零一五年授出未歸屬認股權。據此，本集團在本年度確認所有未確認的股份付款費用。接受要約後，所有有關認股權和所有隨附權利在二零一五年十二月全數註銷。

本集團已於綜合損益及其他全面收益表中就上年度本公司所授出之認股權確認約9,334,000港元。

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### 26. Deferred Taxation

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current or prior years:

### 26. 遞延稅項

本年度或過往年度確認之主要遞延稅項資產（負債）以及其變動載列如下：

		Allowance for bad and doubtful debts	Inventory provision	Revaluation of investment properties	Defined benefit liability	Unrealised profits on inventories	Other short-term temporary differences	Undistributed earnings of PRC and overseas subsidiaries 中國大陸 及海外 附屬公司之 未分派盈利	Total
		呆壞賬撥備	存貨撥備	重估 投資物業	定額 福利負債	未變現 存貨溢利	其他短期 暫時差額	附屬公司之 未分派盈利	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 January 2015	於二零一五 年一月一日	625	236	674	4,920	6,750	(625)	(10,571)	2,009
Exchange realignment	匯兌調整	(37)	(199)	(42)	(83)	(164)	12	374	(139)
Credit (charge) to profit or loss	於損益表計入 (扣除)	1,100	3,097	477	(2,741)	(4,939)	1,564	(10,450)	(11,892)
Earnings distributed	已分派盈利	-	-	-	-	-	-	10,630	10,630
As at 31 December 2015	於二零一五年 十二月三十一日	1,688	3,134	1,109	2,096	1,647	951	(10,017)	608
Exchange realignment	匯兌調整	(74)	(181)	32	62	(108)	3	130	(136)
Credit (charge) to profit or loss	於損益表計入 (扣除)	(1,245)	(291)	(90)	(1,461)	970	2,032	(10,330)	(10,415)
Earnings distributed	已分派盈利	-	-	-	-	-	-	9,257	9,257
As at 31 December 2016	於二零一六年 十二月三十一日	369	2,662	1,051	697	2,509	2,986	(10,960)	(686)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$83,696,000 (2015: HK\$136,060,000) available for offset against future profits. No deferred tax asset has been recognised of such tax losses due to the unpredictability of future profit streams.

於報告期間結算日，本集團有未動用稅項虧損約83,696,000港元（二零一五年：136,060,000港元）可用作抵銷未來溢利。由於日後溢利來源難以確定，因此並無就有關稅項虧損確認遞延稅項資產。

Deferred taxation has been provided in full in respect of the undistributed earnings of the Group's PRC and overseas subsidiaries arising since 1 January 2008 as the directors consider that such earnings are estimated to be distributable in the foreseeable future. Deferred tax has been provided for in respect of the temporary differences attributable to such profits amounting to approximately HK\$144,645,000 (2015: HK\$139,409,000).

本集團已就旗下中國大陸及海外附屬公司自二零零八年一月一日起所產生之未分派盈利，作出全數遞延稅項撥備，原因為董事認為有關盈利估計於可見將來可作分派。本集團已就源自有關溢利之暫時差額作出遞延稅項撥備約144,645,000港元（二零一五年：139,409,000港元）。

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### 27. Operating Leases

#### The Group as lessee

During the year, the Group made rental payments for office premises and stores under operating leases as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Minimum lease payments	最低租賃付款	16,683	17,055
Contingent rental payments	或然租金付款	7,110	20,255
		<b>23,793</b>	<b>37,310</b>

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	19,975	13,527
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	23,992	8,676
Over five years	超過五年	-	558
		<b>43,967</b>	<b>22,761</b>

The above lease commitments only include commitments for basic rentals, and do not include commitments for contingent rental payable, if any, when the amounts are determined by applying a percentage of turnover of the respective leases, as it is not possible to determine in advance the amount of such contingent rentals.

### 27. 經營租約

#### 本集團作為承租人

年內，本集團根據經營租約就租用辦公室物業及店舖繳付租金如下：

於報告期間結算日，本集團根據不可撤銷經營租約之日後最低租賃付款之承擔及其到期情況如下：

上述租賃承擔僅包括基本租金承擔，並不包括應付之或然租金承擔(如有，按相關租賃之營業額某一百分比釐定金額)，原因為不可能預先釐定有關或然租金之金額。

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### 27. Operating Leases (Continued)

#### The Group as lessor

##### Property

Property rental income earned during the year was HK\$2,294,000 (2015: HK\$2,573,000), net of outgoings of HK\$719,000 (2015: HK\$1,011,000) for renting office premises. All of the properties held have committed tenants for the next one to five years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

### 27. 經營租約 (續)

#### 本集團作為出租人

##### 物業

年內賺取所得之物業租金收益為2,294,000港元(二零一五年: 2,573,000港元), 其已扣除租賃辦公室物業開支719,000港元(二零一五年: 1,011,000港元)。本集團持有之所有物業於未來一至五年已獲租客承租。

於報告期間結算日, 本集團與租戶已訂約之日後最低租賃付款如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	2,487	3,419
In the second year to fifth year inclusive	第二至第五年(包括首尾兩年)	2,006	3,476
Over five years	超過五年	1,435	2,460
		<b>5,928</b>	9,355

### 28. Capital Commitments

### 28. 資本承擔

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表撥備有關收購物業、廠房及設備之資本開支	2,538	5,920

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### 29. Connected and Related Party Disclosures

During the year, the Group had significant transactions with related parties, which are also deemed to be connected parties pursuant to the Rules Governing the Listing of Securities on the Stock Exchange. The significant transactions with these parties during the year are as follows:

#### (a) TRANSACTIONS

##### (i) Connected parties

Name of company 公司名稱	Nature of transactions 交易性質	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<i>Companies controlled by individuals who collectively have joint control over the Company's ultimate holding company and are also executive directors of the Company:</i> 集體共同控制本公司的最終控股公司兼同為本公司執行董事之個人人士所控制公司：			
青春再現度假育樂股份有限公司	Rental income 租金收益	14	15
幸福農企業股份有限公司	Rental income 租金收益	14	15
<i>Company controlled by substantial shareholder:</i> 主要股東所控制公司：			
CA NB Limited (Note) CA NB Limited (附註)	Consultancy fee expenses 顧問費用支出	–	2,944
<i>Directors of the Company:</i> 本公司董事：			
Individuals who collectively have joint control over the Company's ultimate holding company and are also executive directors of the Company 集體共同控制本公司的最終控股公司兼同為本公司執行董事之個人人士	Rental expenses 租金支出	6,723	6,823

Note: the consultancy services agreement with CA NB Limited was terminated in September 2015.

### 29. 關連及關聯人士交易之披露

年內，本集團曾與關聯人士進行重大交易。根據聯交所證券上市規則之規定，有關關聯人士亦被視為關連人士。年內，本集團曾與該等人士進行之重大交易如下：

#### (a) 交易

##### (i) 關連人士

附註：CA NB Limited顧問服務協議於二零一五年九月終止。



## 29. Connected and Related Party Disclosures (Continued)

### (a) TRANSACTIONS (Continued)

#### (ii) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term benefits 短期福利	<b>6,817</b>	9,924

The remuneration of directors and key executives is determined by the remuneration committee having regarded to the performance of individuals and market trends.

## 29. 關連及關聯人士交易之披露 (續)

### (a) 交易 (續)

#### (ii) 主要管理人員之報酬

董事及其他主要管理人員於年內之酬金如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term benefits 短期福利	<b>6,817</b>	9,924

董事及主要行政人員之酬金乃由薪酬委員會經參考個別表現及市場趨勢後釐定。

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### 29. Connected and Related Party Disclosures (Continued)

#### (b) OTHER ARRANGEMENTS

- (i) On 5 October 2001, Natural Beauty Taiwan entered into two separate licensing agreements with a director of the Company. Under the agreements, the director agreed to license a number of trademarks to Natural Beauty Taiwan, on an exclusive basis, for a nominal consideration of NT\$1. The licensing agreements will be effective till the expiry of the registration of the respective trademarks, which are in 2015 and 2019.
- (ii) On 10 November 2008, 12 January 2009 and 15 October 2009, Dr. TSAI Yen-Yu, Dr. SU Chien-Cheng and Dr. SU Sh-Hsyu (collectively the "Licensors") and the Company (the "Licensee") entered into a license agreement and subsequent amendments at a consideration of HK\$10 for the royalty-free, fully paid-up, perpetual and non-revocable licence and privilege throughout the world to use the certain trade marks on exclusive use and non-exclusive use basis.
- (iii) On 10 November 2008 and 12 January 2009, the Company (the "Licensor") and Dr. TSAI Yen-Yu (the "Licensee") entered into a license agreement and subsequent amendments at a consideration of HK\$10 for a non-exclusive, royalty-free and perpetual licence (including the right to grant sub-licences) to use certain trademarks solely in relation to the operation of resorts and hotels, for education related purposes and in the field of healthcare and only in the jurisdiction in which such trademarks are registered or have been applied for. The Licensee shall offer the Company the opportunity to participate in any new investments.

### 29. 關連及關聯人士交易之披露 (續)

#### (b) 其他安排

- (i) 於二零零一年十月五日，自然美台灣與本公司一名董事訂立兩份獨立許可權協議。根據該等協議，有關董事同意以象徵式代價新台幣1元，向自然美台灣獨家授出若干商標之許可權。上述許可權協議將一直有效，直至各商標之註冊到期失效為止（即二零一五年與二零一九年）。
- (ii) 於二零零八年十一月十日、二零零九年一月十二日及二零零九年十月十五日，蔡燕玉博士、蘇建誠博士及蘇詩琇博士（統稱「授權方」）與本公司（「獲授權方」）訂立許可權協議及其後修訂，以10港元之代價授出免特許權使用費、繳足、永久性及其不可撤回之許可權及特權，以於全球各地按獨家及非獨家基準使用若干商標。
- (iii) 於二零零八年十一月十日及二零零九年一月十二日，本公司（「授權方」）與蔡燕玉博士（「獲授權方」）訂立許可權協議及其後修訂，以10港元之代價授出非獨家、免特許權使用費及永久性的許可權（包括分授許可權之權利），以使用若干商標，惟僅可就經營渡假村及酒店業務、教育相關用途及保健範疇等方面使用有關商標，並僅可於商標已註冊或已申請註冊之司法權區使用有關商標。獲授權方須給予本公司機會，讓本公司參與任何新投資項目。

## 29. Connected and Related Party Disclosures (Continued)

### (b) OTHER ARRANGEMENTS (Continued)

- (iv) On 15 October 2009, Dr. TSAI Yen-Yu, Dr. SU Chien-Cheng, Dr. SU Sh-Hsyu and Natural Beauty Magazine Yang Chio Ling as the assignors and the Company as the assignee entered into a trade mark assignment pursuant to which the assignors assigned certain trade marks to the assignee for a consideration of HK\$10.
- (v) On 15 October 2009, Dr. TSAI Yen-Yu as the licensor and the Company as the licensee entered into a licence agreement pursuant to which the licensor granted to the licensee a non-exclusive, royalty-free, fully paid-up, perpetual and irrevocable license and privilege throughout the world to use certain licensed trademarks only in respect of the businesses conducted by the licensee for a consideration of HK\$10.
- (vi) On 31 May 2016, Beijing Zhong Ao Yi Natural Beauty Cosmetics & Hair-Style Training Co Ltd, a sole proprietorship of Mr. LEE Ming-Ta, as lessor and Shanghai Natural Beauty Fuli Cosmetics Company Limited, a wholly-owned PRC subsidiary of the Company as lessee entered into a lease agreement commencing on 1 June 2016 and expiring on 30 April 2019, at a monthly rental of RMB86,000.

## 29. 關連及關聯人士交易之披露 (續)

### (b) 其他安排 (續)

- (iv) 於二零零九年十月十五日，蔡燕玉博士、蘇建誠博士、蘇詩琇博士及Natural Beauty Magazine Yang Chio Ling (作為出讓人) 與本公司 (作為承讓人) 訂立商標轉讓書。據此，出讓人以10港元之代價向承讓人轉讓若干商標。
- (v) 於二零零九年十月十五日，蔡燕玉博士 (作為授權方) 及本公司 (作為獲授權方) 訂立許可權協議。據此，授權方以10港元之代價，向獲授權方授出非獨家、免特許權使用費、繳足、永久性及不可撤回之許可權及特權，以於全球各地使用若干授權商標，惟僅可就獲授權方所經營之業務使用有關商標。
- (vi) 於二零一六年五月三十一日，李明達先生之獨資企業北京中澳意自然美美容美髮技術培訓有限公司 (作為出租人) 與本公司中國大陸的全資附屬公司上海自然美富麗化妝品有限公司 (作為承租人) 訂立租賃協議，自二零一六年六月一日起生效，至二零一九年四月三十日屆滿，月租為人民幣86,000元。

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### 30. Statement of Financial Position of the Company

A summary of the statement of financial position of the Company is as follows:

### 30. 本公司之財務狀況報表

本公司之財務狀況報表概要如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Assets	資產		
Investments in subsidiaries	於附屬公司之投資	169,398	169,398
Amounts due from subsidiaries	應收附屬公司款項	118,920	109,054
Other receivables	其他應收賬款	848	852
Bank balances and cash	銀行結存及現金	2,402	3,544
		<b>291,568</b>	282,848
Liabilities	負債		
Other payables	其他應付賬款	5,042	3,433
Amounts due to subsidiaries	應付附屬公司款項	27,069	29,712
		<b>32,111</b>	33,145
Net assets	資產淨值	<b>259,457</b>	249,703
Capital and reserves	股本及儲備		
Share capital	股本	200,210	200,210
Reserves (Note)	儲備(附註)	59,247	49,493
		<b>259,457</b>	249,703

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### 30. Statement of Financial Position of the Company 30. 本公司之財務狀況報表 (續)

(Continued)

Note:

附註：

		Share premium	Share option reserve	Retained profits/ (Accumulated loss)	Total
		股份溢價	認股權 儲備	保留溢利/ (累計虧損)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 January 2015	於二零一五年一月一日	41,016	1,775	142,912	185,703
Loss for the year	本年度虧損	-	-	(3,235)	(3,235)
Recognition of equity-settled share based payment	確認股本權益結算股份付款	-	9,334	-	9,334
Dividends recognised as distribution (note 13)	確認為分派之股息 (附註13)	-	-	(142,309)	(142,309)
As at 31 December 2015	於二零一五年十二月三十一日	41,016	11,109	(2,632)	49,493
Profit for the year	本年度溢利	-	-	200,354	200,354
Dividends recognised as distribution (note 13)	確認為分派之股息 (附註13)	-	-	(190,600)	(190,600)
As at 31 December 2016	於二零一六年十二月三十一日	41,016	11,109	7,122	59,247

### 31. Capital Risk Management

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

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

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

### 31. 資本風險管理

本集團透過管理資本確保本集團旗下實體將可持續經營業務，並藉著完善債務及股本結餘，為持份者爭取最大回報。本集團之整體策略與去年相同。

本集團之資本結構包括現金及現金等價物以及本公司擁有人應佔權益，包括已發行股本、儲備及保留盈利。

本公司董事每半年一度檢討資本結構。作為上述檢討其中一環，董事會考慮資金成本及各類資本之相關風險。根據董事之建議，本集團將透過派付股息、發行新股份及購回股份或發行新債務之方式，平衡其整體資本結構。

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### 32. Financial Instruments

#### (a) Categories of financial instruments

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)	510,610	558,904
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	30,728	24,711

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Market risk

##### (i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to bank balances due to the fluctuation of the prevailing market interest rates. It is also exposed to fair value interest rate risk in relation to the short-term bank deposits. The directors of the Company consider the Group's exposure to the interest rate risk is not significant as interest bearing bank balances are within a short maturity period.

The Group currently does not have any interest rate hedging policy in relation to interest rate risks. The directors of the Company will continuously monitor interest rate fluctuation and will consider hedging interest rate risk should the need arise.

### 32. 金融工具

#### (a) 金融工具類別

#### (b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收賬款、已抵押銀行存款、銀行結存及現金以及貿易及其他應付賬款。該等金融工具之詳情已於各項附註披露。該等金融工具之相關風險及減低該等風險之政策載於下文。管理層致力管理及監控該等風險，並確保及時有效地採取適當措施。

##### 市場風險

##### (i) 利率風險

鑑於現行市場利率波動，令致本集團須就銀行結存承受現金流量利率風險。此外，本集團之短期銀行存款亦令本集團面對公平值利率風險。本公司董事認為，本集團所面對之利率風險並不重大，原因為計息銀行結存於短期內到期。

本集團目前並無就利率風險設定任何利率對沖政策。本公司董事將持續監察利率波動，並將於有需要時考慮對沖利率風險。

### 32. Financial Instruments (Continued)

#### (b) Financial risk management objectives and policies

(Continued)

##### Market risk (Continued)

##### (i) Interest rate risk (Continued)

###### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for the bank balances at the reporting date. For bank balances, the analysis is prepared assuming the amount of balances at the end of the reporting date were outstanding for the whole year. 20 basis points increase and 5 basis points decrease (2015: 20 basis points increase and 5 basis points decrease) are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 20 basis point higher/5 basis points lower (2015: 20 basis points higher/5 basis points lower) and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2016 would increase by HK\$857,000/decrease by HK\$214,000 (2015: increase by HK\$1,005,000/decrease by HK\$251,000). This is mainly attributable to the Group's exposure to interest rates on its bank balances.

### 32. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### 市場風險 (續)

##### (i) 利率風險 (續)

###### 敏感度分析

以下敏感度分析乃根據銀行結存於報告日期所面對之利率風險而釐定。就銀行結存而言，分析乃假設報告期間結算日之結存金額整年持有而編製。向主要管理人員內部申報利率風險時採用之20個基點增加及5個基點減少(二零一五年：20個基點增加及5個基點減少)，反映管理層對利率之合理潛在變動之評估。

倘利率增加20個基點／減少5個基點(二零一五年：增加20個基點／減少5個基點)，而所有其他變數維持不變，本集團截至二零一六年十二月三十一日止年度之除稅後溢利將增加857,000港元／減少214,000港元(二零一五年：增加1,005,000港元／減少251,000港元)，主要由於本集團就銀行結存面對之利率風險。

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### 32. Financial Instruments (Continued)

#### (b) Financial risk management objectives and policies

(Continued)

##### Market risk (Continued)

##### (ii) Currency risk

The Group has bank deposits denominated in foreign currency which expose the Group to foreign currency risk.

The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Management considers that the Group is not exposed to significant foreign currency risk as the majority of its transactions are either denominated in functional currency of the Group's subsidiaries or in USD. Since USD is pegged to HKD, the foreign currency risk is minimal.

##### Credit risk

As at 31 December 2016, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arisen from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

### 32. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### 市場風險 (續)

##### (ii) 貨幣風險

本集團現有以外幣計值之銀行存款，其令本集團承受外匯風險。

本集團並無外幣對沖政策。然而，管理層會監察外匯風險，並將於有需要時，考慮對沖重大外匯風險。

管理層認為，由於本集團大部份交易均以本集團附屬公司之功能貨幣或美元計值，故本集團並無重大外匯風險。由於美元與港元掛鈎，因此外匯風險甚微。

##### 信貸風險

於二零一六年十二月三十一日，本集團所面對之最高信貸風險（即本集團由於對手方未能履行責任而可能產生之財務虧損）乃源自綜合財務狀況報表所示各項已確認金融資產之賬面值。為了盡量減低信貸風險，本集團管理層已委派一組人員，專責釐定信貸限額、審批信貸及進行其他監控程序，確保跟進逾期債務之追討工作。此外，本集團亦會於各報告期間結算日檢討個別貿易債務之可收回金額，確保會就不可收回款項作出足夠減值虧損。有鑑於此，本公司董事認為本集團之信貸風險已大幅減少。

流動資金之信貸風險有限，原因為對手方就抵押銀行存款而言為信譽良好之銀行。



## 32. Financial Instruments (Continued)

### 32b. Financial risk management objectives and policies

(Continued)

#### Credit risk (Continued)

As at 31 December 2016, the ten largest trade receivable balances accounted for approximately 60% (2015: 28%) of the trade receivables and the largest trade receivables balance was approximately 17% (2015: 6%) of the Group's total trade receivables.

The Group's concentration of credit risk by geographical locations are mainly PRC, which accounted for 83% (2015: 88%), and Taiwan, which accounted for 16% (2015: 11%) of the trade receivables as at 31 December 2016.

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on its operating cash flows as a significant source of liquidity.

The Group's remaining contractual maturity for its trade and other payables falls within 30 to 90 days as at 31 December 2015 and 2016.

### 32c. Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their fair values.

## 32. 金融工具 (續)

### 32b. 財務風險管理目標及政策 (續)

#### 信貸風險 (續)

於二零一六年十二月三十一日，十大貿易應收賬款結餘佔貿易應收賬款約60% (二零一五年：28%)；而最大貿易應收賬款結餘則佔本集團貿易應收賬款總額約17% (二零一五年：6%)。

於二零一六年十二月三十一日，本集團按地域劃分之信貸風險主要集中於中國大陸，其佔貿易應收賬款83% (二零一五年：88%) 及台灣，其佔貿易應收賬款16% (二零一五年：11%)。

#### 流動資金風險

在管理流動資金風險方面，本集團會監控並維持管理層認為充足之現金及現金等價物水準，以為本集團營運提供資金及減低現金流量波動影響。本集團依賴其經營現金流量作為主要流動資金來源。

於二零一五年及二零一六年十二月三十一日，本集團貿易及其他應付賬款之餘下合約到期日介乎30至90日。

### 32c. 公平值

金融資產及金融負債之公平值按照普遍採納之定價模式，以貼現現金流量分析釐定。

董事認為，於綜合財務報表按攤銷成本入賬之金融資產及金融負債賬面值與其公平值相若。

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### 33. Particulars of Subsidiaries

Details of the Company's subsidiaries at 31 December 2015 and 2016 are as follows:

### 33. 附屬公司詳情

於二零一五年及二零一六年十二月三十一日，本公司附屬公司詳情如下：

Name of company 公司名稱	Place of incorporation and operations 註冊成立及經營地點	Registered capital/ issued and fully paid ordinary share capital 註冊資本/ 已發行及繳足普通股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及其附屬公司所持已發行股本面值比例				Attributable to the Group 本集團應佔				Principal activity 主要業務
			Directly 直接		Indirectly 間接		Directly 直接		Indirectly 間接		
			2016	2015	2016	2015	2016	2015	2016	2015	
			二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	
Shanghai Natural Beauty Cosmetics Company Limited* 上海自然美化粧品有限公司*	The PRC 中國大陸	US\$29,980,000 29,980,000美元	-	-	100%	100%	-	-	100%	100%	Production and sale of skin care and beauty products 生產及銷售護膚及銷售護膚及美容產品
Shanghai Natural Beauty Sanlian Cosmetics Company Limited 上海自然美三聯化粧品有限公司	The PRC 中國大陸	RMB8,000,000 人民幣8,000,000元	-	-	100%	100%	-	-	100%	100%	Wholesale and retail of skin care and beauty products provision of beauty treatments and spa services 批發及零售護膚及美容產品； 提供美容護理及水療服務
Chengdu Natural Beauty Cosmetics Company Limited 成都自然美化粧品有限公司	The PRC 中國大陸	RMB2,500,000 人民幣2,500,000元	-	-	100%	100%	-	-	100%	100%	Sale of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting and training 銷售護膚及美容產品； 提供美容護理及護膚與美容顧問服務及培訓
Shanghai Natural Beauty Fuli Cosmetics Company Limited** 上海自然美富麗化粧品有限公司**	The PRC 中國大陸	US\$14,800,000 14,800,000美元	-	-	100%	100%	-	-	100%	100%	Production and sale of skin care and beauty products, aromatherapeutic products, provision of skin treatment, beauty and spa service 生產及銷售護膚及美容產品及精油產品及提供護膚、美容及水療服務

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

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

## 33. Particulars of Subsidiaries (Continued)

## 33. 附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及經營地點	Registered capital/ issued and fully paid ordinary share capital 註冊資本/ 已發行及繳足普通股股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及其附屬公司所持已發行股本面值比例				Attributable to the Group 本集團應佔				Principal activity 主要業務	
			Directly 直接		Indirectly 間接		Directly 直接		Indirectly 間接			
			2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年		
Natural Beauty Bio-Technology Company Limited	Taiwan 台灣	NT\$201,000,000 新台幣201,000,000元	-	-	100%	100%	-	-	100%	100%	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容產品
Huei Yao Investment Company Limited 輝耀投資股份有限公司	Taiwan 台灣	NT\$122,043,420 新台幣122,043,420元	-	-	100%	100%	-	-	100%	100%	Investment holding 投資控股	
Ray-Sen Medical Cosmetics Company Limited 瑞昇醫學美容科技企業股份有限公司	Taiwan 台灣	NT\$50,000,000 新台幣50,000,000元	-	-	100%	100%	-	-	100%	100%	Provision of beauty consulting and training 提供美容顧問服務及股份有限公司培訓	
Belem Holdings Sdn. Bhd.	Malaysia 馬來西亞	MYR68,609,858 Class B shares MYR10,000 Class A shares B股馬來西亞幣 68,609,858 A股馬來西亞幣 10,000	100%	100%	-	-	-	-	-	-	Investment holding 投資控股	
Billion Synergy Sdn. Bhd.	Malaysia 馬來西亞	MYR2 馬來西亞幣2	-	-	100%	100%	-	-	100%	100%	Wholesale of skin care and beauty products 批發護膚及美容產品	
Great Glamour Company Limited	BVI 英屬維爾京群島	US\$50,000 50,000美元	100%	100%	-	-	100%	100%	-	-	Investment holding 投資控股	

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

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

### 33. Particulars of Subsidiaries (Continued)

### 33. 附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及經營地點	Registered capital/ issued and fully paid ordinary share capital 註冊資本/ 已發行及繳足普通股股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及其附屬公司所持已發行股本面值比例				Attributable to the Group 本集團應佔		Principal activity 主要業務	
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	2016 二零一六年	2015 二零一五年		
			2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年		
Next Success International Limited 英屬維爾京群島	BVI	US\$100 100美元	100%	100%	-	-	100%	100%	-	- Investment holding 投資控股
Fortune Investment Global Limited 英屬維爾京群島	BVI	US\$50,000 50,000美元	100%	100%	-	-	100%	100%	-	- Investment holding 投資控股
Natural Beauty Bio-Technology (Hong Kong) Company Limited 自然美生物科技(香港)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	-	100%	100%	-	-	100%	100% Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及提供美容護理
Natural Beauty China Holding Limited 自然美中國控股有限公司	Hong Kong 香港	HK\$200,000 200,000港元	100%	100%	-	-	100%	100%	-	- Investment holding 投資控股
Shanghai Natural Beauty Bio-Med Company Limited* 上海自然美生物醫學有限公司*	The PRC 中國大陸	US\$2,600,000 2,600,000美元	-	-	100%	100%	100%	100%	100%	100% Manufacture and sale of health supplement 生產及銷售保健品
Shanghai Natural Beauty Beauty Supplies Company Limited 上海自然美美容用品有限公司	The PRC 中國大陸	RMB6,000,000 人民幣6,000,000元	-	-	100%	100%	100%	100%	100%	100% Beauty consulting; wholesale and retail of skin care and beauty products 美容顧問服務；批發及零售護膚及美容產品

Notes:

\* The subsidiary is a foreign investment enterprise with limited liability established in the PRC.

\*\* The subsidiary is a Chinese – foreign joint venture established in the PRC.

None of the subsidiaries had issued any debt securities outstanding at the end of the year or at any time during the year.

附註：

\* 該附屬公司為一間於中國成立的有限責任外資企業。

\*\* 該附屬公司為一間於中國成立的中外合營企業。

於年終或年內任何時間，概無任何附屬公司已發行任何尚未償還之債務證券。

# Financial Summary

## 財務概要

### Results

### 業績

		Year ended 31 December				
		截至十二月三十一日止年度				
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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	收入	483,438	439,421	505,761	506,913	<b>475,225</b>
PROFIT BEFORE TAX	除稅前溢利	155,251	83,052	116,274	170,392	<b>196,217</b>
INCOME TAX EXPENSE	所得稅開支	(36,143)	(24,593)	(44,794)	(33,562)	<b>(47,814)</b>
PROFIT FOR THE YEAR	本年度溢利	119,108	58,459	71,480	136,830	<b>148,403</b>
PROFIT (LOSS) ATTRIBUTABLE TO:	以下人士應佔溢利 (虧損):					
OWNERS OF THE COMPANY	本公司擁有人	119,268	58,269	71,480	136,830	<b>148,403</b>
NON-CONTROLLING INTERESTS	非控股權益	(160)	190	-	-	-
		119,108	58,459	71,480	136,830	<b>148,403</b>

Assets and Liabilities

資產及負債

		At 31 December 於十二月三十一日				
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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	884,060	982,067	977,730	888,597	<b>822,186</b>
TOTAL LIABILITIES	總負債	(136,064)	(193,809)	(203,824)	(155,969)	<b>(167,513)</b>
		<u>747,996</u>	<u>788,258</u>	<u>773,906</u>	<u>732,628</u>	<u><b>654,673</b></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔權益	748,183	788,258	773,906	732,628	<b>654,673</b>
NON-CONTROLLING INTERESTS	非控股權益	(187)	-	-	-	-
		<u>747,996</u>	<u>788,258</u>	<u>773,906</u>	<u>732,628</u>	<u><b>654,673</b></u>



(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00157