



福田實業(集團)有限公司

Fountain Set (Holdings) Limited

The World's Finest Circular Knits. Since 1969.  
世界優質圓筒針織，始於1969

SEHK: 420

Knit Different • **Live Different**

編織創意 • 活出新意

Annual Report  
年報 **2016**

# GROUP PROFILE

## About Fountain Set (Holdings) Limited

Fountain Set (Holdings) Limited and its subsidiaries (“Group”) are one of the world’s largest circular knitted fabric manufacturers, providing vertically integrated operations in fabric knitting, dyeing, printing and finishing. In addition to its core business of manufacturing and sale of knitted fabric which generates majority of the total revenue, the Group’s product range also includes garments. As a major knitted fabric supplier to garment manufacturers in over 40 countries that supply apparel products including sportswear, casual wear, sleep wear and inner wear to many internationally renowned retailers and brands, Fountain Set’s worldwide sales reached HK\$6.33 billion (US\$817 million) in the financial year 2016.

Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, Fountain Set (Holdings) Limited (SEHK: 420) has production facilities in the PRC, Sri Lanka and Indonesia, with marketing and representative offices in 5 countries and a global staff force of approximately 9,900.

Since June 2012, Chinatex Corporation has become the largest shareholder of Fountain Set (Holdings) Limited. Chinatex Corporation will be a wholly-owned subsidiary of COFCO Corporation, which is state wholly-owned enterprise established in the PRC and a direct wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

To learn more about Fountain Set (Holdings) Limited, please visit [www.fshl.com](http://www.fshl.com)

To learn more about Chinatex Corporation, please visit [www.chinatex.com](http://www.chinatex.com)

To learn more about COFCO Corporation, please visit [www.cofco.com](http://www.cofco.com)

## 集團簡介

### 有關福田實業(集團)有限公司

福田實業(集團)有限公司及其附屬公司(「集團」)是世界最大的圓筒針織面料生產商之一,提供針織、染色、印花及整理等高度垂直之綜合服務。除了佔總營業額大部分之生產及銷售針織面料的核心業務外,集團產品亦包括成衣。作為主要針織面料供應商,集團向超過40個國家的成衣製造商提供面料,以製成包括運動服、休閒服、睡衣和內衣等眾多國際知名零售商和品牌的成衣。集團於2016財政年度的環球銷售額達63.3億港元(8.17億美元)。

福田實業(集團)有限公司之總部位於香港,並於香港聯合交易所有限公司上市(香港聯交所編號:420),在中國、斯里蘭卡及印尼設有生產設施;市場推廣辦事處及代表處分佈5個國家,全球共聘用僱員約9,900人。

從2012年6月起,中國中紡集團公司成為福田實業集團第一大股東。中紡集團將會成為中糧集團有限公司的全資附屬公司,中糧集團為於中國成立的國有企業及為中國國務院國有資產監督管理委員會直接管理全資附屬公司。

欲知更多福田實業(集團)有限公司資料,請瀏覽[www.fshl.com](http://www.fshl.com)

欲知更多中國中紡集團公司資料,請瀏覽[www.chinatex.com](http://www.chinatex.com)

欲知更多中糧集團資料,請瀏覽 [www.cofco.com](http://www.cofco.com)

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## CORPORATE INFORMATION 公司資料

### HONORARY CHAIRMAN

Mr. HA Chung Fong

### BOARD OF DIRECTORS

#### *Executive Directors*

Mr. ZHAO Yao (Chairman and Chief Executive Officer)

Mr. CHEN Minghong

Mr. LAN Jiang (appointed on 9 May 2016)

Mr. GONG Zhengyi (retired on 24 June 2016)

Mr. HA Kam On, Victor (Vice-Chairman) (Resigned on 19 May 2016)

#### *Non-Executive Directors*

Dr. YEN Gordon

Mr. ZHANG Chong

#### *Independent Non-Executive Directors*

Mr. NG Kwok Tung

Mr. YING Wei

Mr. William LAM (appointed on 9 May 2016)

Mr. CHOW Wing Kin, Anthony, SBS, JP  
(retired on 24 June 2016)

### JOINT COMPANY SECRETARIES

Ms. CHENG Wai Han Charmaine

Mr. KWOK Siu Man

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Block A, 6/F., Eastern Sea Industrial Building  
29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

### WEBSITE

www.fshl.com

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

China CITIC Bank International Limited

Hang Seng Bank Limited

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Fubon Bank (Hong Kong) Limited

### SOLICITORS

Peter, Yuen & Associates in association of Fangda Partners  
Vivien Chan & Co.

### INDEPENDENT AUDITOR

BDO Limited

*Certified Public Accountants*

### SHARE REGISTRAR

Tricor Secretaries Limited

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

### 名譽主席

夏松芳先生

### 董事會

#### *執行董事*

趙耀先生 (主席兼行政總裁)

陳鳴洪先生

藍江先生 (於2016年5月9日獲委任)

宮征誼先生 (於2016年6月24日退任)

夏錦安先生 (副主席) (於2016年5月19日辭任)

#### *非執行董事*

嚴震銘博士

張湧先生

#### *獨立非執行董事*

伍國棟先生

應偉先生

林偉成先生 (於2016年5月9日獲委任)

周永健先生, 銀紫荊星章, 太平紳士  
(於2016年6月24日退任)

### 聯席公司秘書

鄭惠嫻女士

郭兆文先生

### 註冊辦事處及主要營業地點

香港新界葵涌葵昌路29-39號  
東海工業大廈A座6樓

### 網址

www.fshl.com

### 主要往來銀行

中國銀行(香港)有限公司

中信銀行(國際)有限公司

恒生銀行有限公司

渣打銀行(香港)有限公司

香港上海滙豐銀行有限公司

富邦銀行(香港)有限公司

### 律師

阮保光律師事務所聯營上海市方達律師事務所  
陳韻雲律師行

### 獨立核數師

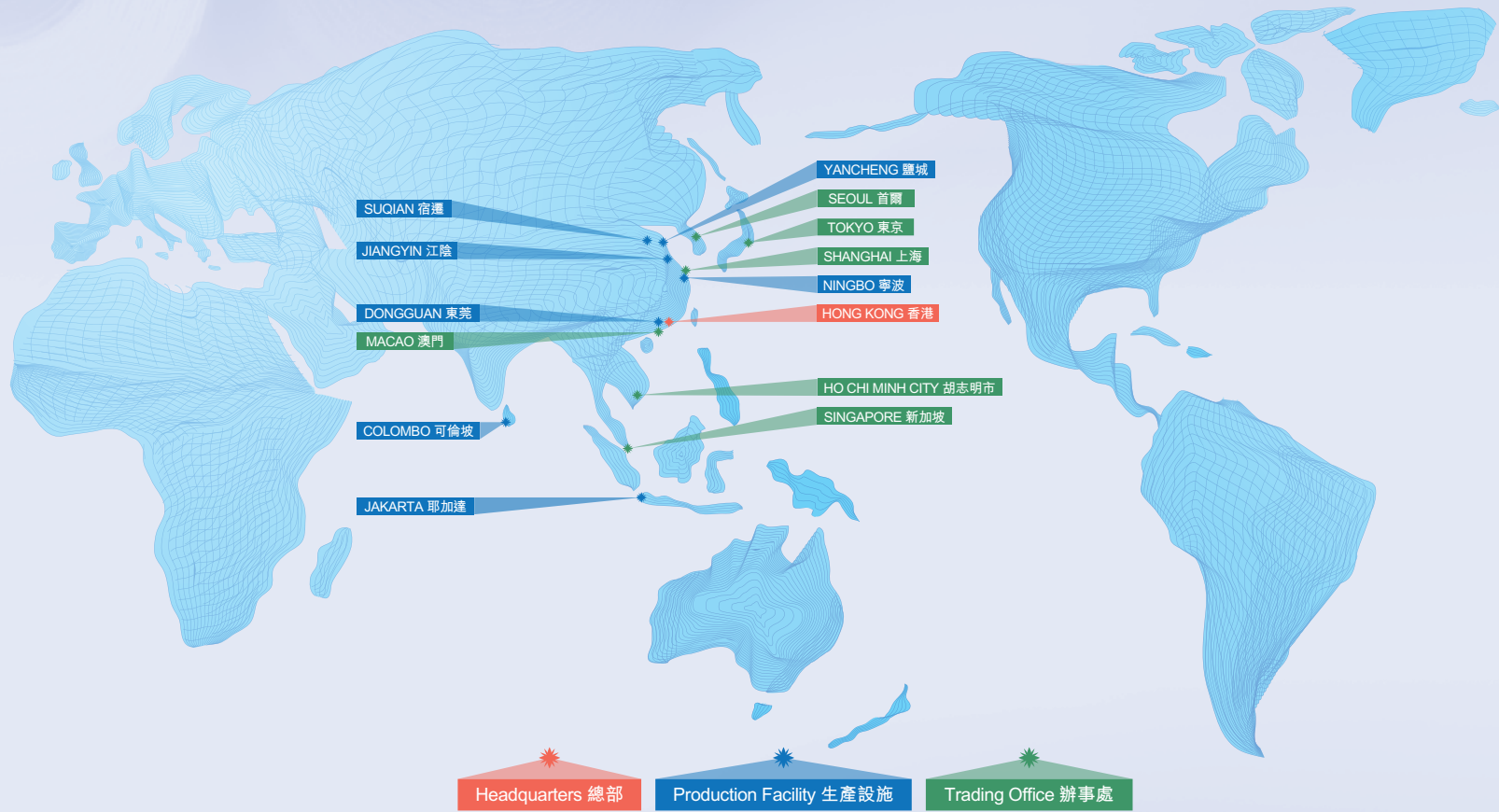
香港立信德豪會計師事務所有限公司  
執業會計師

### 股份登記處

卓佳秘書商務有限公司

香港皇后大道東183號合和中心22樓

## EXTENSIVE WORLDWIDE NETWORK 強大環球網絡



<b>HEADQUARTERS • 總部</b>
<b>Hong Kong 香港</b>
Fountain Set (Holdings) Limited 福田實業(集團)有限公司
<b>PRODUCTION FACILITY • 生產設施</b>
<b>China 中國</b>
<b>Knitting &amp; Dyeing 針織及染色</b>
Jiangyin Fuhui Textiles Limited 江陰福匯紡織有限公司
Yancheng Fuhui Textiles Limited 鹽城福匯紡織有限公司
<b>Knitting, Dyeing &amp; Printing 針織、染色及印花</b>
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. 東莞沙田麗海紡織印染有限公司
<b>Garment Manufacturing 製衣</b>
Dong Guan Fuyi Apparel Co., Ltd. 東莞福怡服裝有限公司
Ningbo Young Top Garments Co., Ltd. 寧波創裕製衣有限公司
Suqian Young Top Garments Co., Ltd. 宿遷創裕製衣有限公司
<b>Jakarta 耶加達</b>
<b>Garment Manufacturing 製衣</b>
P.T. Sandang Mutiara Cemerlang

<b>Colombo 可倫坡</b>
<b>Knitting, Dyeing &amp; Printing 針織、染色及印花</b>
Ocean Lanka (Private) Limited 海洋蘭卡(私人)有限公司#
<b>TRADING OFFICE • 辦事處</b>
<b>China 中國</b>
<b>Sales of Dyed Fabrics 色布銷售</b>
Shenzhen Faun Textiles Limited 深圳福力紡織品有限公司
Shanghai Fuhui Textiles Trading Co., Ltd. 上海福匯紡織貿易有限公司
<b>Hong Kong 香港</b>
<b>Raw Materials Sourcing 原料採購</b>
Highscene Limited 漢盛有限公司
<b>Sales of Dyed Fabrics 色布銷售</b>
Fountain Set Limited 福田實業有限公司
<b>Sales of Garments 成衣銷售</b>
Hiway Textiles Limited 海匯紡織有限公司
Oceanstar Textiles International Limited 海星紡織國際有限公司
Triumph Luck Limited 凱福有限公司

<b>Macao 澳門</b>
<b>Raw Materials Sourcing 原料採購</b>
Prosperlink (Macao Commercial Offshore) Limited 匯漢(澳門離岸商業服務)有限公司
<b>Ho Chi Minh City 胡志明市</b>
Fountain Set (Singapore) Pte. Limited - Vietnam Representative Office 福田實業(新加坡)私人有限公司# - 越南代表處
<b>Seoul 首爾</b>
Fountain Set Limited - Korean Liaison Office 福田實業有限公司 - 韓國代表處
<b>Singapore 新加坡</b>
Fountain Set (Singapore) Pte. Limited 福田實業(新加坡)私人有限公司#
<b>Tokyo 東京</b>
Fountain Set Limited - Japan Representative Office 福田實業有限公司 - 駐日本事務所

# Chinese names are only translations of their official English names. In case of inconsistencies, the English names shall prevail.  
中文名稱僅為彼等官方英文名稱之譯文。倘有歧異，概以英文名稱為準。

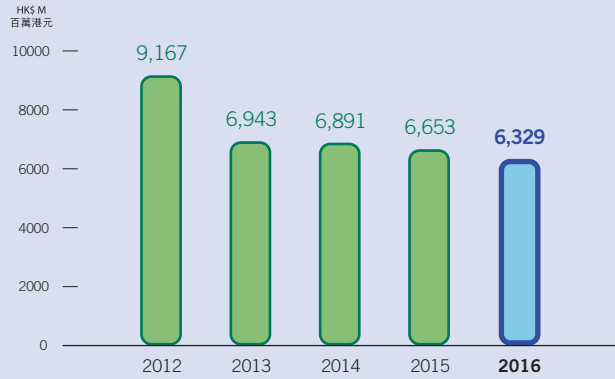
## FINANCIAL AND STATISTICAL HIGHLIGHTS

### 財務及統計摘要

		2016 HK\$Mii 百萬港元	2015 HK\$Mii 百萬港元
<b>Operating Results</b>	<b>營運業績</b>		
Revenue	營業額	6,328.7	6,653.1
<b>Financial Performance</b>	<b>財務表現</b>		
Profit attributable to owners of the Company	本公司擁有人應佔盈利	127.9	99.9
Profit margin	盈利率	2.0%	1.5%
Earnings per share (HK cents)	每股盈利(港仙)		
– Basic	– 基本	10.6	8.3
– Diluted	– 攤薄	10.6	8.3
<b>Dividends</b>	<b>股息</b>		
(after inclusion of proposed final dividend)	(已包括擬付之末期股息在內)		
Per share (HK cents)	每股(港仙)	5.3	4.0
Dividend payout ratio	派息比率	50.0%	48.2%
		<b>At 31 December 2016</b> 於2016年12月31日 HK\$Mii 百萬港元	<b>At 31 December 2015</b> 於2015年12月31日 HK\$Mii 百萬港元
<b>Financial Position at Year End</b>	<b>於年度終結時之財務狀況</b>		
Net current assets	流動資產淨值	1,962.0	1,913.0
Total assets	資產總值	5,371.6	5,430.6
Non-current bank borrowings	非流動銀行借貸	179.5	159.2
Total bank borrowings	總銀行借貸	667.6	653.8
Net bank borrowings	銀行借貸淨值	(210.9)	(223.4)
Total liabilities	負債總值	1,918.0	2,035.8
Net asset value per share (HK\$)	每股資產淨值(港元)	2.74	2.68
Capital expenditure	資本開支	256.5	118.3
<b>Financial Statistics</b>	<b>財務統計</b>		
Return on equity (%)	權益回報率(百分比)	4.3%	3.8%
Consolidated tangible net worth	綜合淨有形資產	3,067.8	3,019.3
Consolidated total bank debt to consolidated tangible net worth	綜合總銀行負債對綜合淨有形資產比例	0.2	0.2
Consolidated EBITDA to consolidated interest expense	綜合息稅折舊及攤銷前利潤對綜合利息支出比例	17.9	13.4
Consolidated current assets to consolidated current liabilities	綜合流動資產對綜合流動負債比例	2.2	2.1
Inventory turnover period (days)	存貨周轉期(日)	92	88
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	70	72
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	50	53

**FINANCIAL AND STATISTICAL HIGHLIGHTS**  
**財務及統計摘要**

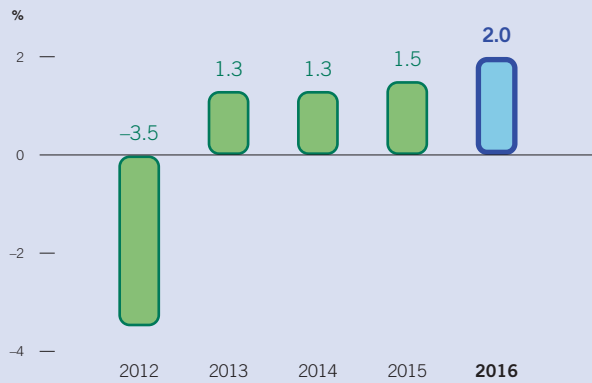
**Revenue**  
**營業額**



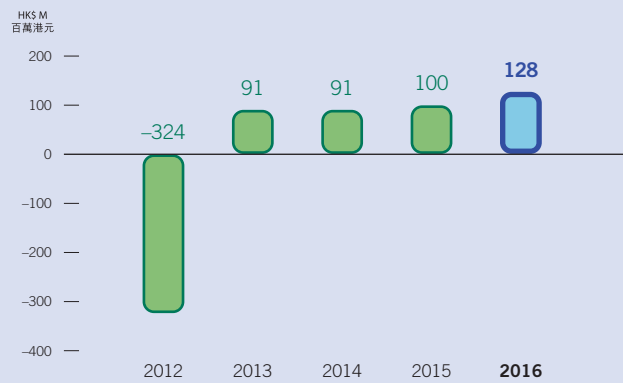
**Gross Profit Margin**  
**毛利率**



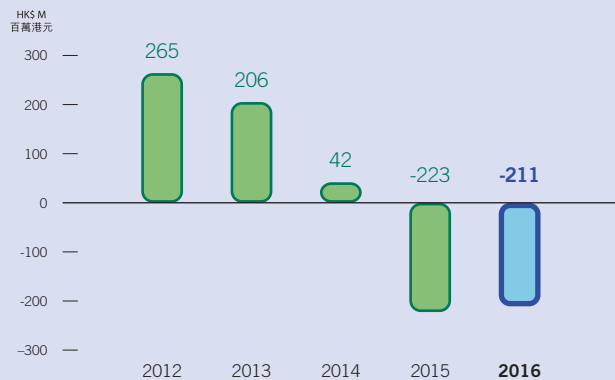
**Profit/(Loss) Margin**  
**盈利/(虧損)率**



**Profit/(Loss)**  
**盈利/(虧損)**



**Net Bank Borrowings**  
**銀行借貸淨值**



**Inventory and Inventory Turnover Period**  
**存貨及存貨周轉期**



Note: In August 2012, the Company changed its financial year end date from 31 August to 31 December. Hence the figures for the period ended 31 December 2012 cover the 16 months period from 1 September 2011 to 31 December 2012.

附註：於2012年8月，本公司將其財政年度結算日由8月31日更改為12月31日，因此，截至2012年12月31日止期間之數據涵蓋由2011年9月1日至2012年12月31日止16個月期間。

## FINANCIAL SUMMARY

### 財務概要

A summary of the financial information of the Group for the last five financial year, as extracted from the respective published audited consolidated financial statements, is set out as below. This summary does not form part of the audited consolidated financial statements.

本集團過去五個財政年度之財務資料概要（摘自相關已公佈經審核綜合財務報表）載列如下。此概要並不構成經審核綜合財務報表之一部分。

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### 綜合損益表

		For the 16 months ended 31 December 2012 截至2012年 12月31日止16個月 HK\$'000 千港元	For the year ended 31 December 2013 截至2013年 12月31日止年度 HK\$'000 千港元	For the year ended 31 December 2014 截至2014年 12月31日止年度 HK\$'000 千港元	For the year ended 31 December 2015 截至2015年 12月31日止年度 HK\$'000 千港元	For the year ended 31 December 2016 截至2016年 12月31日止年度 HK\$'000 千港元
Revenue	營業額	9,167,089	6,942,807	6,891,133	6,653,051	<b>6,328,714</b>
Profit/(loss) before taxation	除稅前盈利／（虧損）	(333,457)	86,398	123,829	152,207	<b>168,068</b>
Income tax	所得稅	(4,304)	14,290	(28,068)	(24,133)	<b>(18,076)</b>
Profit/(loss) for the year/period	是年度／期間盈利／（虧損）	(337,761)	100,688	95,761	128,074	<b>149,992</b>
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	(324,167)	91,304	90,590	99,860	<b>127,903</b>
Non-controlling interests	非控股權益	(13,594)	9,384	5,171	28,214	<b>22,089</b>
		(337,761)	100,688	95,761	128,074	<b>149,992</b>



**FINANCIAL SUMMARY**  
**財務概要**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表**

		At 31 December 2012 於2012年12月31日 HK\$'000 千港元	At 31 December 2013 於2013年12月31日 HK\$'000 千港元	At 31 December 2014 於2014年12月31日 HK\$'000 千港元 (Note) (註)	At 31 December 2015 於2015年12月31日 HK\$'000 千港元	At 31 December 2016 於2016年12月31日 HK\$'000 千港元
Non-current assets	非流動資產	2,023,461	1,867,767	1,789,197	1,707,950	<b>1,738,318</b>
Current assets	流動資產	3,996,634	4,264,878	3,776,536	3,722,604	<b>3,633,297</b>
Current liabilities	流動負債	2,532,214	2,271,639	1,957,936	1,809,609	<b>1,671,279</b>
Net current assets	流動資產淨值	1,464,420	1,993,239	1,818,600	1,912,995	<b>1,962,018</b>
Total assets less current liabilities	資產總值減流動負債	3,487,881	3,861,006	3,607,797	3,620,945	<b>3,700,336</b>
Non-current liabilities	非流動負債	308,101	582,359	282,174	226,189	<b>246,691</b>
Net assets	資產淨值	3,179,780	3,278,647	3,325,623	3,394,756	<b>3,453,645</b>
Capital and reserves	資本及儲備					
Share capital	股本	240,609	240,609	862,211	865,716	<b>865,716</b>
Reserves	儲備	2,769,113	2,876,611	2,320,317	2,364,829	<b>2,432,336</b>
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,009,722	3,117,220	3,182,528	3,230,545	<b>3,298,052</b>
Non-controlling interests	非控股權益	170,058	161,427	143,095	164,211	<b>155,593</b>
Total equity	權益總值	3,179,780	3,278,647	3,325,623	3,394,756	<b>3,453,645</b>

Note: Certain reserves were transferred to share capital according to the requirement under the Hong Kong Companies Ordinance Cap. 622 with effective from 3 March 2014. Details of which is set out in note 30 to the consolidated financial statements.

註：部分儲備根據於2014年3月3日生效的第622章香港公司條例之要求轉至股本。詳情載於綜合財務報表附註30內。

## AWARDS & CERTIFICATIONS 獎項及認證

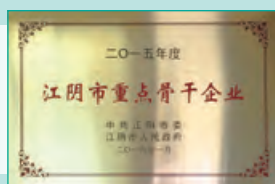
### Fountain Set (Holdings) Limited 福田實業(集團)有限公司



1

No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
1	Vice President Membership 副會長單位	China Knitting Industrial Association 中國針織工業協會

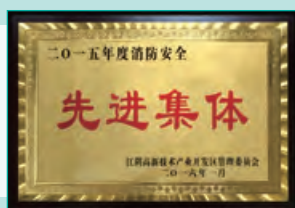
### Jiangyin Fuhui Textiles Limited 江陰福匯紡織有限公司



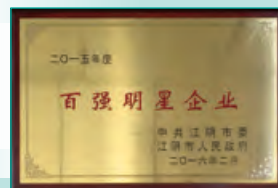
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3



2



4

No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
1	2015 Key and Major Enterprise of Jiangyin* 2015年度江陰市重點骨幹企業	Jiangyin Municipal Party Committee of Communist Party of China, Jiangyin Municipal People's Government 中共江陰市委·江陰市人民政府
2	2015 Outstanding Enterprise of Fire Safety Management* 2015年度消防安全先進集體	Administration Committee of Jiangyin High-tech Industrial Development Zone 江陰高新技術產業開發區管理委員會
3	2015 Outstanding Enterprise of Foreign Investment* 2015年度外商投資先進企業	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone 江陰高新技術產業開發區管理委員會
4	2015 Top 100 Star Enterprise* 2015年度百強明星企業	Jiangyin Municipal Party Committee of Communist Party of China, Jiangyin Municipal People's Government 中共江陰市委·江陰市人民政府

**AWARDS & CERTIFICATIONS**  
**獎項及認證**

**Jiangyin Fuhui Textiles Limited**  
 江陰福匯紡織有限公司



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
5	2015 Top 30 International Enterprise* 2015年30強外貿企業	Jiangyin Municipal People's Government 江陰市人民政府
6	China National Textile And Apparel Council Testing Certificate* 中國紡織工業聯合會檢測中心檢測證書	China National Textile And Apparel Council Testing Center* 中國紡織工業聯合會檢測中心
7	AEO Certificate AEO認證企業證書	Nanjing Customs District People's Republic of China 中華人民共和國南京海關
8	Oeko-Tex Standard 100 Oeko-Tex標準100#	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
9	ISO 50001:2011 Energy Management System Certificate* 能源管理體系認證證書	Ever Win Quality Certification Center 北京埃爾維品質認證中心
10	Environmental Management System Certificate* 環境管理體系認證證書	Beijing Zhongjing Quality Certification Co., Ltd 北京中經科環質量認證有限公司

## AWARDS & CERTIFICATIONS 獎項及認證

### Yancheng Fuhui Textiles Limited 鹽城福匯紡織有限公司



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
1	Work Safety Standardization Second Class Enterprise (textiles)* 安全生產標準化二級企業(紡織)	Jiangsu Province Administration of Work Safety* 江蘇省安全生產監督管理局
2	Laboratory Certificate Agreement 品質檢測證書#	Intertek Group 天祥集團
3	Certificate of Accreditation 品質檢測證書#	Bureau Veritas Group 必維國際檢驗集團
4	Mill Qualification Program 廠房認證計劃#	Intertek Group 天祥集團
5	Outstanding Entry-level employee's Party Organization* 先進基層黨組織	Administration Committee of Yancheng Economic and Technological Development Zone* 鹽城經濟技術開發區工作委員會
6	Oeko-Tex Standard 100 Oeko-Tex 標準 100 #	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
7	2016 Outstanding Enterprise of Safety Production* 2016年度安全生產先進集體	Management Office of Yancheng Economic-Technological Development Zone and Integrated Duty-Free Area* 鹽城經濟技術開發區綜合保稅區管理辦公室
8	2016 Outstanding Enterprise of Fire Safety Management* 2016年度消防安全管理工作先進集體	Fire Brigade of Public Security of Development Zone of Yancheng City* 鹽城市公安消防支隊開發區大隊

**AWARDS & CERTIFICATIONS**  
**獎項及認證**

**Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd.**  
 東莞沙田麗海紡織印染有限公司



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
1	2015 Top Five Enterprise in Annual actual export of Shatian Town & Humen Port* 沙田鎮、虎門港2015年度實際出口前五名企業	Chinese Communist Party Shatian Town Committee/ People's government of Shatian Town/Chinese Communist Party Humen Port Working Committee/ Management Committee of Humen Port* 中共沙田鎮委員會/沙田鎮人民政府/中共虎門港工作委員會/虎門港管理委員會
2	Model Enterprise of China Exports Leading Indicator* 中國外貿出口先導指數(ELI) 樣本企業	General Administration of Customs of the People's Republic of China 中華人民共和國海關總署
3	Membership* 會員單位	China Dyeing and Printing Association 中國印染行業協會
4	Environmental Management System Certification 環境管理體系認證證書 – GB/T24001-2004 ISO 14001-2004 Standard	China Great Wall Quality Assurance Centre 長城質量保證中心
5	Oeko-Tex Standard 100 Oeko-Tex 標準 100#	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
6	Oeko-Tex Standard 100 Oeko-Tex 標準 100#	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
7	Outstanding Entry-level employee union committee 先進基層工會委員會	General Union of Shatian Town and Humen Port* 沙田鎮虎門港總工會

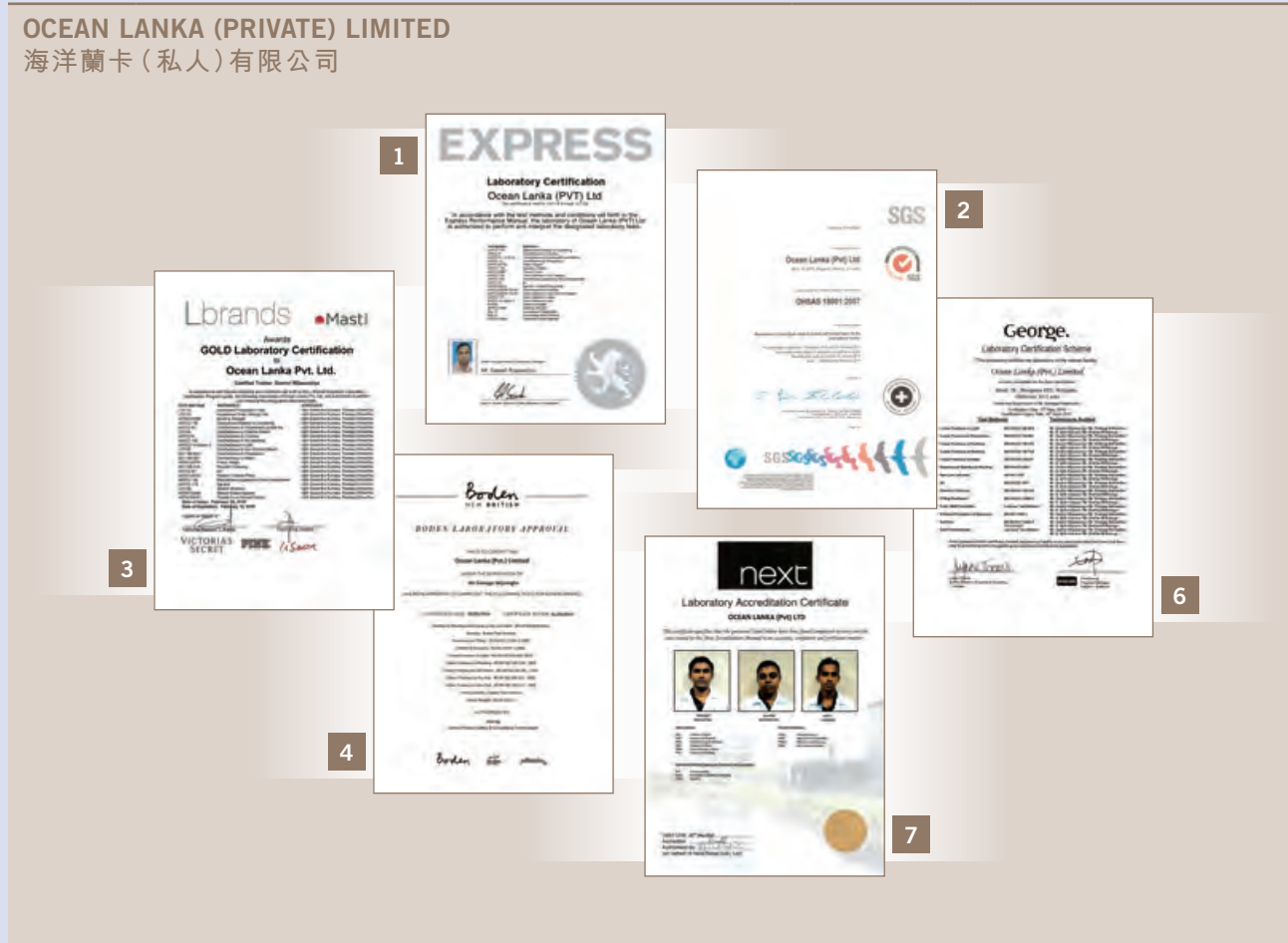
**AWARDS & CERTIFICATIONS**  
**獎項及認證**

**Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd.**  
 東莞沙田麗海紡織印染有限公司



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Issued by 發出單位
8	Oeko-Tex Standard 100 Oeko-Tex 標準 100#	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
9	AEO accredited Enterprise Certificate (Advanced accredited Enterprise)* AEO認證企業證書 (高級認證企業)	Huangpu Customs of the People's Republic of China* 中華人民共和國黃埔海關
10	Guangdong Province Enterprise of Observing Contract and Valuing Credit 廣東省守合同重信用企業獎項	Guangdong Province Administration For Industry & Commerce 廣東省工商行政管理局
11	Sustainable Textile Production (STeP) Certification 可持續紡織生產 (STeP) 認證	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
12	2016 China Knitting Functional (Multi-functional) Product Excellence Award* 2016中國針織功能 (多功能性) 產品優秀獎	China Knitting Industrial Association 中國針織工業協會
13	2015 Guangdong Province Outstanding Enterprise of Textile industry for efficiency achievement activities* 2015年廣東省紡織行業效能對標活動先進企業	Guangdong Textile Association 廣東省紡織協會

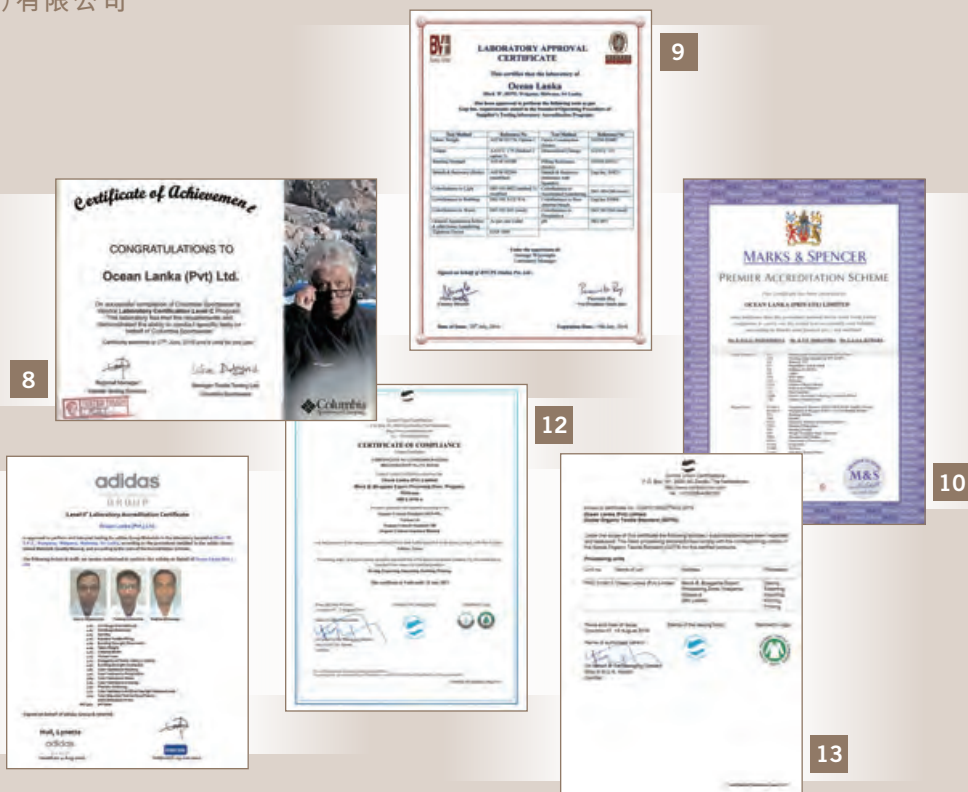
**AWARDS & CERTIFICATIONS**  
**獎項及認證**



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Date of Issue 頒發日期	Issued by 發出單位
1	Express Laboratory Certification Express 實驗室證書#	12/1/2016	Express Laboratory
2	OHSAS 18001: Manufacture of Piece Dyed, Stripe & Printed Weft Knitted Fabric for the International Market OHSAS 18001: 拼接染色、條紋和印花緯編針織面料的製造 (國際市場)	19/2/2016	Swiss Accreditation 瑞士認證#
3	L brands Gold Laboratory Certification L brands 黃金實驗室證書#	20/2/2016	L brands & Intertek Group L brands 及 天祥集團#
4	Boden Laboratory Approval Boden 實驗室批准#	1/3/2016	Boden New British Boden 新英國#
5	ISO14001 Manufacture of Piece Dyed, Stripe & Printed Weft Knitted Fabric for the International Market ISO14001 拼接染色、條紋和印花緯編針織面料的製造 (國際市場)	21/3/2016	Bureau Veritas Group 必維國際檢驗集團
6	George Laboratory Certification Scheme George 實驗室認證計劃#	10/5/2016	George & Intertek Group George 及天祥集團#
7	next Laboratory Accreditation Certificate next 實驗室認證證書	22/5/2016	Next Retail (UK) Ltd

## AWARDS & CERTIFICATIONS 獎項及認證

### OCEAN LANKA (PRIVATE) LIMITED 海洋蘭卡(私人)有限公司



No. 文件序號	Name of Award/Certification 獎項/認證名稱	Date of Issue 頒發日期	Issued by 發出單位
8	Laboratory Certification Level C Program 實驗室C級認證計劃#	27/6/16	Columbia Sportswear & Intertek Testing Services 哥倫比亞運動服及天祥檢測服務#
9	Laboratory Approval Certificate 實驗室批准證書#	20/7/2016	Bureau Veritas Group 必維國際檢驗集團
10	Marks & Spencer Premier Accreditation Scheme 馬莎百貨高級認證計劃	28/7/2016	Marks & Spencer Group 馬莎百貨集團#
11	Level II + Laboratory Accreditation Certificate II+ 級實驗室認可證書#	4/8/2016	adidas® Group & Intertek Group 阿迪達斯集團及天祥集團
12	Organic Content Standard (OCS-NL) 有機含量標準 (OCS-NL)#	12/8/2016	Control Union Certifications
13	Global Organic Textiles Standards (GOTS) 全球有機紡織品標準 (GOTS)#	19/8/2016	Control Union Certifications

\* English names are only translation of their official Chinese names. In case of inconsistencies, the Chinese name shall prevail.  
英文名稱僅為官方中文名稱之譯文。倘有歧異，概以中文名稱為準。

# Chinese names are only translation of their official English names. In case of inconsistencies, the English name shall prevail.  
中文名稱僅為官方英文名稱之譯文。倘有歧異，概以英文名稱為準。



## CHAIRMAN'S STATEMENT 主席報告

### Dear Shareholders,

On behalf of the board of directors of Fountain Set (Holdings) Limited ("Fountain Set" or the "Company", and the "Board" respectively), I am pleased to present the audited consolidated results of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2016, and to provide you with an overview of the Group's strategy and business outlook.

### FINANCIAL AND BUSINESS REVIEW

In 2016, stalling global trade, weak investment and heightened policy uncertainty have depressed the economic activities worldwide. Global growth is estimated to have fallen to 2.3% in 2016 – the weakest performance since the global financial crisis and 0.1 percentage point below June 2016 according to the World Bank's January 2017 Global Economic Prospects. 2016 proved to be more challenging than expected for the Textile and Apparel ("T&A") sector as the world economy failed to break the 3% GDP growth rate. T&A sales output decreased by 1.5%. This decline was mostly attributable to the protracted lower-than bearable demand that resulted in a deflationist spiral. At best, T&A producer prices remained stable, as in China, but they decreased in most cases. US Producer Price Index was down 1.2% on average in 2016 while India's shed 1.8%. The continuous depreciation of most emerging countries' currencies is causing international capital to flow from emerging markets back to the United States, elevating financial risks in some regions.

We continued investing in our business with the goal of building a long-term sustainable business that will weather any change in the global operating environment. During 2016, the oil prices and other commodities prices have increased, which put certain level of stress in our production costs. According to the National Cotton Council of America, the cost of cotton has indeed increased by 15.6% during 2016. The price of cotton was at the lowest in March 2016 and at the highest in July 2016. During this period, cotton prices rose by about 23.8%. According to the 2016 China Cotton Index annual report published by the China Cotton Association, the price of yarns was at the lowest in April 2016 and at the highest in July 2016. During this period, yarn prices rose by about 21.1%. According to the China coal industry website, the monitoring data shown on 16 December 2016 based on the China coal price index (national comprehensive) was 160.9, up 45.2 points from the early of the year, up 45.0 points year-on-year. Under the above challenges, the Group has still managed to deliver improved financial results for the fiscal year 2016. Thanks to our very dedicated management and operational team who have worked very hard to streamline our operation through lean manufacturing, further improved efficiency and cost saving have been achieved during 2016. We shall continue our efforts to sharpen our competitiveness to meet the challenges ahead.

### 致各股東：

本人謹代表福田實業(集團)有限公司(「福田實業」或「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(「本集團」)截至2016年12月31日止財政年度經審核之綜合業績，並提供集團策略及業務展望之概覽。

### 財務及業務發展回顧

2016年全球貿易增長停滯、投資疲弱及政策愈加不明朗令全球經濟活動陷入蕭條。全球經濟增速估計於2016年下滑至2.3%，錄得全球金融危機以來的最疲弱表現。根據世界銀行發佈的2017年1月期全球經濟展望，2017年增速會較2016年6月低0.1個百分點。因全球經濟未能達致3%的GDP增長率，2016年紡織及服裝(「紡織及服裝」)行業全年面臨的挑戰超乎預期。紡織及服裝的銷售產量下滑1.5%，此下滑主要歸因於持續低於可承受需求的情形，導致出現螺旋式通貨緊縮。即使作最樂觀估計，紡織及服裝的生產者價格在中國等地能保持平穩，但在大多數情況下均為下跌。美國生產者物價指數於2016年普遍下降1.2%，而印度則下跌1.8%。大多數新興國家的貨幣持續貶值，導致國際資本從新興市場回流美國，加大若干地區的金融風險。

我們持續投資自身業務，矢志打造長期可持續業務，以應對變化多端的全球經營環境。2016年期間，油價及其他商品價格上漲，對我們的生產成本造成一定壓力。根據美國國家棉業總會的資料顯示，棉花成本於2016年期間上漲15.6%，而棉花價格分別於2016年3月及2016年7月錄得最低及最高水平，且在此期間錄得漲幅約23.8%。根據中國棉花協會發佈的2016年中國棉花價格指數年度報告顯示，紗的價格分別於2016年4月及2016年7月錄得最低及最高水平，且在此期間錄得漲幅約21.1%。根據國家煤炭工業網，中國煤炭價格指數(全國綜合指數)監測數據顯示於2016年12月16日中國煤炭指數為160.9，較年初上漲45.2點，同比上漲45.0點。儘管面臨上述挑戰，本集團仍於2016財政年度實現財務業績改善，此乃有賴於我們盡職盡責的管理及營運團隊，盡心竭力地精益生產，精簡運作，並於本年度進一步提升效率及縮減成本。我們將繼續不遺餘力地提升競爭力，以應對日後面臨的重重挑戰。

## CHAIRMAN'S STATEMENT 主席報告

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) POLICIES AND PERFORMANCE

To honor its name and go-green, we will only upload the 2016 ESG report on the respective websites of The Stock Exchange of Hong Kong Limited and our Company, which details Fountain Set's progress in multiple ESG areas, showing where we exceeded expectations and where we need further improvement. We truly understand that protecting our environment by only ourselves will not get us fast enough. We have embraced sustainable innovation as a powerful engine for growth not only for our own business, but across upstream and downstream partners in our industry. In 2016, we have set up a “Sustainability Development and Enhancement Committee” (the “Committee”) which consists of different subsidiaries and cross-functional departments. The Committee not only helps to drive the vision across the Group but also implements our sustainability objectives and goals. The Committee challenges our business to understand our sustainability impacts, sets ambitious targets to address them and overcomes obstacles in meeting them.

In 2016, we have also started a revolutionary new business – centralized heat supply project (the “Project”), of which the business model is a truly pioneer evolution in the industry. The Shatian Town Industrial Park (the “Park”) (for electroplating, fabric printing and dyeing industry) is one of the seven largest environmental industrial parks in Dongguan, China. It integrates and assembles the industry's enterprises within the Park and in other areas in Shatian Town, which are required to be relocated. The Project is one of the ancillary projects of the industrial park development, which is also a key project of the implementation plan of centralized heat supply in Guangdong Industrial Park and Industrial Cluster Areas. The Project will contribute to cleaner air for the community and neighborhood by the reduction of NO<sub>x</sub>, SO<sub>2</sub> as well as smoke and dust emission by the remaining 28 coal-fired heaters within the district.

Since the Project is still under construction and preparation, the Group will announce more detail information when time is appropriate.

### 環境、社會及管治（「環境、社會及管治」）政策及表現

為響應環保，我們決定以身作則，只將2016年環境、社會及管治報告分別上載於香港聯合交易所有限公司網站及本公司網站，當中詳述福田實業在多個環境、社會及管治領域取得的進展，展示我們超乎預期及仍需改進的領域。我們深刻明白僅憑一己之力保護環境，無法實現足夠快速發展。我們已採用可持續的創新措施，為自身業務及同行業內的上下游合作夥伴的發展提供強大動力。2016年，我們設立由不同附屬公司及跨職能部門組成的「持續發展及改進委員會」（「該委員會」）。該委員會不僅有助於提升本集團的視野，亦有助實現可持續發展目的及目標，同時促使本公司了解可持續發展對業務的影響，就此設定宏大目標，克服達成目標面臨的障礙。

2016年，我們亦開創一項革新業務—集中供熱項目（「項目」），其業務模式在業內具真正意義上的先驅發展。沙田鎮工業園（「工業園」）（針對著色、面料印花及染色行業）為中國東莞市七大環保工業園之一。其匯合及聚集園內及沙田鎮其他地區須搬遷的同行業企業。該項目乃該工業園發展的附屬項目之一，亦屬廣東工業園及產業集群區集中供熱實施計劃的關鍵項目。該項目的建成將減少區內餘下的28座燃煤鍋爐，透過降低氮氧化物、二氧化硫及煙塵排放量，為社區及周邊地區營造更潔淨的空氣環境。

該項目仍在進行建設及籌備當中，集團將於適當時候，會作詳細公布。

## CHAIRMAN'S STATEMENT 主席報告

The Group's production facilities have made and The Group will continue to make investments in adopting advanced technologies and install additional equipment to prevent and reduce pollution. The Group provides periodic training to the staff regarding environmental protection and pollution controls. The Group also invites qualified advisors to visit its factories from time to time to evaluate whether the environmental protection measures are up to standard and to give recommendations for further improvement.

Following an update of the terms of reference of the Audit Committee of the Board in February 2016 to oversee the Group's overall risk management and internal control systems, the Audit Committee has reviewed and discussed the risk management and internal control systems with the management to ensure that the management has performed its duty to have effective systems, as well as to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and proceed research according to the management's response to these findings.

### LOOKING FORWARD

In the year ahead, the global economy is likely to face a number of challenges, including worries over possible trade barriers among nations, possible further the United States (the "U.S.") interest rate hikes, recovery of oil prices and volatilities in the financial markets. Having said that, according to World Bank, the growth in emerging markets and developing economies is expected to rise to 2.7% in 2017.

We expect that 2017 is going to be another challenging year with the growth of the Chinese economy expected to continue to slow down. However, we see this as an opportunity as the growth becomes more driven by domestic consumption than by export. Our ability to improve control from raw materials sourcing to finished textiles products, reduce overall cost and speed up time-to-market will continue to make us the partner of choice going forward.

集團已經設立生產設施並將繼續投資採用先進技術及新增設備以預防及減少污染。集團定期向員工提供有關環境保護及污染控制的培訓。此外，集團亦不時邀請合資格顧問親臨工廠，以評估環保措施是否達標並提供進一步改善的建議。

繼2016年2月更新董事會審核委員會的職權範圍書，加入監察集團的整體風險管理及內部監控系統，審核委員會已與管理層回顧及討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統，及應董事會的委派或主動考慮有關風險管理及內部監控事宜的重要調查結果及根據管理層對調查結果的回應進行研究。

### 展望

未來一年，全球經濟可能面臨各種挑戰，包括對各國之間的可能貿易壁壘、美利堅合眾國（「美國」）可能進一步加息、油價回升及金融市場波動的擔憂。話雖如此，根據世界銀行的資料，新興市場及發展中經濟體的增速於2017年有望上升至2.7%。

我們預期2017年仍為充滿挑戰的一年，中國經濟增長預期將繼續放緩。然而，經濟增長乃由國內消費而非出口帶動，我們將此視作機遇。我們增強對原材料採購及紡織成品的控制、降低整體成本及加快推出市場速度的能力將於日後繼續讓我們成為首選合作夥伴。

## CHAIRMAN'S STATEMENT 主席報告

We believe that all of our staff will work hard to follow the Board's direction and objectives, stick together with one heart and to fully implement the working plans set by the Board, and to further map out our long term development strategy. With our spirit of "diligence, frugality, sincerity and integrity" and our general direction "to stabilize operation and to enhance development", we shall keep on enhancing our efficiency and exploring the market with persistent efforts for bringing the Group to a new level. We look forward to completing our annual operating tasks and targets with excellent performances, and creating brilliant returns and results for our shareholders.

### APPRECIATION

I am grateful for the good guidance and counsel from my fellow Board members. We appreciate very much the ongoing support of our shareholders, customers, suppliers, bankers and other partners. My great gratitude is also extended to the staff of the Group as they work tirelessly to ensure that the Group remains one of the top circular knitted fabric suppliers in the world.

**ZHAO Yao**

*Chairman and Chief Executive Officer*

23 March 2017

相信在全體員工依從董事會制定的方向和目標，精誠團結，全面貫徹董事會的工作部署，繼續研討集團長期發展戰略規劃，秉承集團「勤、儉、誠、信」的精神，按照「穩經營、促發展」既定方針，營運效率定能不斷提高，並拓展市場，為福田實業集團再上新臺階而努力奮鬥，冀能以優異的業績完成年度各項經營任務及指標，為股東創造美好回報和業績。

### 鳴謝

本人感謝董事會成員的出色指導及睿智建言。我們對一直支持本公司的股東、客戶、供應商、往來銀行及其他業務夥伴表示衷心感謝。本人亦對集團員工為確保集團繼續成為全球領先圓筒針織面料供應商之一作出的不懈努力，深表謝意。

**趙耀**

*主席兼行政總裁*

2017年3月23日

## MANAGEMENT DISCUSSION & ANALYSIS 管理層討論與分析

### BUSINESS REVIEW

#### Overview

During the year under review, the Euro zone's recovery was moderate while developing economies, including the People's Republic of China (the "PRC") or ("China"), have recorded slower growth. Nevertheless, the global economy, particularly in the second half year, continued to be volatile and unstable. The recovery of the United State (the "U.S."), being the largest end-market of our business, gradually became recognized and provided some positive sentiments to the global economy. The operating environment of the textile and garment industry in China remained unimproved; especially we experienced weak domestic and overseas market demand. The further slow down of Mainland China's macroeconomic growth intensified competition. In addition, further depreciation on Renminbi currency led to downward declines in the domestic demand and economy.

Since the U.S. has withdrawn participation in the Trans-Pacific Partnership ("TPP") in December 2016 upon the change of Presidency, several TPP signatories, including Malaysia and Vietnam, have been signaling that the agreement is essentially dead without the U.S. Although the Group was frequently asked to invest or co-invest in one of the TPP countries by our customers and peers in previous years, our fabric dyeing production capacity has still remained in China due to several reasons, including the major one being the instability of the TPP. The loss of expected export tariff benefit from TPP countries to the U.S. as the withdrawal of the U.S. will diminish the original drive of setting up production sites in those TPP countries.

Despite the uncertain global economy, overall difficult retail market and decline in fabric demand, Fountain Set (Holdings) Limited continued to uphold its prudent and pragmatic approach to deal with the ever-changing market conditions and prepare for the challenges. The Group successfully achieved a significant growth in net profit despite the reduction of sales by 4.9% during the year under review, mainly attributable to its focus on lean management, technology automation, machinery upgrade, cost reduction and control initiatives to boost overall operating profitability.

#### 業務回顧

##### 概述

於回顧年內，歐元區經濟溫和復甦，而中華人民共和國（「中國」）等發展中經濟體則錄得增長放緩。然而，全球經濟持續動盪不穩，下半年表現尤甚。美國作為本公司業務規模最大的終端市場，其市場逐漸復甦及對全球經濟帶來若干正面影響。紡織及成衣行業於中國的營運環境仍未得到改善，尤其是我們的國內及海外市場需求表現疲弱。中國內地宏觀經濟增長進一步放緩加劇競爭。此外，人民幣進一步貶值導致國內需求及經濟呈下行趨勢。

繼總統換任後，美國於2016年12月宣佈退出跨太平洋夥伴關係（「跨太平洋夥伴關係」），包括馬來西亞及越南在內的多個跨太平洋夥伴關係簽署國釋放出信號，表示若無美國，該協議實質上已形同虛設。儘管於過去數年，我們的客戶及同行曾多次要求投資或共同投資於其中一個跨太平洋夥伴關係國家，但因多個原因，我們的印染產能仍維持在中國不變，其中一個主要原因正正是在於跨太平洋夥伴關係的不穩定性。美國退出後，自跨太平洋夥伴關係國家出口至美國將沒有預期的出口關稅優惠，從而削弱於在跨太平洋夥伴關係國家設立生產基地的原始動力。

儘管全球經濟不明朗、零售市場整體艱難，以及面料需求下降，福田實業(集團)有限公司繼續秉承審慎務實原則，為應對瞬息萬變的市場環境及挑戰作好準備。儘管集團於回顧年內的銷售減少4.9%，但純利仍錄得大幅增長，此乃主要由於集團注重精益管理、技術自動化、機械升級、成本削減及控制舉措，藉以提升整體經營效益。

## MANAGEMENT DISCUSSION & ANALYSIS

### 管理層討論與分析

The Group's revenue decreased by 4.9% to HK\$6,328.7 million for the year ended 31 December 2016 (2015: HK\$6,653.1 million) due to the change of product mix and the fact that the Group was unable to pass on all the increased costs to customers owing to fierce competition and the average selling price of the fabric reduced.

Thanks to the tight management on the raw material procurement and better control in the production costs, gross profit margin, however, slightly increased to 12.2% (12.1% in 2015) despite the decrease in revenue. As our revenue was slightly lower than that of previous year, the Group's gross profit for the year ended 31 December 2016 also slightly decreased correspondingly by 4.0% to HK\$775.1 million (2015: HK\$807.6 million).

During the year under review, most of the production cost of fabric increased dramatically. Cotton price and yarn price showed an upward trend over 2016. According to the National Cotton Council of America, the cost of cotton has indeed increased by 15.6% during 2016. The price of cotton was at the lowest in March 2016 and at the highest in July 2016. During this period, cotton prices rose by about 23.8%. According to the 2016 China Cotton Index annual report published by the China Cotton Association, the price of yarns was at the lowest in April 2016 and at the highest in July 2016. During this period, yarn prices rose by about 21.1%. In addition, coal price in China increased by about 60% year-on-year, coupled with the ever-increasing trend of labour cost in China. In normal situation, the gross profit margin would have deteriorated. Nevertheless, the Group was in turn able to successfully control the gross profit margin flat when compared to that of last year.

Some of the adverse factors for the Group's operating environment will continue, including the increase in cotton price, rise of labour cost in China and the significant increase in price of coal. In order to secure the sustainable development of the Group, our core competitiveness in terms of advanced production technology, and our innovative capability of doing business are the key.

集團於截至2016年12月31日止年度的營業額減少4.9%至6,328,700,000港元(2015年: 6,653,100,000港元),此乃由於產品組合改變及集團因競爭激烈無法將全部新增成本轉嫁予客戶,致使面料的平均售價有所下降。

由於收緊對原料採購的管理及更好地控制生產成本,即使營業額有所減少,毛利率仍輕微增至12.2%(2015年: 12.1%)。由於營業額略低於上年度,集團於截至2016年12月31日止年度的毛利亦相應略減少4.0%至775,100,000港元(2015年: 807,600,000港元)。

於回顧年內,大部分面料的生產成本顯著增加。棉花價格及棉紗價格於2016年呈上行趨勢。據美國國家棉業總會表示,於2016年期間棉花成本實際上升15.6%。棉花價格於2016年3月及2016年7月分別處於最低位及最高位。於該期間內,棉花價格上升約23.8%。根據中國棉花協會發佈的2016年中國棉花價格指數年報,棉紗價格於2016年4月及2016年7月分別處於最低位及最高位。於該期間內,棉紗價格上升約21.1%。此外,中國煤炭價格同比增加約60%,加上中國勞動力成本的不斷上升趨勢,正常情況,毛利率應會變差,但是,集團反而能成功地控制毛利率與去年持平。

本集團經營環境的一些不利因素將繼續存在,包括棉花價格的上升,中國勞動力成本的上漲以及煤炭價格的大幅上揚。為了確保集團的可持續發展,我們在先進生產技術方面的核心競爭力,以及我們創新的經營能力是關鍵。

## MANAGEMENT DISCUSSION & ANALYSIS 管理層討論與分析

With the help of its continuous adoption of advanced technology and proactive cost-saving efforts, the Group managed to offset some rising pressure of operation costs. During the year under review, distribution and selling expenses decreased to HK\$163.8 million (2015: HK\$191.7 million). Administrative expenses decreased to HK\$424.3 million (2015: HK\$469.4 million). The Group increased net profit margin for the year attributable to owners of the Company to 2.0%, higher than that of 1.5% in previous year. Profit attributable to the owners of the Company increased to HK\$127.9 million (2015: HK\$99.9 million). As a result, basic earnings per share was HK10.6 cents, up from HK8.3 cents in 2015.

During the year under review, the Group further improved the production efficiency through continuously reinforcing its lean production management and applying automated equipment, thereby promoting sustained business growth of the Group. In addition, the Group has also begun the construction of its special fabric production project. In order to cope with the pressure of rising labour costs, the Group also strived to improve its employees' production efficiency by standardizing equipment, workflow and operation, which laid a good foundation to better improve the level of production automation in the future. During the year under review, the Group further reduced orders from some of its small and medium-sized customers, and its sales grew in a more balanced manner as evidenced by the fact that the sales of each of its core customers, major products and main markets delivered a growth.

### Total Production Management

Since its launch in 2015, Total Production Management (TPM) operated smoothly in all our fabric production facilities with an aim to enhance production efficiency. By reducing operational costs through an increase in the maintenance awareness on the production equipment among all production staff and the encouragement to the staff to initiate operational improvement, staff morale and positive momentums have been advocated in all production facilities and meaningful cost-saving efforts were seen during the year under review. At the same time, the Group has continued to provide a series of production training to all production staff in the fabric mills, to refresh and reinforce staff with updated knowledge on production operation, technical craftsmanship as well as management skills. Enormous positive feedbacks have been received from the staff.

藉助持續採用先進技術及積極的節約成本措施，集團盡力抵銷部分不斷上升的經營成本壓力。於回顧年內，分銷及銷售費用減少至163,800,000港元（2015年：191,700,000港元）。行政費用減少至424,300,000港元（2015年：469,400,000港元），集團的本公司擁有人本年度應佔純利率較去年1.5%略高，增加至2.0%。本公司擁有人應佔盈利增加至127,900,000港元（2015年：99,900,000港元）。因此，每股基本盈利為10.6港仙，較2015年8.3港仙上升。

於回顧年內，本集團不斷加強精益生產管理，應用自動化設備，進一步提高生產效率，促進集團業務持續增長。此外，集團亦著手建設其特別的面料生產項目。為應對不斷上漲的勞動力成本壓力，集團亦透過規範設備、工作流程及操作，提升其僱員的生產效率，從而為日後更好地提升生產自動化水平奠定良好的基礎。於回顧年內，集團進一步減少其部分中小型客戶的訂單，且其銷售錄得更均衡的增長，此由其各核心客戶、主要產品及主要市場銷量均錄得增長便可可見一斑。

### 全員生產保全活動

自2015年推出以來，全員生產保全活動（「生產保全活動」）在所有面料生產設施內運作流暢，旨在提高生產效率。透過增強所有生產員工對生產設備的保養意識，及鼓勵員工參與營運改進而降低營運成本，在所有生產設施均已倡導提振員工士氣及活力，並於回顧年內推行富有意義的節省成本措施。同時，集團已持續向面料廠房的全體生產員工提供一系列生產培訓，從而增強及充實員工的生產營運、技術工藝及管理技能方面的最新知識發展，獲得了員工的大量高度評價。

## MANAGEMENT DISCUSSION & ANALYSIS

### 管理層討論與分析

#### Production Facilities Upgrade

During the year under review, the Group has replaced and upgraded numerous relatively less updated and less efficient production facilities in our fabric mills, including fabric dyeing machines, fabric finishing machines and fabric printing machines with new and latest models which provide better production efficiency, less wastage and higher energy saving. The tender committee of the Group have been standardizing the tender management policy and procedure for purchasing new production machines to ensure that the process provides the best interest to the Company as well as our suppliers.

#### Customers

The Group is a knitted fabric manufacturer with products mainly marketed in the U.S., Europe and China, which are supplied to end-buyer customers primarily consisting of renowned international brands and retailers. During the year under review, several sizable middle-end apparel retail brands or department stores in the U.S. have experienced downsizing in terms of the number of shops. Last year, the Group had successfully started collaboration with several new clients, including several popular and quality Japanese brands, a few well-known Chinese casual wear brands as well as some notable North American retail brands which provide high potential going forward.

#### Production Capacity and Operational Measurement

The Group's production capacity maintained at about 25 million pounds of fabric dyeing per month, which was diversified among four fabric mills in both China and Sri Lanka. The upgrade of equipment has leveraged the advantages of the integrated production and supply chain of knitting, dyeing and printing as well as the feature of rapid response, in addition to higher efficiency and lower energy consumption. In respect of lowering controllable costs, the Group has implemented the following measures: deregistrating inactive or non-profitable companies and business to reduce administrative costs, integrating the garment business to reduce operating costs, focusing on high value-added orders to ensure sufficient orders and greater competitiveness, and further implementing the methods of energy saving and emission reduction to comply with the government requirement on environmental protection and reduce the overall energy consumption of the production mills. These measures have achieved notable results, enabling the Group to allocate funds to other appropriate use. Last but not least, the Group has optimized the work allocation of employees, which helped to improve the management structure and operation procedure. By clearly identifying the work division of each department, the execution ability of the overall management has been significantly enhanced.

#### 生產設施升級

回顧年內，集團已更換及升級面料廠房多個相對較舊及效率較低的生產設施，使用節能增效及降低損耗的最新款面料染色機、面料整理機、面料印花機。集團招標委員會一直規範購買新生產機器的招標管理辦法及程序，從而確保整個流程為本公司及供應商帶來最佳利益。

#### 客戶

作為針織面料生產商，集團的面料產品主要於美國、歐洲及中國等市場售賣，而最終買家大多為國際知名的品牌及零售商。於回顧年內，美國若干具規模的中端服裝零售品牌或百貨商店已經縮減店舖的數量。去年，集團成功地開始與數個新客戶（包括數個受歡迎及優質之日本品牌），及一些北美知名零售品牌合作，未來潛能龐大。

#### 生產能力及營運措施

集團共經營4個面料廠房，分別設立在中國和斯里蘭卡，總印染產能維持在每月約為2千5百萬磅。透過設備更新，不單提升效能及降低能源消耗量，更發揮出織造、染色、印花一體化生產供應鏈的優勢和快速反應的特點。在降低可控成本方面，註銷已無營運或虧損的公司和業務，使行政管理成本得以降低；整合成衣業務減少營運成本，集中高附加值訂單，確保訂單充足，及更具競爭力；進一步推行節能減排方案，既可符合政府對於環保的要求，亦減少整體生產廠房的能耗；由於以上措施帶來顯著的成效，令原有成本得以撥作資金投放於其他合適用途上。最後優化僱員的工作配置，既改善管理架構和作業流程，亦使各部門分工更為清晰明確，大大增強整體管理的執行能力。



## MANAGEMENT DISCUSSION & ANALYSIS 管理層討論與分析

### Capital Investment

The Group is committed to continuous investment in infrastructure, machinery and information systems according to the operation needs and future development plan. With nine mills and factories within the Group, regular infrastructure maintenance and machinery upgrade are necessary to ensure continuous improvement in operations. The Group plans to continue fine-tuning the enterprise resource planning system SAP during 2017. It is expected that the overall operational efficiency and productivity will be improved as a result of the full implementation of new system.

### Dividend

In view of the financial results and cash flow situation of the Group, the Board has recommended to pay a final dividend of HK5.3 cents per share for the year ended 31 December 2016 (2015: HK4.0 cents). The total dividend for the year ended 31 December 2016 would be HK5.3 cents per share (payout ratio: 50.0%) as compared with HK4.0 cents per share (payout ratio: 48.2%) for the year ended 31 December 2015. Subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting (the "AGM") to be held on 22 June 2017 (Thursday), it is expected that the payment of final dividend will be made on or before 21 July 2017 (Friday).

### Event after the Reporting Date

Save as disclosed in note 42 of the consolidated financial statements of the annual report, the Group did not have any significant events since the end of the reporting date (i.e. 31 December 2016) and up to the date of the annual report.

### 資本投資

集團根據經營需要及未來發展計劃致力於持續投資於基礎設施、機械和資訊系統。集團擁有9家廠房，為確保能持續改進營運，定期維護基礎設施和機械升級是非常有必要的。集團計劃於2017年內繼續優化企業資源的規劃系統SAP，預期整體營運效率和生產力會因全面實施新系統而有所提高。

### 股息

鑒於集團之財務業績及現金流情況，董事會建議就截至2016年12月31日止年度派發每股5.3港仙末期股息（2015年：4.0港仙）。截至2016年12月31日止年度總股息為每股5.3港仙（派息比率：50.0%），相對截至2015年12月31日止年度總股息為每股4.0港仙（派息比率：48.2%）。待在即將於2017年6月22日（星期四）舉行的股東週年大會（「股東週年大會」）上獲本公司股東（「股東」）批准後，末期股息預期於2017年7月21日（星期五）或之前派付。

### 報告日後事項

除於年報內綜合財務報表附註42所披露外，本集團自報告日（即2016年12月31日）後至本年報日期止，並沒有任何重大事項發生。

## MANAGEMENT DISCUSSION & ANALYSIS

### 管理層討論與分析

#### FINANCIAL REVIEW

The key operating and financial indicators of the Group for the year ended 31 December 2016 are set out below:

#### 財務回顧

本集團截至2016年12月31日止年度之主要經營及財務指標呈列如下：

		2016	2015
<b>Statement of Profit or Loss Items</b>	<b>損益表項目</b>		
(All amounts in HK\$ thousands unless otherwise stated)	(除特別註明外所有金額均以千港元列示)		
Revenue	營業額	<b>6,328,714</b>	6,653,051
Gross profit	毛利	<b>775,124</b>	807,645
EBITDA	息稅折舊及攤銷前利潤	<b>350,009</b>	350,192
Profit for the year	是年度盈利	<b>149,992</b>	128,074
Profit attributable to owners of the Company	本公司擁有人應佔盈利	<b>127,903</b>	99,860
Basic earnings per share (HK cents)	每股基本盈利(港仙)	<b>10.6</b>	8.3
<b>Key Financial Ratios</b>	<b>主要財務比率</b>		
<b>Profitability ratios</b>	<b>盈利能力比率</b>		
Gross profit margin (%)	毛利率(%)	<b>12.2%</b>	12.1%
EBITDA margin (%)	息稅折舊及攤銷前利潤率(%)	<b>5.5%</b>	5.3%
<b>Expenses as a % of revenue</b>	<b>開支佔營業額比率</b>		
Distribution and selling expenses	分銷及銷售費用	<b>2.6%</b>	2.9%
Administrative expenses	行政費用	<b>6.7%</b>	7.1%
Finance costs	融資成本	<b>0.3%</b>	0.4%
<b>Asset efficiency</b>	<b>資產效率</b>		
Inventory turnover period (days)	存貨周轉期(日)	<b>92</b>	88
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	<b>70</b>	72
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	<b>50</b>	53

**MANAGEMENT DISCUSSION & ANALYSIS**  
**管理層討論與分析**

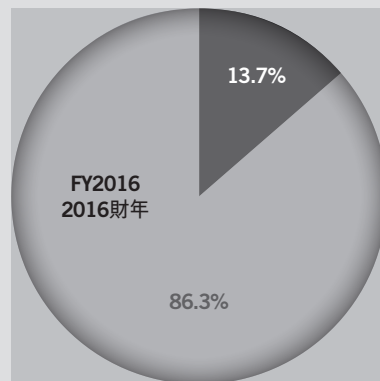
		At 31 December 2016 於2016年12月31日	At 31 December 2015 於2015年12月31日
<b>Asset ratios</b>	<b>資產比率</b>		
Current ratio	流動比率	<b>2.2</b>	2.1
Net debt/EBITDA ratio	淨債務／息稅折舊及攤銷前 利潤率	<b>(0.6)</b>	(0.6)

**Revenue**

The Group's revenue for the year ended 31 December 2016 amounted to approximately HK\$6,328,714,000 (2015: HK\$6,653,051,000).

**營業額**

集團截至2016年12月31日止年度的營業額約為6,328,714,000港元(2015年: 6,653,051,000港元)。

**Revenue by business segments**

**營業額按業務分類**

- Production and Sales of Dyed Fabrics and Yarns  
製造及銷售色布及紗
- Production and Sales of Garments  
製造及銷售成衣

In current year, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$5,461,209,000 (2015: HK\$5,626,076,000), accounted for 86.3% (2015: 84.6%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$867,505,000 (2015: HK\$1,026,975,000), accounted for 13.7% (2015: 15.4%) of the Group's total revenue.

於本年度，集團核心業務－製造及銷售色布及紗的營業額約為5,461,209,000港元(2015年: 5,626,076,000港元)，佔集團營業額總值的86.3%(2015年: 84.6%)。製造及銷售成衣的營業額約為867,505,000港元(2015年: 1,026,975,000港元)，佔集團營業額總值的13.7%(2015年: 15.4%)。

**Cost of Sales and Gross Profit**

For the year ended 31 December 2016, overall cost of sales of the Group amounted to approximately HK\$5,553,590,000 (2015: HK\$5,845,406,000) and overall gross profit margin was 12.2% (2015: 12.1%).

**銷售成本及毛利**

集團截至2016年12月31日止年度之整體銷售成本約為5,553,590,000港元(2015年: 5,845,406,000港元)，整體毛利率為12.2%(2015年: 12.1%)。

## MANAGEMENT DISCUSSION & ANALYSIS

### 管理層討論與分析

During the year under review, the Group's revenue decreased by 4.9%, mainly caused by the change of product mix and the decline in average selling price of fabric.

The Group adopted a series of measures to improve the operation efficiency and to reduce production costs. In addition, the depreciation of Renminbi ("RMB") during the year under review also led to result in a decrease in production cost, since most of the production plants of the Group are located in the PRC. Therefore, the effect of the change of product mix and the decrease in the selling prices of certain fabric was offset thus the gross profit margin percentage remained the same as last year.

#### Distribution and Selling Expenses

For the year ended 31 December 2016, the Group's overall distribution and selling expenses amounted to approximately HK\$163,756,000 (2015: HK\$191,745,000), accounted for 2.6% (2015: 2.9%) of the Group's total revenue.

#### Administrative Expenses

For the year ended 31 December 2016, the Group's overall administrative expenses amounted to approximately HK\$424,275,000 (2015: HK\$469,362,000), accounted for 6.7% (2015: 7.1%) of the Group's total revenue.

The percentage of the distribution and selling expenses and the administrative expenses to the Group's total revenue slightly decreased when compared with last year, were attributable to the effective internal cost control and the effect of currency exchange.

#### Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

For the year ended 31 December 2016, the Group's EBITDA amounted to approximately HK\$350,009,000 (2015: HK\$350,192,000) and the EBITDA margin was 5.5% (2015: 5.3%).

#### Finance Costs

For the year ended 31 December 2016, the Group's finance costs amounted to approximately HK\$19,506,000 (2015: HK\$26,166,000), representing 0.3% (2015: 0.4%) of the Group's total revenue.

回顧年內，本集團的營業額下降4.9%，主要是由於產品組合改變及面料平均售價下跌所致。

本集團採取一系列措施提高運營效率，降低生產成本。此外，由於本集團的大部分生產工廠位於中國，回顧年內人民幣貶值也導致生產成本下降。因此，產品組合的改變及部分面料售價下降的影響被抵銷，以致毛利率與去年持平。

#### 分銷及銷售費用

集團截至2016年12月31日止年度之整體分銷及銷售費用約為163,756,000港元（2015年：191,745,000港元），佔集團營業額總值的2.6%（2015年：2.9%）。

#### 行政費用

集團截至2016年12月31日止年度之整體行政費用約為424,275,000港元（2015年：469,362,000港元），佔集團營業額總值的6.7%（2015年：7.1%）。

與去年相比，分銷及銷售費用和行政費用佔集團營業額總值之百分比有輕微下降，主要是由於有效控制內部成本和外匯影響所致。

#### 息稅折舊及攤銷前利潤(EBITDA)

集團截至2016年12月31日止年度之息稅折舊及攤銷前利潤約為350,009,000港元（2015年：350,192,000港元），息稅折舊及攤銷前利潤率為5.5%（2015年：5.3%）。

#### 融資成本

集團截至2016年12月31日止年度之融資成本約為19,506,000港元（2015年：26,166,000港元），佔集團營業額總值的0.3%（2015年：0.4%）。

**MANAGEMENT DISCUSSION & ANALYSIS**  
**管理層討論與分析**

**Capital Expenditure**

During the year under review, the Group invested approximately HK\$256,485,000 (2015: HK\$118,322,000) in additions of property, plant and equipment, other intangible assets and prepaid lease payments. The Group expects the capital expenditure for the next financial year will be approximately HK\$200,000,000.

**Income Tax Expense**

For the year ended 31 December 2016, income tax expense of the Group amounted to approximately HK\$18,076,000 (2015: HK\$24,133,000).

**Profit for the year**

For the year ended 31 December 2016, profit attributable to owners of the Company was approximately HK\$127,903,000 (2015: HK\$99,860,000) and the corresponding profit margin was 2.0% (2015: 1.5%).

**Inventory**

The Group's inventory amounted to approximately HK\$1,401,911,000 (2015: HK\$1,410,330,000) as at 31 December 2016. The inventory turnover period was 92 days, an increase of 4 days compared with 88 days in 2015.

**Trade and Bills Receivables**

At 31 December 2016, the Group's trade and bills receivables amounted to approximately HK\$1,209,330,000 (2015: HK\$1,313,533,000). Trade and bills receivables turnover period was 70 days, a decrease of 2 days compared with 72 days in 2015.

**Trade and Bills Payables**

At 31 December 2016, the Group's trade and bills payables amounted to approximately HK\$752,140,000 (2015: HK\$851,477,000). Trade and bills payables turnover period was 50 days, a decrease of 3 days compared with 53 days in 2015.

**資本開支**

於回顧年內，集團已投資約256,485,000港元（2015年：118,322,000港元）以增加物業、機器及設備、其他無形資產和預付租賃款項。集團預期下一財政年度的資本開支將約為200,000,000港元。

**所得稅支出**

集團截至2016年12月31日止年度之所得稅支出約為18,076,000港元（2015年：24,133,000港元）。

**是年度盈利**

集團截至2016年12月31日止年度之本公司擁有人應佔盈利約為127,903,000港元（2015年：99,860,000港元），其相關盈利率為2.0%（2015年：1.5%）。

**存貨**

集團於2016年12月31日之存貨約為1,401,911,000港元（2015年：1,410,330,000港元）。存貨周轉期為92天，與2015年88天相比增加4天。

**營業及票據應收款項**

集團於2016年12月31日之營業及票據應收款項約為1,209,330,000港元（2015年：1,313,533,000港元）。營業及票據應收款項周轉期為70天，與2015年72天相比減少2天。

**營業及票據應付款項**

集團於2016年12月31日之營業及票據應付款項約為752,140,000港元（2015年：851,477,000港元）。營業及票據應付款項周轉期為50天，與2015年53天相比減少3天。

## MANAGEMENT DISCUSSION & ANALYSIS

### 管理層討論與分析

#### Liquidity and Financial Resources

At 31 December 2016, the Group's net assets amounted to approximately HK\$3,453,645,000 (2015: HK\$3,394,756,000). The key figures of financial position were as follows:

#### 資金流動性及財政資源

於2016年12月31日，集團資產淨值約為3,453,645,000港元（2015年：3,394,756,000港元）。財務狀況的主要資料如下：

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Non-current assets	非流動資產	<b>1,738,318</b>	1,707,950
Current assets	流動資產	<b>3,633,297</b>	3,722,604
Total assets	資產總值	<b>5,371,615</b>	5,430,554
Current liabilities	流動負債	<b>1,671,279</b>	1,809,609
Non-current liabilities	非流動負債	<b>246,691</b>	226,189
Total liabilities	負債總值	<b>1,917,970</b>	2,035,798
Net assets	資產淨值	<b>3,453,645</b>	3,394,756

The Group met its funding requirements in its usual course of operation by cash flows from operations, as well as long-term and short-term bank borrowings. Capital expenditure was mainly financed by long-term bank borrowings.

集團以營運所得現金流量及銀行的長短期貸款應付日常資金需要，而資本開支則主要由長期銀行貸款撥付。

**MANAGEMENT DISCUSSION & ANALYSIS**  
**管理層討論與分析**

At 31 December 2016, the principal financial covenant figures/ratios (according to the banks' definitions) were as follows:

於2016年12月31日，主要的財務契約數據／比率（根據銀行的定義）如下：

		At 31 December 2016 於2016年12月31日	At 31 December 2015 於2015年12月31日
Consolidated tangible net worth	綜合淨有形資產	<b>HK\$3,067,813,000</b>	HK\$3,019,313,000
Consolidated total bank debt to consolidated tangible net worth	綜合總銀行負債對 綜合淨有形資產比例	<b>0.2</b>	0.2
Consolidated EBITDA to consolidated interest expense	綜合息稅折舊及攤銷前 利潤對綜合利息支出比例	<b>17.9</b>	13.4
Consolidated current assets to consolidated current liabilities	綜合流動資產對 綜合流動負債比例	<b>2.2</b>	2.1
Consolidated capital expenditure	綜合資本開支	<b>HK\$256,485,000</b>	HK\$118,322,000

As at 31 December 2016, the annual capital expenditure of the Group exceeded the limit of general undertakings to a bank. The Group obtained a waiver letter from a relevant bank not to demand for immediate repayment of the bank borrowings.

於2016年12月31日，本集團年度資本開支超出對一間銀行的一般承諾限額。本集團已從有關銀行獲得豁免書免除即時償還銀行貸款要求。

During the year ended 31 December 2015, the Group had complied with all covenant ratios and undertakings.

於截至2015年12月31日止年度內，本集團已遵守所有契約比率及承諾。

**Risk Management**

**風險管理**

The Group follows a stringent and prudent risk management policy to manage foreign exchange and interest rate risks.

集團會依據嚴格及審慎的風險管理政策應對外匯及利率風險。

The sales and the purchase of raw materials of the Group were mainly denominated in Hong Kong dollars ("HKD"), U.S. dollars ("USD") and RMB. Since the Group mainly carries out production in China, we are exposed to foreign exchange risk arising from RMB exposure. As a result of persistent fluctuations in the RMB exchange rate, the Group has been closely monitoring the exchange rate fluctuation for USD and RMB and will continue to review the foreign currency hedging strategy as appropriate in order to mitigate the foreign currency risk in a cautious manner.

集團之銷售和原料採購以港元、美元及人民幣為主。而主要的生產基地位於中國，故涉及人民幣所產生之外匯風險。由於人民幣匯率持續波動，集團一直密切監察美元及人民幣匯率的變動，會採取謹慎的方法，適時審視外匯對沖政策以減低其風險。

## MANAGEMENT DISCUSSION & ANALYSIS

### 管理層討論與分析

In addition, bank borrowings of the Group were denominated in HKD and USD, interests were mainly charged on a floating rate basis. Since the market expected that the interest rates in the U.S. might rise in the coming year, the Group will continue to monitor the interest rates fluctuation in the market and will arrange appropriate financial instruments to minimise the interest rate risk.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group had approximately 9,900 (2015: 12,100) full time employees. The Group will continue to implement streamlined production so as to further minimize our labour cost. The Group's emolument policies are formulated on the performance of individual employee and the salary trends in various regions, which are reviewed regularly. Subject to the Group's profitability, the Group may also distribute a discretionary bonus to its employees as an incentive for their contribution to the Group.

The Group has established a share option scheme for its employees, and also provides regular training courses and subsidies for continuing education so as to improve the skills of its employees with respect to production, selling and management.

### OUTLOOK

The Group is strongly committed to increasing sales with existing quality customers as well as growing new customers. On the other hand, the Group is also dedicated in significantly reducing the overall costs to maintain its competitiveness in the already challenging market. A series of operational equipment upgrades in all our fabric mills will continue to contribute greatly to the benefits of the Group in the long run. Despite the uncertainties ahead, the Group will maintain a prudent and pragmatic approach. The Board and the management believe that the Group's marketing and sales strategy and the above operational measures can play a positive role in the long-term business development and continuous efficiency improvement, so that the Group can enjoy higher profitability, a stable financial position and a solid foundation for better performance.

此外，集團的銀行借貸以港元和美元為單位，利息主要以浮動利率計算。由於市場預期美國於來年仍有加息的可能，本集團將繼續留意市場的利率波動，並安排合適的金融工具以減低利率上升的風險。

### 僱員及酬金政策

集團於2016年12月31日之全職僱員人數約為9,900人（2015年：12,100人）。本集團將繼續實施精簡生產，以盡量減少勞動力成本。集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而制定並定期作出檢討。集團亦會因應集團之盈利情況，酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

集團為僱員設有一項購股權計劃，亦會提供定期培訓課程及資助進修計劃，以提高僱員之生產、銷售及管理技能。

### 前景

集團積極致力於藉助優質客戶以及不斷增長的新客戶增加銷量。另一方面，集團亦矢志大幅削減整體成本以於挑戰重重的市場保持競爭力。面料廠房正進行一系列的營運設備升級，將有助集團之長遠利益。儘管前景不明朗，集團將保持務實審慎的態度。董事會及管理層認為集團的營銷及銷售策略和上述各種營運措施均能為長期業務發展帶來正面作用，繼續著力提升效益，致使集團能提高盈利能力，確保財務穩健，為創出更佳的業績打好基礎。



## CORPORATE GOVERNANCE REPORT 企業管治報告

The Company is committed to maintaining a high standard of corporate governance practices and procedures. Throughout the year from 1 January 2016 to 31 December 2016 (the “Year”), except for the deviations as disclosed in this report, the Company has consistently adopted and complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules”, respectively) as guidelines to reinforce our corporate governance principles.

本公司致力維持高水平的企業管治常規及程序。由2016年1月1日起至2016年12月31日止年度(「本年度」)，本公司一貫地採納及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14所載之企業管治守則(「企管守則」)之全部適用守則條文，惟本報告所披露的偏離情況除外，作為強化本公司企業管治原則之方針。

### BOARD OF DIRECTORS

#### Board Composition

As at 31 December 2016, the board of directors of the Company (the “Directors” and the “Board”, respectively) comprised eight members, namely three executive Directors (the “EDs”), two non-executive Directors (the “NEDs”) and three independent non-executive Directors (the “INEDs”). The NEDs and INEDs represented about 63% of the Board members thereat. During the Year and up to the date of this report, the Board comprises the following members:

#### EDs

Mr. ZHAO Yao (*Chairman and Chief Executive Officer*)  
Mr. CHEN Minghong  
Mr. LAN Jiang (appointed on 9 May 2016)  
Mr. HA Kam On, Victor (*Vice-Chairman*) (resigned on 19 May 2016)  
Mr. GONG Zhengyi (retired on 24 June 2016)

#### NEDs

Dr. YEN Gordon  
Mr. ZHANG Chong

#### INEDs

Mr. NG Kwok Tung  
Mr. YING Wei  
Mr. William LAM (appointed on 9 May 2016)  
Mr. CHOW Wing Kin, Anthony, *SBS, JP* (retired on 24 June 2016)

### 董事會

#### 董事會成員

於2016年12月31日，本公司之董事會(「董事」及「董事會」)由8名成員組成，包括3名執行董事(「執行董事」)、2名非執行董事(「非執行董事」)及3名獨立非執行董事(「獨立非執行董事」)。非執行董事及獨立非執行董事代表了約63%的董事會成員。本年度及截至本年報日期，董事會成員如下：

#### 執行董事

趙耀先生(主席兼行政總裁)  
陳鳴洪先生  
藍江先生(於2016年5月9日獲委任)  
夏錦安先生(副主席)(於2016年5月19日辭任)  
宮征誼先生(於2016年6月24日退任)

#### 非執行董事

嚴震銘博士  
張湧先生

#### 獨立非執行董事

伍國棟先生  
應偉先生  
林偉成先生(於2016年5月9日獲委任)  
周永健先生，*銀紫荊星章，太平紳士*  
(於2016年6月24日退任)

## CORPORATE GOVERNANCE REPORT 企業管治報告

On 9 May 2016, Mr. LAN Jiang was appointed as a new ED and Mr. William LAM was appointed as a new INED. On 19 May 2016, Mr. HA Kam On, Victor resigned as an ED. On 24 June 2016, Mr. GONG Zhengyi retired as an ED and Mr. CHOW Wing Kin, Anthony, SBS, JP retired as an INED. The number of INEDs continuously represents one-third of the Board as required by Rule 3.10A of the Listing Rules. The profile of all the current Directors are set out on pages 56 to 60 of this annual report. The relationships among the Board members (including financial, business, family or other material or relevant relationships, if any) are also disclosed there.

All Directors have entered into service contracts or letters of appointment with the Company, subject to renewal, retirement by rotation and re-election at the general meetings of the Company in accordance with the articles of association of the Company (the “Articles”). Article 102(A) of the Articles provides that at each annual general meeting of the Company (the “AGM”), one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third or any other number subject to such manner of rotation as may be required by the statutes, the Listing Rules or other codes, rules, and regulations prescribed from time to time by the applicable regulatory authority, shall retire from office. Article 93 of the Articles also provides that any Director appointed to fill a casual vacancy (who shall hold office until the next following general meeting of the Company) or as an addition to the Board (who shall hold office until the next following AGM shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

### Roles and Responsibilities of the Board and Delegation to the Management

The Board is responsible for the leadership and control of the Company and its subsidiaries (the “Group”) and is responsible for promoting the success of the Group by directing and supervising the business operations of the Group in the interests of the Company’s shareholders (the “Shareholders”) by formulating strategic directions and monitoring the financial and management performance of the Group.

於2016年5月9日，藍江先生獲委任為新的執行董事，林偉成先生獲委任為新的獨立非執行董事。於2016年5月19日，夏錦安先生辭任執行董事。於2016年6月24日，宮征誼先生退任執行董事，周永健先生，銀紫荊星章，太平紳士退任獨立非執行董事。按上市規則第3.10A條之規定，獨立非執行董事的人數一直佔董事會三分之一。現任董事的個人簡介均載列於本年報第56至第60頁。董事會成員之間的關係（包括財務、業務、家屬或其他重大或相關的關係（如有））亦已作出披露。

所有董事已與本公司訂立服務合約或委任函，委任可予續期，但須根據本公司之組織章程細則（「章程細則」）於本公司之股東大會上輪席告退及膺選連任。章程細則第102(A)條規定，在本公司各股東週年大會（「股東週年大會」）上當時三分之一董事（或倘董事人數並非3或3之倍數，則為最接近三分之一的數目或按法例、上市規則所規定須輪席告退或適用監管機構不時訂明之其他守則、規則及規例所規定之任何其他數目）須退任。章程細則第93條亦規定，獲委任以填補董事會臨時空缺或增添董事會成員之董事，其任期僅至本公司下一次股東大會為止，並合資格於會上膺選連任，惟不得計算入須於該大會上輪席告退之董事人數內。

### 董事會之角色及職責以及轉授予管理層

董事會以本公司股東（「股東」）利益為出發點，負責領導及監控本公司及其附屬公司（「本集團」），並透過制定策略決策及監督本集團之財務及管理層表現，指導及監督本集團之業務營運，以促進本集團之成功。

## CORPORATE GOVERNANCE REPORT 企業管治報告

The overall management of the Group's business is vested in the Board. The Board has delegated the day-to-day management of the Group's business to the executive management team, and focused its attention on matters affecting the Group's overall strategic policies, finances and the Shareholders. The executive management team assumes full accountability to the Board for the operations of the Group. A formal schedule has been formulated and will be reviewed regularly to identify specific matters that shall be reserved to the Board and those delegated to the management. The Board has given clear directions to the management that certain matters must be referred to the Board for consideration and approval. The Board is the ultimate decision making body of the Company except for matters requiring the approval of the Shareholders in accordance with the Articles, the Listing Rules and other applicable laws and regulations.

### Practices and Conduct of Meetings

Four regular Board meetings at approximately quarterly intervals were held during the Year. Each of the Directors has actively participated in each meeting in person or via telephone or videoconferencing. Decisions were made by majority vote at the Board meetings.

The dates of 2016 regular Board meetings had been determined in 2015 and any amendments to this schedule were notified to all Directors at least 14 days before the meetings. Appropriate arrangements were in place to allow the Directors to include items in the agenda for regular Board meetings.

本集團整體業務由董事會負責管理。董事會將本集團日常事務的管理授權予本公司的行政管理層處理，而董事會本身則專注處理可影響本集團整體策略方針、財務及股東的事項。行政管理層須就本集團之所有經營業務向董事會承擔全部責任。本集團制定並將定期審閱正式清單，以確認應由董事會負責及轉授予管理層負責之具體事項。董事會已就須交由董事會考慮及批准之若干事項向管理層作出清晰指引。董事會為本公司之最終決策單位，惟根據章程細則、上市規則及其他適用法例及規例須由股東批准之事宜則除外。

### 會議常規及規則

本年度內，本公司曾大約每季舉行4次定期董事會會議。各董事積極親身、透過電話或視頻會議參與各會議。董事會會議之決定是以多數票表決。

2016年董事會定期會議的舉行日期在2015年內已定下，所有日期改動均在最少14天前通知各董事。本公司備有適當安排，讓董事提出商討事項以納入董事會定期會議議程內。

**CORPORATE GOVERNANCE REPORT**  
**企業管治報告**

All Directors had access to the services of the company secretary of the Company (the “Company Secretary”) who regularly updated the Board on governance and regulatory matters. Any Director, wishing to do so in the furtherance of his/her respective duties, might take independent professional advice (through the chairman of the Board (the “Chairman”)) at the Company’s expense. The availability of professional advice extended to three Board committees, namely the Remuneration Committee, the Nomination Committee and the Audit Committee. Minutes of the Board meetings were taken by the Company Secretary and, together with any supporting documents, were available to all Directors. Draft and final versions of the minutes were sent to all Directors for their comment and record respectively.

If a Director had a conflict of interest in a transaction or proposal to be considered by the Board and such transaction or proposal was determined by the Board to be material, the individual Director had to declare his/her interest and was required to abstain from voting on any matter in which he/she or any of his/her associates (as defined in the Listing Rules) had a material interest and that he/she would not be counted in the quorum present at the Board meeting. Such matters were considered at a Board meeting attended by the INEDs who had no material interest in the transaction or proposal.

公司秘書定期更新董事會的管治及規管事宜，所有董事均可聯絡公司秘書。任何董事可就履行其職責而（透過主席）尋求獨立專業意見，費用由本公司支付。3個董事委員會（薪酬委員會、提名委員會及審核委員會）亦可尋求專業意見。董事會會議記錄由公司秘書負責撰寫，會議記錄連同任何有關文件均可提供予所有董事。初稿供所有董事審閱，而最後定稿供其作記錄之用。

若有董事在董事會將予考慮的交易或建議中存有董事會認為重大利益衝突時，涉及的個別董事須申報利益，而該董事須就彼或其任何聯繫人士具有重大權益之相關董事會決議案放棄投票（如上市規則所列明），且不會計入出席該董事會會議之法定人數內。有關事項須經董事會會議考慮，而該會議需有於交易或建議中不存在重大利益的獨立非執行董事出席。

**CORPORATE GOVERNANCE REPORT**  
**企業管治報告**

Directors' Attendance at Board Meetings, Board Committee Meetings and General Meeting

Details of the attendance of the Directors at meetings of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee and a general meeting during the Year are set out in the following table:

董事於董事會會議、董事委員會會議及股東大會之出席情況

本年度內，董事於董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會的出席詳情列載於下表：

Name of Directors 董事姓名		Meetings attended/Meetings required to be attended during the Year 本年度內董事之出席次數/需要出席之會議				Annual General Meeting 股東週年大會
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
<i>EDs</i>	<i>執行董事</i>					
Mr. ZHAO Yao	趙耀先生	4/4	-	-	3/3	1/1
Mr. CHEN Minghong	陳鳴洪先生	4/4	-	-	-	1/1
Mr. LAN Jiang (appointed on 9 May 2016)	藍江先生 (於2016年5月9日獲委任)	3/3	-	1/1	-	1/1
Mr. HA Kam On, Victor (resigned on 19 May 2016)	夏錦安先生 (於2016年5月19日辭任)	1/1	-	-	-	-
Mr. GONG Zhengyi (resigned as a member of the Remuneration Committee on 9 May 2016 and retired as an ED on 24 June 2016)	宮征誼先生 (於2016年5月9日辭任 薪酬委員會成員及 於2016年6月24日 退任執行董事)	1/1	-	3/3	-	1/1
<i>NEDs</i>	<i>非執行董事</i>					
Dr. YEN Gordon	嚴震銘博士	4/4	-	-	-	1/1
Mr. ZHANG Chong	張湧先生	4/4	4/4	-	-	1/1
<i>INEDs</i>	<i>獨立非執行董事</i>					
Mr. NG Kwok Tung	伍國棟先生	4/4	4/4	4/4	-	1/1
Mr. YING Wei	應偉先生	3/4	-	4/4	3/3	1/1
Mr. William LAM (appointed on 9 May 2016)	林偉成先生 (於2016年5月9日獲委任)	3/3	2/2	-	1/1	1/1
Mr. CHOW Wing Kin, Anthony, SBS, JP (retired on 24 June 2016)	周永健先生，銀紫荊星章，太平紳士 (於2016年6月24日退任)	1/1	2/2	-	3/3	1/1
Date of the meetings	會議日期	18/3/2016 24/6/2016 18/8/2016 18/11/2016	11/1/2016 15/3/2016 8/7/2016 12/8/2016	15/2/2016 15/3/2016 20/4/2016 19/5/2016	18/3/2016 20/4/2016 19/5/2016	24/6/2016

Training of Directors

All Directors have been given relevant guideline materials regarding the duties and responsibilities as a Director as well as relevant laws, rules and regulations applicable to the Directors, the duty of disclosure of interest and the business of the Group and induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors.

董事培訓

所有董事均已獲提供有關擔任董事之職責及責任、適用於董事之相關法例、規則及規例、權益披露責任及本集團業務之有關指引資料，而於新任董事獲委任為本公司董事後，亦會於短期內向其提供該等介紹資料。

## CORPORATE GOVERNANCE REPORT 企業管治報告

All Directors have been updated from time to time on the latest developments and changes in the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

Each of the Directors has confirmed that he had complied with code provision A.6.5 of the CG Code on Directors' training. Throughout the Year or within the period during the Year he held directorship of the Company (the "Period") (as the case might be), each of the Directors named below has participated in continuous professional development by attending seminars/in-house briefing/reading materials on the following topics to develop and refresh his knowledge and skills and provided a record of training to the Company:

所有董事已不時就上市規則及其他適用監管要求之發展及變動獲得最新資料，從而確保合規，同時加強彼等對良好企業管治常規之意識。

董事確認彼等已遵守有關董事培訓之企管守則條文第A.6.5條。本年度內或於本年度擔任本公司職務期間（「期間」）（視情況而定），以下所有董事已透過出席有關以下主題之座談會／內部簡介／閱讀材料參與持續專業發展，以發展及更新彼等之知識及技能，並已向本公司提供培訓記錄：

Name of Directors	Topics of Training covered (Notes)	董事姓名	所涵蓋之培訓主題 (附註)
<i>EDs</i>			
Mr. ZHAO Yao	(a), (b) and (c)	趙耀先生	(a)、(b)及(c)
Mr. CHEN Minghong	(a), (b) and (c)	陳鳴洪先生	(a)、(b)及(c)
Mr. LAN Jiang (appointed on 9 May 2016)	(a), (b) and (c)	藍江先生 (於2016年5月9日獲委任)	(a)、(b)及(c)
Mr. HA Kam On, Victor (resigned on 19 May 2016)	(a), (b) and (c)	夏錦安先生 (於2016年5月19日辭任)	(a)、(b)及(c)
Mr. GONG Zhengyi (retired on 24 June 2016)	(a), (b) and (c)	宮征誼先生 (於2016年6月24日退任)	(a)、(b)及(c)
<i>NEDs</i>			
Dr. YEN Gordon	(a), (b) and (c)	嚴震銘博士	(a)、(b)及(c)
Mr. ZHANG Chong	(a), (b) and (c)	張湧先生	(a)、(b)及(c)
<i>INEDs</i>			
Mr. NG Kwok Tung	(a), (b) and (c)	伍國棟先生	(a)、(b)及(c)
Mr. YING Wei	(a), (b) and (c)	應偉先生	(a)、(b)及(c)
Mr. William LAM (appointed on 9 May 2016)	(a), (b) and (c)	林偉成先生 (於2016年5月9日獲委任)	(a)、(b)及(c)
Mr. CHOW Wing Kin, Anthony, SBS, JP (retired on 24 June 2016)	(a), (b) and (c)	周永健先生， 銀紫荊星章，太平紳士 (於2016年6月24日退任)	(a)、(b)及(c)
<i>Notes:</i>			
(a)	corporate governance	(a)	企業管治
(b)	regulatory requirements or risk management	(b)	監管要求或風險管理
(c)	finance or business operation/management	(c)	財務或業務營運／管理

附註：

## CORPORATE GOVERNANCE REPORT 企業管治報告

### Directors' Insurance

The Company has arranged appropriate insurance coverage in respect of potential legal action against the Directors.

### 董事之保險

本公司已就董事可能面對之法律行動作出適當之投保安排。

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER (THE "CEO")

With effect from 23 January 2015, Mr. ZHAO Yao, the Chairman and an ED, has taken up the position of CEO of the Company, details of which were set out in the Company's announcement dated 23 January 2015. This deviates from code provision A.2.1 of the CG Code, which stipulates that the responsibilities of the chairman and chief executive officer should be separate and should not be performed by the same individual. However, having considered the current status of the Group, vesting the roles of both Chairman and CEO in the same person enables the Group to plan its overall strategy more efficiently and achieve the budgeted target. The Board believes that the balance of power and authority under this arrangement is adequately ensured by the Board which comprises experienced, professional and high caliber individuals with sufficient number thereof being INEDs.

### 主席及行政總裁(「行政總裁」)

自2015年1月23日起，本公司主席及執行董事趙耀先生開始兼任本公司行政總裁職務，詳情已載於日期為2015年1月23日之公司公告。此會偏離企管守則條文A.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任，但考慮到本集團現時的情況，由同一名人士同時擔任主席及行政總裁兩個職務可以讓本集團更有效率地計劃整體策略及完成預算目標。由於董事會由經驗豐富人士及專業人士組成(包括大多數的非執行董事及獨立非執行董事人數)，相信會有足夠能力確保職能及權力在此安排下得到平衡。

### NON-EXECUTIVE DIRECTOR

All the existing NEDs and INEDs were appointed for a specific term. Each of the NEDs and INEDs has entered into a letter of appointment with the Company for a term of one year, subject to renewal, retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles.

### 非執行董事

所有現有非執行董事及獨立非執行董事均有特定委任年期。非執行董事及獨立非執行董事已各自與本公司訂立委任函件，任期為1年，委任可予續期，但須根據章程細則於本公司股東大會上輪席告退及膺選連任。

### CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the existing INEDs, an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all the INEDs are independent and at least one of them has appropriate professional qualifications or accounting or related financial management expertise in accordance with Rule 3.10(2) of the Listing Rules.

### 獨立性確認書

本公司已根據上市規則第3.13條接獲各現任獨立非執行董事的書面年度獨立確認書。根據上市規則第3.10(2)條，董事會認為所有獨立非執行董事均為獨立人士，其中最少一位具備合適專業資格或會計或相關財務管理知識。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. The Company had made specific enquiries of all Directors and all of them have confirmed their compliance with the required standards set out in the Model Code throughout the Year or within the Period (as the case might be).

### BOARD COMMITTEES

The Board currently has established three committees, namely the Remuneration Committee, the Nomination Committee and the Audit Committee, each with specific terms of reference. Their terms of reference have been reviewed and approved by the Board and are updated by reference to the CG Code from time to time. The terms of reference of each of the Remuneration Committee, the Nomination Committee and the Audit Committee have been posted on the respective websites of the Stock Exchange and the Company.

During the Year, these committees adhered to their principles, procedures and arrangements set out in their respective terms of reference. The respective committee secretaries took full minutes of the meetings of these committees and the work of each of these committees was reported to the Board regularly.

### AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference for the purposes of reviewing and providing supervision over the Company's financial reporting process, risk management and internal control systems. The terms of reference of the Audit Committee were revised and adopted on 26 February 2016 to include the responsibilities on reviewing the risk management and internal control systems of the Group. The principal duties of the Audit Committee are to consider the appointment and remuneration of the external auditors, to monitor the integrity of the Group's financial statements with a focus on the changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern assumptions, and compliance with accounting standards, the Listing Rules and other applicable legal requirements, and to review the Group's financial reporting system, risk management and internal control systems.

### 董事進行證券交易

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）為其有關董事進行證券交易之守則。經向本公司所有董事作出具體查詢後，本公司認為所有董事於本年度或於期間內（視情況而定）內均已遵守標準守則所要求的標準。

### 董事會委員會

董事會現已成立3個委員會，分別為薪酬委員會、提名委員會及審核委員會，各自有特定職權範圍書。彼等之職權範圍書已獲董事會批准及審閱，並已參考不時更新之企管守則。薪酬委員會、提名委員會及審核委員會各自之職權範圍書已刊載於聯交所及本公司網站。

本年度內，該等委員會均已遵守彼等各自之職權範圍書所載之原則、程序及安排。委員會相關秘書負責為該等委員會撰寫完整的會議記錄，而委員會則定期向董事會作出工作匯報。

### 審核委員會

本公司已成立審核委員會，並設有書面職權範圍書，藉以檢討及監察本公司之財務申報程序、風險管理及內部監控制度。審核委員會的職權範圍於2016年2月26日經修訂並獲採納，包括審閱本集團的風險管理及內部監控制度的責任。審核委員會的主要職務為考慮外聘核數師的委任及酬金、監督本集團財務報表是否完整（尤其著重會計政策及實務的更改、重要判斷範圍、重大核數調整、持續經營假設以及是否符合會計準則、上市規則及其他適用之法律要求），同時檢討本集團的財務申報制度、風險管理及內部監控制度。



## CORPORATE GOVERNANCE REPORT 企業管治報告

As at the date of this annual report, the Audit Committee comprises 1 NED, namely Mr. ZHANG Chong, and 2 INEDs, namely Mr. NG Kwok Tung and Mr. William LAM (appointed on 9 May 2016). The Audit Committee is chaired by Mr. NG Kwok Tung. Mr. CHOW Wing Kin, Anthony, SBS, JP ceased to act as a member of the Audit Committee upon his retirement as an INED on 24 June 2016.

The Audit Committee held four meetings during the Year and details of the attendance are shown in the table on page 35 of this annual report. A summary of the work of the Audit Committee during the Year is set out as follows:

- provided recommendations to the Board on the appointment and re-appointment of independent auditor, and approved the audit fee and the terms of engagement of the independent auditor;
- reviewed and monitored the independent auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discussed with the independent auditor before the audit commenced, the nature and scope of the audit and the reporting obligations;
- reviewed the financial statements, interim report and annual report as well as significant financial reporting judgments contained in them;
- reviewed the financial control, internal control and risk management systems;
- discussed the risk management and internal control systems with management to ensure that the management had performed its duty to achieve effective systems. Such discussion included the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

截止本年報的發表日期，審核委員會由1名非執行董事及2名獨立非執行董事組成，分別為張湧先生、伍國棟先生及林偉成先生（於2016年5月9日獲委任）。審核委員會主席為伍國棟先生。周永健先生，銀紫荊星章，太平紳士於2016年6月24日退任審核委員會成員的工作。

本年度內審核委員會舉行了4次會議，出席詳情列於本年報第35頁之表內。審核委員會於本年度內的工作概要包括以下事項：

- 就獨立核數師的委任及重新委任向董事會提供建議，及核准獨立核數師酬金及聘用條款；
- 按適用的標準檢討及監察獨立核數師的獨立性及客觀性，以及核數程序的有效性；並與獨立核數師在審核工作開始前預先討論審核工作的性質和範圍及有關申報責任；
- 審閱財務報表、中期報告及年度報告，並檢閱其所載有關財務申報的重大判斷；
- 檢閱財務監控、內部監控及風險管理制度；
- 與管理層討論風險管理及內部監控系統，並確保管理層已履行職責建立有效的系統。有關討論包括本公司的財務匯報職能方面資源、員工之資歷及經驗、培訓課程及有關預算是否充足；

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- ensured co-ordination between the internal and external auditors, and ensured that the internal audit function was adequately resourced and had appropriate standing within the Company, and reviewed and monitored its effectiveness;
  - reviewed the financial and accounting policies and practices; and
  - reviewed the independent auditor's management letter, any material queries raised by the auditor to management regarding the accounting records, financial accounts or systems of control and management's response.
- 確保內部和外聘核數師的工作得到協調；及確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察內部審核功能的有效性；
  - 檢閱財務及會計政策及實務；及
  - 檢閱獨立核數師致管理層的審核情況說明函件、核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層的回應。

### AUDITOR'S REMUNERATION

The fees paid/payable to BDO Limited, the Group's independent auditor, in respect of audit and non-audit services for the Year amounted to approximately HK\$3,063,000 and HK\$870,000 respectively. The non-audit services mainly consisted of review, consultancy and taxation services.

### 核數師酬金

就審計及非審計服務已付／應付予香港立信德豪會計師事務所有限公司之費用分別約為3,063,000港元及870,000港元。非核數服務主要包括檢討、諮詢及稅務服務。

### RESPONSIBILITIES OF DIRECTORS AND AUDITOR FOR FINANCIAL STATEMENTS

The Directors acknowledge the responsibilities for preparing the financial statements of the Company. They were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The independent auditor's statement about its reporting responsibilities is set out on pages 76 to 81 of this annual report.

### 董事及核數師對財務報表的責任

董事知悉其有編製本公司財務報表的責任。董事並不知悉任何有關可能對本集團按持續基準繼續經營之能力構成重大疑問之事件或情況之任何重大不明朗因素。獨立核數師發表有關其申報責任的聲明載列於本年報第76至81頁。

There is no disagreement between the Board and the Audit Committee on the re-appointment of the independent auditor, and they both have agreed to recommend the re-appointment of BDO Limited as the Company's independent auditor for the ensuing year at the 2017 AGM for the approval of the Shareholders.

董事局與審核委員會對委任獨立核數師事宜並沒有意見分歧，他們均同意於本公司的2017年股東週年大會建議股東批准再次委任香港立信德豪會計師事務所有限公司為本公司之獨立核數師。

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### Nomination Committee

The Company has established a Nomination Committee with written terms of reference and its principal duties are 1) to review the structure, size and diversity of the Board and the Executive Committee at least annually; 2) to identify and recommend suitably qualified candidates as new Director(s) or to fill Board vacancies as they arise and to assess candidates as new member(s) of the Executive Committee or to fill the vacancies of the Board committees as they arise, for the approval of the Board; 3) to assess the independence of the INEDs; and 4) to review the policy of diversity of the Board (the "Policy").

The criteria adopted by the Nomination Committee in considering whether the relevant personnel are suitable as Directors include their qualifications, experience, expertise, skills, knowledge, ethnicity, age, cultural background and so on in view of the provisions of the Listing Rules and the particulars of the Policy as adopted by the Board are summarised as follows:

#### Purposes:

1. to increase diversity at the level of the Board;
2. to enhance the effectiveness of the Board and the quality of its performance; and
3. to support the attainment of strategic objectives/plan and sustainable and balanced development of the Company.

### Measurable Objectives

The optimum composition of the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, regional and industry experience, skills, knowledge and other experience of the Directors. The ultimate decision will be based on merit and contribution that the selected candidate(s) will bring to the Board.

### 提名委員會

本公司已成立提名委員會，並設有書面職權範圍書，其主要職責包括1)至少每年檢討董事會及行政議會的架構、人數及多元性、2)物色及提名合資格人士成為董事會新成員或填補董事會空缺的人選，以及評審行政議會新成員及填補行政議會空缺的人選，供董事會批准、3)評核獨立非執行董事的獨立性，及4)審閱現時董事會多元化政策（「本政策」）。

提名委員會在考慮有關人士是否適合成為董事時，基於上市規則及董事會已採納之本政策，採納的準則包括其資歷、經驗、專長、技能及知識、種族、年齡及文化背景等。本政策之細節總結如下：

#### 目的：

1. 增加董事會之多元性；
2. 提升董事會之效率及表現質素；及
3. 支持達到本公司之策略目標／計劃及持續及平衡發展。

### 可計量目標

最佳的董事會組成將按一系列多元化範疇為基準，包括但不限於董事的性別、年齡、文化及教育背景、專業資格、地區及行業經驗、技能、知識及其他資歷。最終人選將按其長處及可為董事會提供的貢獻作決定。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### Monitoring and Review

The Nomination Committee has been monitoring and reviewing the Policy and will recommend any revisions thereof (if appropriate) to the Board.

The Nomination Committee, as at the date of this annual report, comprises an ED, Mr. ZHAO Yao, and two INEDs, namely Mr. YING Wei and Mr. William LAM (appointed on 9 May 2016) and is chaired by Mr. ZHAO Yao. Mr. CHOW Wing Kin, Anthony, *SBS, JP* ceased to act as a member of the Nomination Committee upon his retirement as an INED on 24 June 2016.

### Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference and its principal duties are 1) to make recommendations to the Board on the remuneration policy for all Directors; 2) to review and approve the Company's remuneration policy proposed by the CEO and make recommendations to the Board; and 3) to review and approve the management's remuneration and incentive assessment indicators proposals by reference to the Board's corporate goals and objectives for the Board's approval. The Company's remuneration policy is to provide a competitive level of remuneration in accordance with current market conditions to attract and motivate the Directors and staff for their contribution.

As at the date of this annual report, the Remuneration Committee comprises an ED, Mr. LAN Jiang (appointed on 9 May 2016), and two INEDs, namely Mr. NG Kwok Tung and Mr. YING Wei, and is chaired by Mr. YING Wei. Mr. GONG Zhengyi resigned as a member of the Remuneration Committee on 9 May 2016. The Remuneration Committee held 4 meetings during the Year and details of attendance are shown in the table on page 35 of this annual report. A summary of the work of the Remuneration Committee during the Year is set out as follows:

- made recommendations to the Board on the remuneration packages of individual Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and assessed their performance;

### 監控及檢討

提名委員會負責監控及檢討本政策及在適當情況下向董事會提出修改建議。

提名委員會於本年報的日期時由1名執行董事及2名獨立非執行董事組成，分別為趙耀先生、應偉先生及林偉成先生（於2016年5月9日獲委任），委員會主席為趙耀先生。周永健先生，*銀紫荊星章*，*太平紳士*於2016年6月24日退任提名委員會成員的工作。

### 薪酬委員會

本公司已成立薪酬委員會，並設有書面職權範圍書，其主要職務為1)就制訂所有董事之薪酬政策向董事會提出建議、2)審批公司的薪酬政策及向董事會提出建議及3)因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬及績效考核指標建議，並向董事會提出建議供董事會審批。本公司的薪酬政策旨在根據目前市況提供具競爭力的薪酬，以吸引及激勵董事及員工作出貢獻。

截至本年報日期，薪酬委員會由1名執行董事及2名獨立非執行董事組成，分別為藍江先生（於2016年5月9日獲委任）、伍國棟先生及應偉先生，委員會主席為應偉先生。宮征誼先生於2016年5月9日辭任薪酬委員會成員。本年度內薪酬委員會舉行了4次會議，出席詳情列於本年報第35頁之表內。薪酬委員會於本年度內的工作概要包括以下事項：

- 就個別董事及高級管理層之酬金待遇向董事會提供建議，包括金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償），及評審彼等之表現；

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- reviewed and approved the management's remuneration and incentive assessment indicators proposals by reference to the Board's corporate goals and objectives; and
- ensured that no Director or any of the respective associates (as defined in the Listing Rules) is involved in deciding his/her remuneration.
- 因應董事會所訂企業方針及目標而檢討及批准管理層薪酬及績效考核指標建議；及
- 確保任何董事或各自的任何聯繫人(定義見上市規則)不可參與決定彼等之薪酬。

The Nomination Committee held three meetings during the Year and details of the attendance are shown in the table on page 35 of this annual report. A summary of the work of the Nomination Committee during the Year is set out as follows:

本年度內提名委員會舉行了3次會議，出席詳情列於本年報第35頁之表內。提名委員會於本年度內之工作概要包括以下事項：

- made recommendations to the Board and determined the Policy on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and assessed the independence of the INEDs;
- reviewed the Policy; and
- reviewed the size, structure and diversity of the Board, and assessed the balance of skills and experience of the Board as expedient with a diversity of perspectives appropriate to the requirements of the business of the Group.
- 為就挑選提名出任董事之人士、委任或重新委任董事向董事會提供建議及決定政策，以及評核獨立非執行董事之獨立性；
- 檢討董事會成員多元化政策；及
- 檢討董事會的人數、組成、架構及多元性，並評估董事會技能的均衡和經驗；及觀點多元化以適合及有利於本集團的業務要求。

The Company follows a formal, fair and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee will first consider necessary changes in respect of the structure, size and diversity of the Board, identify suitably qualified candidates by considering their professional knowledge and industry experience, personal ethics, integrity and personal skills and time commitments, and make recommendations to the Board for decision. The nomination criteria also include the nominee's skills and experience appropriate for the requirements of the Group's business and, for INEDs, the nominee's independence.

本公司依照正規、公平、透明之程序委任新董事加入董事會。提名委員會將首先考慮董事會架構、規模及多元性之必要變動，然後考慮專業知識及行業經驗、個人操守、誠信及個人技能及所付出時間物色適當之合資格人選，並向董事會提供建議。提名標準亦包括提名人之技能及經驗是否符合本集團業務之要求及就獨立非執行董事，提名人之獨立性。

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### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the risk management and internal control systems of the Company and its subsidiaries (“Group”). The risk management measures and internal control systems employed by the Group are designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group, and can only provide reasonable and not absolute assurance against material and/or financial misstatement or loss. The Board has delegated the Audit Committee (“AC”) the following duties:

1. to review the Company’s financial controls, risk management and internal control systems;
2. to discuss the risk management and internal control systems with management to ensure that the management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company’s accounting and financial reporting function;
3. where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
4. to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management’s response to these findings.

The Company has established the Internal Audit Department (“IAD”) and the Corporate Operation Management Department (“COMD”) to manage the internal control and risk management issues of the Group respectively. The COMD reports to both the AC and the Chief Executive Officer (“CEO”), while the IAD reports only to the AC.

### 風險管理及內部監控

董事會全權負責維持本公司及其附屬公司（「本集團」）的風險管理及內部監控系統。本集團使用風險管理及內部監控系統之目的是為減少本集團營運固有的風險以達至可接受程度，而非消除所有風險，及只能就重大及／或財務的數據失實或損失作出合理而非絕對的保證。董事會已交予審核委員會以下職責：

1. 檢討本公司財務監控、風險管理及內部監控系統。
2. 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。討論內容應包括會計及財務彙報職能方面的資源、相關同事之資歷及經驗是否足夠，以及該等同事所接受的培訓課程及有關本公司預算是否充足；
3. 如公司設有內部審計職能，須確保內部和外聘核數師的工作得到協調；也須確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察其成效；及
4. 主動或應董事會的委派，就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；

本公司已成立內部審計部及企業營運管理部並分別負責管理本集團內部監控及風險管理事宜。企業營運管理部向審核委員會及行政總裁彙報，而內部審計部只向審核委員會彙報。

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The AC and the CEO report to the Board periodically regarding material controls, including financial, operational and compliance controls and other risk issues of the Group identified by the AC and the CEO from time to time. The Board reviews risk management and internal control matters approximately once every six months. The Board and the AC are satisfied with the effectiveness of the Company's procedure for financial reporting.

### INTERNAL CONTROL

The IAD is responsible for the internal control matters of the Group and currently comprises four staff members. It is governed by an internal audit charter and has established an internal audit approach for its internal audit function. The IAD has prepared 18 internal audit reports during the year ended 31 December 2016. The Board has confirmed that IAD had been provided with adequate resources and budget and comprised qualified staff with sufficient experience and training programs to perform its internal audit function.

The missions of the IAD are:

- to evaluate and improve the Group's risk management, control and operation processes; and
- to assist the organization in achieving the best practice, thus becoming the best managed company.

The IAD is authorized to have unrestricted access to records, personnel, and physical properties relevant to the performance of audits. Their relevance depends on the nature and extent of the audits as well as the audit environment, and is subject to the internal audit guideline on the handling of sensitive information as endorsed by the AC. The IAD is authorized to directly and regularly communicate with the senior management and all executives in individual organization being audited to discuss its major findings. All personnel within the Group are required to assert full cooperation any time and in any place with the IAD necessary to allow it to discharge its responsibilities.

審核委員會及行政總裁定期向董事會彙報實質監控，包括財務、營運及合規監控及其他不時由審核委員會及行政總裁指出有關本集團的風險事宜。董事會約於每六個月會審閱風險管理及內部監控事宜。董事會及審核委員會信納本公司財務申報程序的有效性。

### 內部監控

內部審計部現時由4名員工組成並負責本集團的內部監控事宜。受內部審計憲章監管及已就其內部審計職能制定了內部審計模式。於截至2016年12月31日止年度內部審計部已完成18個內部審計報告。董事會確定已向內部審計部提供充足的資源及預算及具足夠經驗的合資格員工及培訓課程以執行其內部審計職能。

內部審計部的任務：

- 評估及改善本集團的風險管理、監控及營運流程；及
- 協助組織達到最佳常規並變成最佳管理的公司。

內部審計部獲授權可無限制地接觸與進行審計相關的記錄、人員及實物財產。其相關性視乎審計的屬性及程度以及審計環境而定，且須受審核委員會允許有關處理敏感資料的內部審計指引的規限。內部審計部獲授權直接及定期與接受審計的個別組織的高級管理人員及所有行政人員溝通，以討論其主要結果。本集團內所有人員須於任何時間及任何地點積極全面地與內部審計部進行必要的合作，以履行其責任。

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**RISK MANAGEMENT**

Upon reviewing the risk management practice and internal control measures employed during 2016, the Board has identified that there is a need to implement a risk management framework for the Group in response to the versatile business environment the Group faces and recommended to implement the comprehensive risk management framework (“Framework”) for the Group. The Framework is to execute the basic risk management measures in various business sectors such as production, operation and management, with the aim to (i) develop a group-wide, open and proactive risk management culture, and (ii) safeguard the strategic development and current business operations of the Group.

The Framework consists of the following concepts:

**風險管理**

於審閱2016年採取的風險管理實務及內部監控措施後，董事會確定因應本集團現時所面對不斷轉變的商業環境本集團需要推行風險管理框架工作，並建議本集團推行全面風險管理框架（「框架」）。該框架是指通過在生產、經營與管理的各個環節執行風險管理基本流程，以(i)培育集團性、開放及主動的風險管理文化；及(ii)為本集團實現發展戰略與經營業績的總體目標提供保障為目標。

框架包括以下的概念：

**The Comprehensive Risk Management Framework**  
**全面風險管理框架**



The Company has also established the guideline for the Framework (“Guideline”). According to the Guideline, the risk management function of the Group is made up of the Board, AC, CEO, senior management, COMD, IAD and various subsidiaries of the Company.

本公司亦制定了框架的守則（「守則」）。根據守則，本集團的風險管理職能由董事會、審核委員會、行政總裁、高級管理人員、企業營運管理部、內部審計部、本公司各個附屬公司所組成。



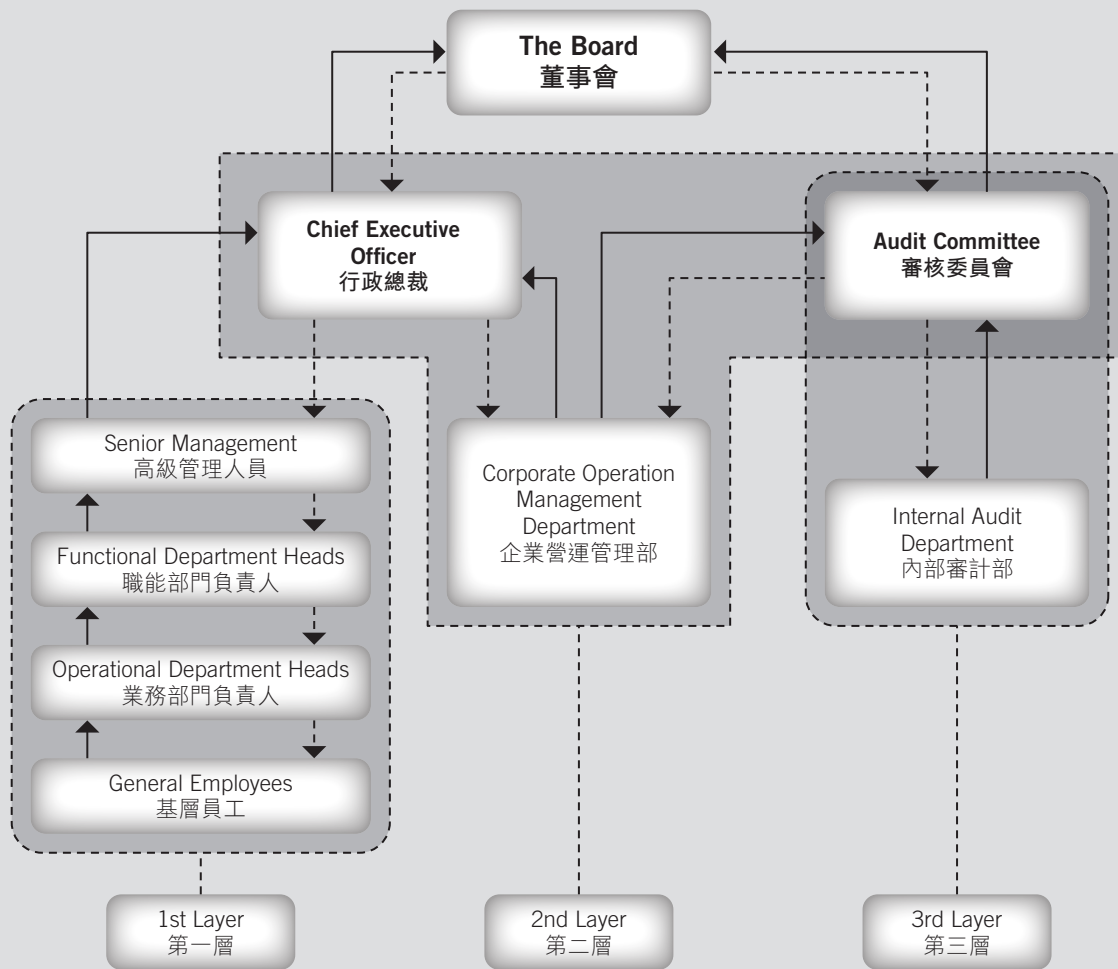
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The Framework is a tri-layer system. The first layer is mainly made up of senior management and heads of various functional and operational departments of the Group, who are the key players for minimizing potential risks in advance. The second layer consists of the AC, CEO and COMD, which is mainly responsible for the organization, co-ordination and planning of the corporate risk management works and monitors the progress of the risk management works. Thus, the second layer is vital during a risk management crisis. The last layer is formed by the AC and the IAD to review and audit the existing operation flow such as information system, business flow and financial disclosure. The last layer is often the key to mitigate risk factors in the aftermath of a risk management crisis.

框架是一個三層系統。第一層主要包括高級管理人員、本集團不同職能部門及業務部門的主管，他們為事前控制風險的關鍵人物。第二層由審核委員會、行政總裁及企業營運管理部構成，主要負責企業風險管理工作的統籌、組織、協調與規劃，並對該項工作的開展與落實情況進行監控，是風險控制危機的關鍵。第三層包含審核委員會和內部審計部，主要負責對現時營運流程如資訊系統、業務流程、財務披露等方面進行審計及審閱，最後一層常作為於風險控制危機事後處理上減低風險因素的關鍵。

The following diagram displays the relationship and interaction among the three layers of the Framework:

下圖顯示了框架三層系統之間的關係及互動：



Notes 附註： ———> The up flow of risk related information 表示風險有關資訊上報      - - - -> Request to execute the risk management measures 表示風險管理要求下達

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In 2017, COMD will continue to focus on the following risk management issues:

1. to continue to refine the details of the Framework;
2. to consolidate the volume-based analysis and the nature-based analysis; and
3. to continue to identify and categorize the potential risks faced by the Group.

During 2016, the IAD and the COMD had reviewed the risk management and internal control systems of the Group and reported their findings to the AC. The Board and the AC are satisfied with the effectiveness and adequacy of the risk management and internal control systems of the Group.

The Board and the AC noted that the Company has breached Rule 14A.54(1) of the Listing Rules, because of the exceeding of the 2016 annual cap of certain continuing connected transactions, namely, the master sales agreement dated 18 November 2015 (“2018 AH Master Sales Agreement”) entered into between the Company and Mr. Anil Kumar Lalchand Hirdaramani (“Mr. Hirdaramani”), a director and a substantial shareholder of a non-wholly owned subsidiary of the Company. The 2018 AH Master Sales Agreement relates to the sale of fabrics, yarns, fibers and garment parts by members of the Group to members of the companies which Mr. Hirdaramani and his associates and relatives individually or together exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors (the “AH Group” and “AH Sales Transactions”, respectively).

It was noted that the total transaction amount under the 2018 AH Master Sales Agreement with Mr. Hirdaramani for the year ended 31 December 2016 was approximately HK\$160,260,000 (“2016 AH Transaction Amount”). It was noted that the 2016 AH Transaction Amount received by the Company exceeded the 2016 annual cap of HK\$150,000,000 (“2016 AH Annual Cap”) as stated in the circular of the Company dated 11 December 2015, by approximately HK\$10,260,000, or approximately 6.84% of the 2016 AH Annual Cap.

於2017年，企業營運管理部將繼續專注下列的風險管理事宜：

1. 持續改善框架的細節；
2. 定量分析與定性分析的方法匯總；及
3. 持續識別與分類本集團可能面對之風險。

於2016年內，內部審計部及企業營運管理部已審閱本集團的風險管理及內部監控系統並向審核委員會彙報。董事會及審核委員會均滿意本集團的風險管理及內部監控系統的成效及充足性。

董事會及審核委員會知悉，本公司違反了上市規則第14A.54(1)條，原因是超出了若干持續關連交易（即本公司與本公司一間非全資附屬公司之董事兼主要股東Anil Kumar Lalchand Hirdaramani先生（「Hirdaramani先生」）於2015年11月18日簽訂的總銷售協議（「2018年AH總銷售協議」）的2016年度上限。2018年AH總銷售協議是有關由本集團成員公司向Hirdaramani先生及其聯繫人和親屬可在股東大會上個別或共同行使或控制50%以上的表決權，或控制董事會大部分成員組成的公司（「AH集團」）銷售布料、棉紗、纖維及成衣部件（「AH銷售交易」）。

據悉，於截至2016年12月31日止年度2018年AH總銷售協議項下與Hirdaramani先生進行的總交易額約為160,260,000港元（「2016年AH交易額」）。據悉，本公司所收取的2016年AH交易額較本公司日期為2015年12月11日的通函所述的2016年度上限150,000,000港元（「2016年AH年度上限」）超出約10,260,000港元，或2016年AH年度上限約6.84%。

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The Board and the AC noted the reasons for exceeding the 2016 AH Annual Cap were:

- A. a steady increase of cotton prices in 2016 which exceeded the Group's expectations. According to the National Cotton Council of America, the cost of cotton has increased by 15.6% during 2016. The price of cotton was at the lowest in March 2016 and at the highest in July 2016. During this period, cotton prices rose about 23.8%. According to the 2016 China Cotton Index annual report published by the China Cotton Association, the price of yarns was at the lowest in April 2016 and at the highest in July 2016. During this period, yarn prices rose about 21.1%. As cotton is used for the production of knitted fabrics, yarns, fibers and garment parts, the costs and prices of these products under the AH Sales Transactions also increased accordingly; and
- B. the AH Sales Transactions and 2016 AH Transaction Amount were higher than expected.

The Board and the AC also noted that the Company has taken the following remedial measures:

- A. The Company immediately notified the Stock Exchange, made the relevant announcement timely and authorized the joint company secretary of the Company to publish the relevant announcements on the respective websites of the Stock Exchange and the Company as required.
- B. The Company has provided a continuing connected transactions training on 25 January 2017 to the Directors, on the relevant continuing connected transactions rules and regulations under the Listing Rules so as to strengthen their awareness on compliance requirements.

董事會及審核委員會知悉超出2016年AH年度上限的理由為：

- A. 2016年棉花價格持續上漲，超出本集團的預期。根據美國國家棉花協會表示，於2016年內，棉花成本增加15.6%。棉花價格於2016年3月及2016年7月分別處於最低位及最高位。於該期間，棉花價格上升約23.8%。根據中國棉花協會發佈的2016年中國棉花價格指數年報，棉紗價格於2016年4月及2016年7月分別處於最低位及最高位。於該期間內，棉紗價格上升約21.1%。由於棉花用作生產針織面料、棉紗、纖維及成衣部件，故AH銷售交易項下該等產品的成本及價格亦隨之上漲；及
- B. AH銷售交易及2016年AH交易額高於預期。

董事會及審核委員會亦知悉本公司已採取以下補救措施：

- A. 本公司立即通知聯交所、及時作出相關公告及授權本公司聯席公司秘書按要求於聯交所及本公司各自的網站刊發相關公告。
- B. 本公司已於2017年1月25日向董事提供上市規則項下相關持續關連交易規則及法規的持續關連交易培訓，藉以加強彼等對合規規定的警覺性。

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- C. The Company will further provide a continuing connected transactions training to the senior management, accounting personnel and other relevant personnel of the sales department responsible for the continuing connected transactions of the Company, to enhance supervision of the continuing connected transactions. It will periodically conduct the aforesaid training to ensure that all the above parties will maintain their awareness on compliance requirements concerning continuing connected transactions.
- D. The Company currently has in place a system for monitoring the continuing connected transactions of the Company, of which transaction data is provided by each of the Company's subsidiaries monthly and reviewed by the Group's finance department. The IAD will conduct sample checking based on random selection of at least five transactions entered into between the Group and the connected persons on a monthly basis to ensure the accuracy of transaction data. The IAD will review the relevant invoice/purchase order and make enquiries with the concerned sales staff and customers to verify the information contained in such invoice/purchase order. The corporate governance department of the Company is responsible for monitoring these figures on a monthly basis and immediately alert the INEDs, the IAD and the joint company secretaries of a potential breach of the prescribed annual cap once the continuing connected transaction amount reaches 80% of the prescribed annual cap. The Company will now further lower this threshold and alert the INEDs when the continuing connected transaction amount reaches 65% of the relevant annual cap so as to avoid future occurrence of similar events.
- E. The Company will continue to closely review the continuing connected transactions on a regular basis and take prompt actions to make necessary disclosure and obtain independent shareholders' approval in the event that any adjustment to an annual cap becomes foreseeable as required under the Listing Rules.
- C. 本公司亦將向高級管理層、會計人員及負責本公司持續關連交易的銷售部的其他相關人員提供持續關連交易培訓，以加強監督持續關連交易。本公司將定期舉行上述培訓，以確保所有上述人士保持對持續關連交易合規規定的警覺性。
- D. 本公司目前已有一套系統，監測本公司的持續關連交易，本公司各附屬公司於每月提供交易數據，並由本集團的財務部審閱。本公司的內部審計部將按照隨機抽取本集團與關連人士每月訂立的至少五宗交易進行抽樣檢查，以確保交易數據的準確性。內部審計部將審閱相關發貨單／採購單及向有關銷售人員及客戶查詢以核實相關發貨單／採購單載列的資料。本公司企業管治部將負責每月監測該等數字，並於持續關連交易額達到規定年度上限的80%時，立即警示獨立非執行董事、內部審計部及聯席公司秘書有可能違反規定年度上限。本公司現將進一步調低此限額並於持續關連交易額達到相關年度上限65%時提醒獨立非執行董事，以避免日後發生類似事件。
- E. 本公司將繼續定期密切檢討持續關連交易，並按上市規則所規定於預見對年度上限作出任何調整的情況時，適時採取行動作出必須披露及取得獨立股東批准。

As such, the Board and the AC are satisfied with the effectiveness of the Company's procedure for the Listing Rules compliance.

因此，董事會及審核委員會信納本公司遵守上市規則規定程序的有效性。

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### INSIDE INFORMATION POLICY

The Group has established a policy for ensuring that inside information (“Inside Information”) is disclosed to the public in an equal and timely manner in accordance with the Listing Rules and the Securities and Futures Ordinance.

The senior management of the Group is to provide timely and accurate information, to allow the Board to make an informed decision to determine whether the information is Inside Information and/or whether the Company has to disclose such information to the public. Senior management of the Group must report to the Board and/or CEO any information they have which they believe to be Inside Information and will trigger the Company to discharge its disclosure duty. The Company Secretary will follow up accordingly.

The Company Secretary is responsible for disclosing Inside Information to the public and/or is authorised to collect any information from any department and/or employee of the Group in order to help determining whether the alleged information is Inside Information and/or whether disclosure is required.

### CORPORATE GOVERNANCE

#### Corporate Governance Duties

The Board is responsible for performing the corporate governance duties of the Group, including (a) developing and reviewing the policies and practices on (i) corporate governance and (ii) compliance with legal and regulatory requirements of the Company; (b) reviewing and monitoring the training and continuous professional development of the Directors and management; and (c) reviewing the Company’s compliance with the CG Code and the Corporate Governance Report. The Board has, amongst other matters, reviewed this Corporate Governance Report, ensuring compliance with the Listing Rules.

According to the Stock Exchange’s amendments to risk management and internal control under the CG Code applicable to accounting periods of listed companies commencing on or after 1 January 2016, the Board should oversee the Company’s risk management and internal control systems on an ongoing basis and has delegated such responsibilities to the Audit Committee. The terms of reference of the Audit Committee were revised and adopted on 26 February 2016 to include the additional responsibilities on reviewing the risk management and internal control systems of the Group.

### 內幕消息政策

本公司已制定政策，以確保內幕消息（「內幕消息」）根據上市規則及證券及期貨條例公平及適時地向公眾發佈。

本集團的高級管理人員有責任提供可靠及適時的資料，讓董事會就厘定有關消息是否為內幕消息及／或本公司是否應即時向公眾公佈，作出知情的決定。所有本集團的高級管理人員須就其所知可能引致本公司須履行披露責任的內幕消息時，應向董事會及／或行政總裁報告，再由公司秘書跟進。

公司秘書負責向公眾披露內幕消息及／或有權向本集團任何部門及／或僱員收集任何資料，以進一步評估該資料是否屬於內幕消息及／或是否需要披露。

### 企業管治

#### 企業管治職責

董事會須負責履行本集團之企業管治職責，包括 (a) 制定及檢討有關 (i) 企業管治及 (ii) 本公司在遵守法例及監管規定方面之政策及慣例；(b) 檢討及監察董事及管理人員之培訓及持續專業發展；及 (c) 檢討本公司有否遵守企管守則及企業管治報告之規定。董事會已（其中包括）審閱此企業管治報告，確保符合上市規則。

聯交所就有關企管守則中對風險管理及內部監控的修訂已於2016年1月1日或之後開始的上市公司會計期間生效，董事會有持續責任監察本公司的風險管理及內部監控系統及已將該責任下放至審核委員會，審核委員會職權範圍書已於2016年2月26日作出修訂及獲採納，從而包括附加檢討本集團風險管理及內部監控系統的責任。

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### COMPANY SECRETARY

Ms. CHENG Wai Han, Charmaine (“Ms. CHENG”) joined the Group in October 2003 and is currently a Joint Company Secretary and the Deputy General Manager (Corporate Governance Department) of the Company. She has over 16 years of extensive working experience specializing in investor relations, credit management, company secretarial matters, corporate affairs and insurance operation. Ms. CHENG obtained a Bachelor’s degree of Commerce from Mount Allison University, Canada and an Executive Master’s degree in Business Administration (EMBA) from the Chinese University of Hong Kong. However, she does not possess the specified qualifications for a company secretary as required by Rule 3.28 of the Listing Rules. Ms. CHENG has received no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Given the important role of the Company Secretary in the corporate governance function of the Company, particularly in assisting the Company and the Directors in complying with the Listing Rules and other relevant laws and regulations, the Company has also appointed Mr. KWOK Siu Man (“Mr. KWOK”) who meets the requirement under Rule 3.28 of the Listing Rules as the other Joint Company Secretary with effect from 18 November 2015 to work closely with and provide assistance to Ms. CHENG in discharge of the latter’s duties and responsibilities as a Joint Company Secretary. Mr. KWOK was nominated by Boardroom Corporate Services (HK) Limited (“Boardroom”) to act as a Joint Company Secretary and Boardroom has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and Boardroom. The primary person at the Company with whom Mr. KWOK has been contacting in respect of company secretarial matters is Ms. CHENG.

### 公司秘書

鄭惠嫻女士（「鄭女士」）於2003年10月加入集團，目前為本公司之聯席公司秘書及副總經理（企業管治部）。彼擁有超過16年廣泛工作經驗，專長於投資者關係、信貸管理、公司秘書事務、企業事務及保險營運。鄭女士於加拿大蒙特愛立森大學獲商科學士學位，並於香港中文大學獲得高級管理人員工商管理碩士學位。雖然鄭女士現時未獲得上市規則第3.28條所要求的公司秘書專業資格，但鄭女士已遵守上市規則第3.29條所要求的接受不少於15小時的相關專業訓練。

有鑑於公司秘書在本公司的企業管治功能中發揮著重要的角色，特別是協助公司及董事遵守上市規則及其他相關法律和條例，本公司於2015年11月18日同時委任了已符合上市規則第3.28條的郭兆文先生（「郭先生」）為聯席公司秘書，與鄭女士共同工作，藉以協助鄭女士達成聯席公司秘書的職務及責任。郭先生是由寶德隆企業服務（香港）有限公司（「寶德隆」）提名為聯席公司秘書。寶德隆會根據聘書的內容對本公司提供指定的企業秘書服務，郭先生主要聯繫鄭女士來處理本公司的秘書事務。

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As Mr. KWOK was first appointed as the company secretary of a Hong Kong Hang Seng Index constituent stock company in 1991 and has been acting in such capacity for a number of other reputable companies listed on the Stock Exchange at substantial times since then, he was not required to have at least 15 hours of relevant continuous professional development training under the Listing Rules for five consecutive years from 2012 (including the Year). However, despite the above exemption, Mr. KWOK had delivered and attended over 15 hours' relevant seminars during the Year.

### SHAREHOLDERS' RIGHTS

The Board and the management of the Company endeavour to maintain a continuing communication with the Shareholders and investors through various channels, including the Company's general meetings. Set out below is a summary of how the Shareholders can convene a general meeting and put forward proposals at such meetings.

#### Convening a general meeting

Pursuant to Sections 566-569 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the "Companies Ordinance"), Shareholder(s) holding at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings may, by written request authenticated by the Shareholder(s) making it (the "Written Request") and sent to the Company, require the Directors to call a meeting.

The Written Request (i) must state the general nature of the business to be dealt with; and (ii) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting.

The Directors must call a meeting within 21 days after the date on which they become subject to the requirement of the relevant Shareholder(s) and such meeting must be held within 28 days after the date of the notice convening the meeting.

郭先生於1991年首次擔任一間香港恆生指數成份股公司的公司秘書，其後亦多次出任數間於聯交所上市的公司的公司秘書。於上市規則下，郭先生由2012年開始起連續5年（包括本年度）無需接受不少於15小時的持續專業訓練。雖然郭先生獲得此豁免，但郭先生本年度亦講授及參與了多於15小時的相關講座。

### 股東之權利

董事會及本公司管理層致力通過不同渠道與股東及投資者保持持續溝通，包括本公司之股東大會。以下概述股東可如何召開股東大會及於會上提呈建議。

#### 召開股東大會

根據公司條例（香港法例第622章）（「公司條例」）第566-569條，1名或多名股東（佔全體有權在股東大會上表決的股東的總表決權最少5%），可通過遞交經提呈股東認證的書面請求（「書面請求」）至本公司，要求董事召集會議。

該書面要求(i)須述明有待處理的事務的一般性質，及(ii)可包含可恰當地動議並擬在該股東大會上動議的決議文本。

董事必須於他們受到召開股東大會之相關股東的規定所規限日期後的21日內召開股東大會，該大會須在召開該股東大會的通知發出日期後的28日內舉行。

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If the Written Request received by the Company identifies a resolution that may properly be moved and is intended to be moved at the meeting, the notice of the meeting must include notice of the resolution. The business that may be dealt with at the meeting includes a resolution that has been included in such notice of meeting. If the resolution is to be proposed as a special resolution, the Directors must include, in the notice of the meeting, the text of the resolution and specifies the intention to propose the resolution as a special resolution.

If the Directors do not call a meeting as required by the Written Request, the Shareholders who requested the meeting, or any of them representing more than one-half of the total voting rights of all of them, may themselves call a general meeting.

The meeting to be called by the Shareholders must be called (i) within 3 months after the date on which the Directors become subject to the requirement to call a meeting and (ii) in the same manner, as nearly as possible, as that in which that meeting is required to be called by the Directors.

Any reasonable expenses incurred by the Shareholders requesting the meeting by reason of the failure of the Directors duly to call a meeting must be reimbursed by the Company.

### Procedures to put forward proposals at general meetings

Pursuant to Section 580 of the Companies Ordinance, a Shareholder may request the Company to circulate a statement of not more than 1,000 words with respect to a matter mentioned in any proposed resolution or other business to be dealt with at any general meeting.

To put forward proposals at the meeting, a Written Request must be made by (i) Shareholder(s) holding at least 2.5% of the total voting rights of all the Shareholders who have a relevant right to vote on a proposed resolution at the meeting; or (ii) at least 50 members who have a relevant right to vote on a proposed resolution at the meeting.

如果本公司收到書面要求，指出一項可恰當地動議並擬在該股東大會上動議的決議，則大會通知必須包括該決議的通知。已包含在大會通知內的決議，則可列為該大會上處理的事務。如果決議案提呈為特別決議案，董事必須於股東大會的通知內包含該決議的文本，並指明擬採用特別決議的形式提出該決議的意向。

如果董事沒有按上述書面要求的規定召開會議，則要求召開該股東大會的股東，或佔全體該等股東的總表決權過半數的股東，可自行召開股東大會。

股東召開的會議，必須(i)在董事受到召開股東大會的規定所規限的日期後的3個月內，及(ii)盡可能按董事須召開該股東大會的同樣方式召開。

如因董事沒有妥為召開股東大會，導致要求召開會議的股東產生之任何合理開支，將會由公司承擔。

### 於股東大會上提呈議案程序

根據公司條例第580條，股東可要求公司傳閱關於有待在該股東大會上處理的決議或其他事務，而字數不多於1,000字的陳述書。

如欲在會議上提呈建議，以下人士必須提出書面要求：(i)佔全體有相關表決權利於會上就所提呈決議案表決的股東的總表決權最少2.5%的股東；或(ii)最少50名有相關表決權利於會上就所提呈決議案表決的成員。



## CORPORATE GOVERNANCE REPORT 企業管治報告

The Written Request must identify the statement to be circulated, and must be received by the Company at least 7 days before the relevant meeting. The expenses of circulating such statement must be paid by the Shareholder(s) who requested the circulation of the statement unless (i) the Company resolves otherwise or (ii) the meeting to which the requests related is an AGM; or (iii) requests sufficient to require the Company to circulate the statement are received in time to enable the Company to send a copy of the statement at the same time as it gives notice of the meeting.

### Enquires from Shareholders

Shareholders should direct their enquiries in respect of their shareholdings or change of address or distribution instructions to the Company's share registrar, Tricor Secretaries Limited. Other Shareholders' enquiries can be directed to the Investor Relations Representative of the Company whose contact details are shown under "Shareholder Information" of this annual report.

### CONSTITUTIONAL DOCUMENTS

The new articles of association of the Company were adopted at the AGM held on 24 June 2016.

該書面要求須指出將予傳閱的陳述書並經所有提出該要求的人認證；及須於該要求所關乎的股東大會前最少7日送抵該公司。要求傳閱有關陳述書的股東須支付傳閱有關陳述書的費用，除非(i)公司通過決議；或(ii)有關要求所關乎的股東大會，是本公司的週年股東大會；或(iii)本公司及時收到足以令本公司須傳閱該陳述書的要求，使本公司在發出該股東大會的通知的同時，能夠送交該陳述書的文本。

### 股東查詢

股東可向本公司之股份過戶登記處卓佳秘書商務有限公司查詢彼等之持股情況、地址更改或分配指示。股東之其他查詢可向本公司投資者關係代表作出，其聯絡資料已列載於本年報「股東資料」內。

### 組織章程文件

本公司之新組織章程於2016年6月24日舉行的股東週年大會上獲通過。

## PROFILES OF DIRECTORS 董事簡介

### EXECUTIVE DIRECTORS (THE “EDs”)

Mr. ZHAO Yao

*Chairman of the Board, ED and Chief Executive Officer (the “CEO”)*

*Chairman of Nomination Committee*

Aged 53, was appointed as an ED on 27 November 2012, and as the Chairman of the Board and the Chairman of the Nomination Committee on 14 November 2014. He was further appointed as the CEO of the Company on 23 January 2015. Mr. ZHAO has almost 29 years of experience in the textile industry. He joined China National Textiles Import and Export Corporation\* (中國紡織品進出口總公司) (“General Corporation”), the predecessor of Chinatex Corporation\* (中國中紡集團公司) (“Chinatex”) in 1987 and held positions as the Assistant President of Chinatex, the General Manager of Asset Management Department of Chinatex, Chairman and General Manager of Chinatex Xinyuan Assets Management Co., Ltd.\* (中紡信遠資產管理有限公司), General Manager of Chinatex Tianyuan Property Management Co., Ltd.\* (廊坊中紡天元投資有限公司), General Manager of Chinatex Real Estate Administration Co., Ltd.\* (中紡物業管理有限公司), Chairman of Chinatex (H.K.) Holding Limited, Chairman of Huasheng Fujitec Elevator Co., Ltd.\* (華升富士達電梯有限公司), Chairman of Shanghai Huasheng Fujitec Escalator Co., Ltd.\* (上海華升富士達扶梯有限公司), Chairman of Shanghai Huade Photoelectron Science & Technology Co., Ltd.\* (上海華德光電科技有限公司), Financial Manager of Wah Gar Knitwear Factory Company Limited, General Manager of Suzhou Zhongfa Property Management Co., Ltd.\* (蘇州中發物業有限公司) and Vice President of Chudai Trading Co., Ltd.\* (日本中大株式會社), a subsidiary of Chinatex. Mr. ZHAO graduated with a diploma in industrial accounting from Renmin University of China in 1987. In December 2013, Mr. ZHAO obtained a Senior Management Master’s Degree of Business Administration awarded by University of Texas at Arlington in the United States of America (“USA”).

### 執行董事

趙耀先生

*董事會主席、執行董事兼行政總裁*

*提名委員會主席*

現年53歲，於2012年11月27日獲委任為執行董事，並於2014年11月14日獲委任為董事會主席及提名委員會主席。彼再於2015年1月23日獲委任為本公司行政總裁。趙先生擁有近29年從事紡織行業之經驗，彼於1987年加入中國中紡集團公司（「中紡」）的前身中國紡織品進出口總公司（「總公司」），曾任中紡總裁助理兼資產管理部總經理、中紡信遠資產管理有限公司董事長及總經理、廊坊中紡天元投資有限公司總經理、中紡物業管理有限公司總經理、中紡（香港）控股有限公司董事長、華升富士達電梯有限公司董事長、上海華升富士達扶梯有限公司董事長、上海華德光電科技有限公司董事長、香港華嘉企業集團\* (Wah Gar Knitwear Factory Company Limited) 財務經理、蘇州中發物業有限公司總經理及中紡所屬子公司日本中大株式會社副社長。趙先生1987年畢業於中國人民大學一分校工業會計專業，並於2013年12月獲得美國德克薩斯大學阿靈頓分校頒發的高級管理人員工商管理碩士學位。

\* For identification purpose only

\* 僅供識別

**PROFILES OF DIRECTORS**  
**董事簡介**

**Mr. CHEN Minghong**

Aged 50, was served as a NED for the period from 6 June 2012 to 27 November 2012. He was appointed as an ED on 23 January 2015. Mr. CHEN has almost 24 years of experience in the textiles industry. He is currently the General Manager of Chinatex Cotton Import and Export Corporation\* (中紡棉花進出口公司) (“Chinatex Cotton”), a subsidiary of Chinatex. Mr. CHEN joined General Corporation, the predecessor of Chinatex, in March 1993. He served successively as the Deputy Manager and Manager of the Cotton Department of Chinatex Cotton, Assistant to General Manager and Deputy General Manager of Chinatex Cotton. Mr. CHEN graduated with a Bachelor of Arts degree from the Department of Foreign Languages of Tsinghua University in 1989.

**Mr. LAN Jiang**

***Member of Remuneration Committee***

Aged 46, was appointed as an ED and a member of the Remuneration Committee on 9 May 2016. Mr. LAN is currently a Director and the Deputy General Manager of Chinatex (H.K.) Holding Limited. Mr. LAN has over 20 years of experience in the textiles industry. He joined General Corporation, the predecessor of Chinatex, in 1994 and has held positions such as the Financial Manager of Chinatex Shanghai Pudong Imp. & Exp. Co., the Financial Manager, Director and Deputy General Manager of Chinatex (H.K.) Holding Limited and a Director of Chinatex Capital Limited. He serves as a Director of the Hong Kong General Chamber of Textiles Limited since January 2017. Mr. LAN graduated with a Bachelor’s Degree of Economics, majoring in International Business Administration from the University of International Business and Economics in China in 1994. Mr. LAN obtained a Master’s Degree of Executive Master of Business Administration awarded by The Chinese University of Hong Kong in 2015.

**陳鳴洪先生**

現年50歲，於2012年6月6日至2012年11月27日期間曾任本公司非執行董事。彼於2015年1月23日獲委任為執行董事。陳先生擁有近24年從事紡織行業之經驗。彼現任中紡所屬子公司中紡棉花進出口公司（「棉花公司」）的總經理。陳先生於1993年3月加入中紡的前身—總公司，曾歷任棉花公司棉花部副經理及經理，以及棉花公司總經理助理及副總經理。陳先生在1989年畢業於清華大學外語系，取得文學學士學位。

**藍江先生**

***薪酬委員會成員***

現年46歲，於2016年5月9日獲委任為執行董事及薪酬委員會成員。藍先生現任中紡（香港）控股有限公司的董事及副總經理。藍先生擁有超過20年從事紡織行業之經驗。彼於1994年加入中國中紡集團公司的前身中國紡織品進出口總公司，先後擔任中紡上海浦東進出口公司財務部經理，中紡（香港）控股有限公司財務部經理、董事及副總經理，以及中紡資本有限公司董事。彼於2017年1月獲委任為香港紡織商會會董。藍先生在1994年畢業於中國對外經濟貿易大學並取得經濟學學士學位，主修國際企業管理，並於2015年獲得香港中文大學頒發高級管理人員工商管理碩士學位。

## PROFILES OF DIRECTORS 董事簡介

### NON-EXECUTIVE DIRECTORS

#### Dr. YEN Gordon

Aged 47, has been a NED since 31 May 2013. Prior to that, he was the Chief Financial Officer and an ED. He joined the Group in 1999 and was then promoted to the role of ED in 2004 before assuming the role of NED. Dr. YEN is currently the Managing Director of Radiant Venture Capital Limited and the Managing Partner of Radiant Tech Ventures Limited. He also serves as an independent non-executive director and the chairman of the remuneration committee of Hopewell Holdings Limited, a company listed in Hong Kong. Dr. YEN is a Member of the Henan Province Committee of the Chinese People's Political Consultative Conference of the People's Republic of China; a director of GS1 HK Limited; and a director of the Hong Kong Chiu Chow Chamber of Commerce. He holds a Bachelor's degree in Manufacturing Engineering from Boston University, USA; a Master of Business Administration degree from McGill University, Canada and a Doctor of Business Administration from The Hong Kong Polytechnic University.

#### Mr. ZHANG Chong

##### *Member of Audit Committee*

Aged 46, was appointed as a NED and a member of the Audit Committee on 6 June 2012. Mr. ZHANG is currently the General Manager of Investment Management Department of Chinatex. Mr. ZHANG has over 21 years of experience in the textiles industry. He joined General Corporation, the predecessor of Chinatex, in 1995 and has held positions such as the General Manager of Strategy Department, Deputy General Manager of Strategy Department, General Manager of Investment Department, and Deputy General Manager of Enterprise Management Department of Chinatex, as well as Officer of Policy Research Office and Assistant of Manager Office of General Corporation. Mr. ZHANG graduated with a Master's degree in Business Management from the Faculty of Business Administration, University of International Business and Economics, China in 1995. Mr. ZHANG completed an Executive Master's degree in Business Administration (EMBA) at China Europe International Business School (CEIBS) in 2014.

### 非執行董事

#### 嚴震銘博士

現年47歲，自2013年5月31日起出任本集團非執行董事。彼之前為本集團執行董事兼首席財務官。彼於1999年加入本集團，於2004年晉升為執行董事。嚴博士現為慧科資本有限公司之董事總經理，及慧科科創投資有限公司之管理合夥人。彼亦為香港上市公司、合和實業有限公司之獨立非執行董事及薪酬委員會主席。嚴博士為中國河南省政協委員，香港貨品編碼協會董事及香港潮州商會會董。彼持有美國波士頓大學生產工程學士學位、加拿大麥基爾大學工商管理碩士學位及香港理工大學工商管理博士學位。

#### 張湧先生

##### *審核委員會成員*

現年46歲，於2012年6月6日獲委任為非執行董事及審核委員會之成員。張先生現任中紡投資管理部的總經理。張先生擁有超過21年從事紡織行業之經驗。張先生在1995年加入中紡的前身—總公司，先後擔任中紡戰略發展部總經理、戰略發展部副總經理、投行業務部總經理、企管部副總經理，以及總公司政策研究室科員及經理辦公室助理。張先生在1995年畢業於中國對外經濟貿易大學企業管理系，取得管理學碩士學位。張先生於2014年完成中歐國際工商學院(CEIBS)高層管理人員工商管理碩士(EMBA)課程的學習。

**PROFILES OF DIRECTORS**  
**董事簡介**

**INDEPENDENT NON-EXECUTIVE DIRECTORS (THE “INEDs”)**

Mr. NG Kwok Tung

*Chairman of Audit Committee*

*Member of Remuneration Committee*

Aged 66, joined the Board in 1993 as an INED. Mr. NG is a practising accountant. He is also a non-executive director of Wah Ha Reality Company Limited, a company listed in Hong Kong. He holds a Bachelor of Commerce Degree and a Licentiate in Accountancy from McGill University, Canada and a Diploma in Chinese Law from the University of East Asia, Macao. Mr. NG is a Member of each of Hong Kong Institute of Certified Public Accountants, Institute of Chartered Professional Accountants of British Columbia, Order of Chartered Professional Accountants of Quebec, The Canadian Institute of Chartered Professional Accountants, The Taxation Institute of Hong Kong, The Society of Chinese Accountants and Auditors and the Society of Registered Financial Planners in Hong Kong.

Mr. YING Wei

*Chairman of Remuneration Committee*

*Member of Nomination Committee*

Aged 50, was appointed as an Independent Non-Executive Director, the chairman of the Remuneration Committee and the member of the Nomination Committee on 1 January 2015. Mr. YING is a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. YING holds a Master Degree in Business Administration from the University of San Francisco and a Bachelor Degree in Economics from the Zhejiang Gongshang University (formerly known as Hangzhou Institute of Commerce). Mr. YING is the managing director of CDH Investments. Mr. YING is currently an independent non-executive director of CHTC Fong's Industries Company Limited and a non-executive director of New Focus Auto Tech Holdings Limited. Mr. YING was appointed as a Director of Chongqing New Century Cruise Co., Ltd on 27 May 2016, a company listed on Shenzhen Stock Exchange. Mr. YING was also appointed as a non-executive director of China Health Group Limited on 18 June 2016 and an independent non-executive director of Zhongsheng Group Holdings Limited on 19 December 2016, both are listed companies in Hong Kong.

**獨立非執行董事**

伍國棟先生

*審核委員會主席*

*薪酬委員會成員*

現年66歲，於1993年加入董事會為獨立非執行董事。伍先生現為執業會計師。彼亦為華廈置業有限公司之非執行董事，該間公司為香港上市公司。彼持有加拿大麥基爾大學商學院商科學士學位及高級會計文憑及澳門東亞大學中國法律文憑。伍先生為香港會計師公會、加拿大英屬哥倫比亞特許會計師公會、加拿大魁北克省特許會計師公會、加拿大特許會計師公會、香港稅務學會、香港華人會計師公會及註冊財務策劃師協會會員。

應偉先生

*薪酬委員會主席*

*提名委員會成員*

現年50歲，自2015年1月1日獲委任為獨立非執行董事、薪酬委員會之主席及提名委員會之成員。應先生為中國註冊會計師協會非執業會員，並持有舊金山大學工商管理碩士學位及浙江工商大學（前稱杭州商學院）經濟學士學位。應先生為鼎輝投資之董事總經理、恒天立信工業有限公司之獨立非執行董事及新焦點汽車技術控股有限公司之非執行董事。於2016年5月27日，應先生獲委任為重慶新世紀郵輪股份有限公司之董事，該公司為深圳證券交易所之上市公司，並於2016年6月18日及2016年12月19日應先生分別獲委任為中國衛生集團有限公司及中升集團控股有限公司之非執行董事及獨立非執行董事，該兩間公司均為香港上市公司。

## PROFILES OF DIRECTORS 董事簡介

Mr. William LAM

*Member of Audit Committee*

*Member of Nomination Committee*

Aged 58, was appointed as an INED, a member of the Audit Committee and a member of the Nomination Committee on 9 May 2016. Mr. LAM is a solicitor of the Hong Kong SAR and the Supreme Court of England and Wales, and a civil celebrant of marriages in Hong Kong. He graduated from the University of Manchester, England in 1981 with a Bachelor of Science Degree in Electronics and Electrical Engineering. His major subjects included Computer Design, Power Transmission and Telecommunications. He is also a member of the Institute of Electrical and Electronics Engineers (M.I.E.E.E.) in USA. After obtaining his Bachelor's Degree, he studied laws at the Manchester Polytechnic (now known as Manchester Metropolitan University), England and the College of Law in Chester, England, respectively. Mr. LAM returned to Hong Kong in 1984 to work in family business in Tai Sun Company (a member of Hong Kong and Kowloon Textile), and Shing Fung Finance Company Limited, both founded by his late-father Mr. LAM Muk Kwong in 1958 and 1972, respectively. In 1992, Mr. LAM furthered his studies in law at the University of Hong Kong and obtained a Postgraduate Certificate in Laws (PCLL) and was admitted as a solicitor of the Supreme Court of Hong Kong in 1994 and then in the following year admitted as a solicitor of the Supreme Court of England and Wales. In 1999, Mr. LAM founded William Lam and Company, Solicitors to start his own practice in law. Mr. LAM also serves in many areas. He is an executive committee member of the Federation of Hong Kong Guangdong Community Organisations, the president of the University of Manchester Alumni Association of Hong Kong and a member of the Technology Committee of the Law Society of Hong Kong and was a co-opted member of the Chinese Temples Committee from 2009 to 2015. Mr. LAM has also acted as the legal advisor of various organisations, such as the General Chamber of Textiles, the Chamber of the Hong Kong Computer Industry, the Hong Kong Information Technology Joint Council, the Hong Kong WEEE Recycling Association, the Hong Kong Society of Medical Professionals, the Hong Kong Software Industry Association, the Public Surgeons United, the Government Doctors' Association, the Hong Kong Public Doctors' Association and the Hong Kong New Youth Energy Think Tank.

林偉成先生

*審核委員會成員*

*提名委員會成員*

現年58歲，於2016年5月9日獲委任為獨立非執行董事、審核委員會之成員及提名委員會之成員。林先生是香港特別行政區和英格蘭和威爾士的註冊律師及香港婚姻監禮人。林先生於1981年畢業於英國曼徹斯特大學電子及電機工程系理學士學位，主修科目包括電腦設計、輸電交換及電子通訊。彼亦是美國電機電子工程師學會的會員(M.I.E.E.E.)。彼於英國曼徹斯特大學取得理學士學位後往曼徹斯特理工學院(現為曼徹斯特都會大學)和英國法律學院修讀法律。林先生1984年回港後便從事家族生意，在先父林木廣先生於1958年創立的大新公司(港九紗布經銷商之一)和1972年成立的成豐財務有限公司工作。林先生於1992年在香港大學深造法律，並考取專業法律證書(PCLL)。林先生於1994年正式成為香港高等法院律師，翌年取得英格蘭和威爾士高等法院律師資格，並在1999年成立林偉成律師行。林先生出任多項公職，包括現任香港廣東社團總會常務會董、英國曼徹斯特大學校友會(香港)會長、香港律師會科技委員會成員和2009年至2015年的華人廟宇委員會增補委員。林先生亦先後擔任香港紡織商會、香港電腦商會、香港資訊科技聯會、香港電器及電子設備回收協會、香港醫療專業人士協會、香港軟件行業協會、公共外科醫生聯盟、政府醫生協會、香港公共醫療醫生協會及香港新活力青年智庫之法律顧問。

## DIRECTORS' REPORT 董事會報告

The directors of the Company (the “Directors”) present the annual report and the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2016 (the “Year”).

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in the textile and garment businesses including the production and sale of knitted fabric and garments. Details of the principal activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

### FINANCIAL STATEMENTS AND APPROPRIATIONS

The Group’s financial performance for the Year and the financial position of the Group as at 31 December 2016 are set out in the consolidated financial statements on pages 82 to 180 of this annual report. No interim dividend was declared for the six months ended 30 June 2016. The board of Directors (the “Board”) has recommended the payment of a final dividend of HK5.3 cents per share, amounting to HK\$63,866,000, to the shareholders of the Company (the “Shareholders”) on the register of members on 5 July 2017 and the retention of the remaining profit for the Year.

Subject to the approval of Shareholders at the forthcoming annual general meeting of the Company (the “AGM”) to be held on 22 June 2017 (Thursday), it is expected that the final dividend will be paid on or before 21 July 2017 (Friday).

### BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the Year and an indication of likely future development in the business of the Group are provided in the Chairman’s Statement and Management Discussion and Analysis (the “MD&A”) of this annual report. Description of the principal risks and uncertainties facing the Group can be found throughout this annual report, in particular the Risk Management and Internal Control section under the Corporate Governance Report and the Possible Risks and Uncertainties section of this Directors’ Report. Particulars of important events affecting the Company that have occurred (if any) can be found in this annual report and the Notes to the Consolidated Financial Statements. An analysis using financial key performance indicators is provided in the Financial and Statistical Highlights and the MD&A. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout this annual report, in particular, the Corporate Governance Report.

本公司之董事(「董事」)提呈本公司及其附屬公司(「本集團」)截至2016年12月31日止年度(「本年度」)之年報及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司。本集團主要從事紡織及成衣業務，包括生產及銷售針織布料以及成衣。其主要附屬公司之主要業務載列於綜合財務報表附註35內。

### 財務報表及分配

本集團本年度之財務業績及本集團於2016年12月31日止年度之財務狀況載列於本年報第82及180頁之綜合財務報表內。截至2016年6月30日止六個月內並無派發中期股息，董事會已建議派發末期股息每股5.3港仙予在2017年7月5日名列在本公司股東名冊之股東(「股東」)，合共63,866,000港元，並保留本年度餘下的盈利。

待在即將於2017年6月22日(星期四)舉行的本公司股東週年大會(「股東週年大會」)上獲股東批准後，末期股息預期於2017年7月21日(星期五)或之前派付。

### 業務審視

有關對本集團截至本年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，已載於本年報的主席報告及管理層討論與分析報告(「管理層討論與分析」)內。對本集團面對的主要風險及不明朗因素的描述，於本年報管理層討論與分析內之風險管理及於董事報告之潛在風險及不明朗因素已作披露。對本公司有影響的重大事件(如有)的詳情，在本年報各部分及綜合財務報表各附註作出披露。運用財務關鍵表現指標進行的分析，見於本年報的財務及統計摘要及管理層討論與分析報告書。而本集團遵守對本集團有重大影響的有關法律及規例的情況，則已在本年報各部分(尤其在企業管治報告內)作出披露。

## **DIRECTORS' REPORT** **董事會報告**

In addition, discussions on the Group's environmental policies and relationships with the key stakeholders that have a significant impact on the Group are contained in the Environmental, Social and Governance Policies and Performance section in the Chairman's Statement and Awards & Certifications section of this annual report.

### **RISK MANAGEMENT**

#### **POSSIBLE RISKS AND UNCERTAINTIES**

The Group's possible risks and uncertainties range from raw material risk, market risk, operational risk, credit risk and financial risk.

#### **Raw Material Risk**

The Group's business is dependent on the supply and cost of raw materials, in particular cotton yarns and any disruption in the supply or fluctuation in the prices of such raw materials could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

#### **Market Risk**

The global financial markets have experienced volatility recently, which may have a negative impact on the Group's business operation. The financial uncertainty may affect the global textile and garment industry, which in turn may affect the business of major retail brands and garment manufacturers, which are the principal customers of the Group.

#### **Operational Risk**

The Group's fabric production facilities emit wastewater and other pollutants and are subject to various environmental protection laws and regulations in China and other countries where the Group's production facilities are located. Any change to, or failure by the Group to comply with, environmental protection laws or regulations may cause the Group to incur additional costs and expenses.

In addition, if the production facilities of the Group experience power, steam or water shortages, the Group's business and results of operations may be harmed.

此外，本集團的環境政策及其與對本集團有重大影響的主要持份者的關係的討論，披露於本年報主席報告的環境、社會及管治政策及表現部分及獎項及證書部分。

### **風險管理**

#### **潛在風險及不明朗因素**

本集團的潛在風險及不明朗因素包括原材料風險、市場風險、營運風險、信貸風險及財務風險。

#### **原材料風險**

本集團的業務取決於原材料（尤其是棉紗）的供應及成本，供應出現任何中斷或原材料價格出現波動可能會對本集團的業務、經營業績、財務狀況及前景造成重大不利影響。

#### **市場風險**

全球金融市場近期動盪不穩，可能會對本集團的業務經營造成不利影響。金融不明朗因素可能影響全球紡織及成衣行業，而這或會影響大型零售品牌及成衣製造商（為本集團的主要客戶）的業務。

#### **營運風險**

本集團的面料生產設施排放廢水及其他污染物，並須受中國及本集團生產設施所在地的其他國家的各種環保法例及法規的規限。環保法例或法規的任何變動或本集團未能遵守環保法例或法規可能令本集團產生額外費用及開支。

此外，倘本集團的生產設施出現電力、蒸汽或水力不足，本集團的業務及經營業績或會受損。



**DIRECTORS' REPORT**  
**董事會報告**

**Credit Risk**

Credit risk arises from the possibility that a customer in a transaction may default. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, and carrying out credit assessment and monitoring of asset quality. The Group has established policies, procedures, and rating systems to identify, measure, monitor, control and report on credit risk. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements and best practices in risk management processes.

**Financial Risk**

For financial risk, please refer to Risk Management section under the MD&A and note 37(b) to the consolidated financial statements.

**INVESTMENT PROPERTIES**

Details of movements in the investment properties of the Group during the Year are set out in note 13 to the consolidated financial statements. Particulars of the Group's investment properties are set out on page 75 of this annual report.

**PROPERTY, PLANT AND EQUIPMENT**

During the Year, the Group had additions of HK\$256,485,000 to property, plant and equipment, which were mainly used to expand and upgrade the Group's manufacturing facilities.

Details of the above and other movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

**SHARE CAPITAL**

Details of the movements in the share capital of the Company during the Year are set out in note 30 to the consolidated financial statements.

**DISTRIBUTABLE RESERVES OF THE COMPANY**

The Company's reserves available for distribution to the Shareholders as at 31 December 2016 amounted to HK\$1,338,071,000 (31 December 2015: HK\$1,333,630,000).

**信貸風險**

信貸風險源於客戶未能履行其交易承擔。本集團透過設定目標市場分部、制定適當的信貸政策和執行信貸評核程序，以及監控資產素質，來識別和管理信貸風險。本集團已制訂多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報本集團所承受的信貸風險。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及風險管理程序的最佳做法。

**財務風險**

就財務風險而言，請參閱管理層討論與分析內之風險管理及綜合財務報表附註37(b)內。

**投資物業**

本年度本集團之投資物業變動詳情載列於綜合財務報表附註13內。本集團之投資物業詳情載列於本年報第75頁。

**物業、機器及設備**

本年度本集團添置物業、機器及設備256,485,000港元，主要用於擴大及增強本集團之生產設備。

本年度本集團之物業、機器及設備就上述及其他變動詳情載列於綜合財務報表附註14內。

**股本**

本年度之本公司股本變動詳情載列於綜合財務報表附註30內。

**本公司之可供分派儲備**

於2016年12月31日，本公司可供分派予股東之儲備為1,338,071,000港元（2015年12月31日：1,333,630,000港元）。

## DIRECTORS' REPORT 董事會報告

### DIRECTORS

The Directors during the Year and up to the date of this report were as follows:

#### EDs

Mr. ZHAO Yao (*Chairman and CEO*)

Mr. CHEN Minghong

Mr. LAN Jiang (appointed on 9 May 2016)

Mr. HA Kam On, Victor (*Vice-Chairman*) (resigned on 19 May 2016)

Mr. GONG Zhengyi (retired on 24 June 2016)

#### NEDs

Dr. YEN Gordon

Mr. ZHANG Chong

#### INEDs

Mr. NG Kwok Tung

Mr. YING Wei

Mr. William LAM (appointed on 9 May 2016)

Mr. CHOW Wing Kin, Anthony, *SBS, JP* (retired on 24 June 2016)

According to the articles of association of the Company (the "Articles"), Mr. ZHAO Yao ("Mr. ZHAO"), Mr. CHEN Minghong ("Mr. CHEN"), and Dr. YEN Gordon ("Dr. YEN") will retire and being eligible, will offer themselves for re-election at the forthcoming AGM.

As at 31 December 2016, no Director proposed for re-election at the forthcoming AGM had a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The biographical details of the Directors are set out on pages 56 to 60 of this annual report.

### 董事

本年度內及截至本年報日期，董事名單如下：

#### 執行董事

趙耀先生 (主席兼行政總裁)

陳鳴洪先生

藍江先生 (於2016年5月9日獲委任)

夏錦安先生 (副主席) (於2016年5月19日辭任)

宮征誼先生 (於2016年6月24日退任)

#### 非執行董事

嚴震銘博士

張湧先生

#### 獨立非執行董事

伍國棟先生

應偉先生

林偉成先生 (於2016年5月9日獲委任)

周永健先生，銀紫荊星章，太平紳士

(於2016年6月24日退任)

根據本公司章程細則(「章程細則」)，趙耀先生(「趙先生」、陳鳴洪先生(「陳先生」)及嚴震銘博士(「嚴博士」)將於即將來臨的股東週年大會上輪值告退及均符合資格膺選連任，彼等均願意於股東週年大會上膺選連任。

於2016年12月31日，並無擬在即將舉行之股東週年大會上重選連任之董事，與本公司或其任何附屬公司訂立本集團在1年內不可在不予賠償(法定賠償除外)的情況下終止的服務合約。

有關董事履歷之詳情載列於本年報第56頁至第60頁。

**DIRECTORS' REPORT**  
**董事會報告**

**DIRECTORS' INTERESTS IN SECURITIES**

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required: (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (b) to be entered in the register referred to therein (the "Register") pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules" and the "Model Code", respectively), were as follows:

Long positions in shares of the Company (the "Shares") and underlying Shares:

**董事之證券權益**

於2016年12月31日，本公司董事及行政總裁於本公司或其任何相聯法團（具有香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之本公司股份、相關股份及債權證中須擁有(a)按證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關規定彼等被當作或視為擁有之權益及淡倉）；(b)根據證券及期貨條例第352條記錄於該條所述之名冊（「名冊」）之權益及淡倉；或(c)按聯交所證券上市規則（「上市規則」）附錄10所載上市公司董事進行證券交易之標準守則（「標準守則」）通知本公司及聯交所之權益及淡倉如下：

於本公司股份（「股份」）及相關股份的好倉情況：

Name of Director 董事姓名	Number of Shares held 持有股份數目	Capacity 身份	Approximate % of the issued Shares 約佔已發行股份 百分比
Dr. YEN Gordon 嚴震銘博士	8,380,000	Beneficial owner 實益擁有人	0.70

**DIRECTORS' REPORT**  
**董事會報告**

Long positions in underlying Shares – Share options:

於相關股份的好倉情況—購股權：

Name of Director 董事姓名	Date of grant 授出日期	Exercise price per Share 股份行使價	Exercise period 行使期	Number of underlying Shares comprised in share options 購股權所包含之 相關股份數目
Dr. YEN Gordon 嚴震銘博士	18.08.2011	HK\$1.21 1.21港元	19.08.2012 – 18.08.2017 (Note) (附註)	1,320,000

*Note:*

50% of the share options are exercisable from 19 August 2015 to 18 August 2017 and all share options are exercisable from 19 August 2016 to 18 August 2017.

Save as disclosed above, as at 31 December 2016, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (a) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) which were recorded in the Register or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

*附註：*

由2015年8月19日至2017年8月18日，可行使50%購股權；由2016年8月19日至2017年8月18日，可行使所有購股權。

除上述披露者外，於2016年12月31日，概無本公司董事、行政總裁於本公司或其任何相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之任何股份、相關股份及債權證中擁有根據本公司(a)按證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關規定彼等被當作或視為擁有之權益及淡倉）；或(b)按標準守則須通知本公司及聯交所之任何權益或淡倉。

## SHARE OPTION SCHEMES

The Company adopted a share option scheme on 25 January 2002 (the "2002 Scheme") and another share option scheme 20 January 2011 (the "2011 Scheme") respectively.

### The 2002 Scheme

The 2002 Scheme was adopted by the Company at the extraordinary general meeting held on 25 January 2002. The 2002 Scheme was to be expired on 24 January 2012 and was early terminated on 20 January 2011. The primary purpose of the 2002 Scheme was to provide the Company with a flexible means of giving incentives to, rewarding, remunerating, compensating and/or providing benefits to the employees and for such other purposes as the Board may approve from time to time. All the share options granted under the 2002 Scheme were lapsed in the Year.

### The 2011 Scheme

On 20 January 2011, the Company adopted the new 2011 Scheme pursuant to a shareholders' resolution passed at the extraordinary general meeting held on the same date. The 2011 Scheme will expire on 20 January 2021.

The terms and conditions of the 2011 Scheme are basically the same as those of the 2002 Scheme except that the eligible participants of the 2011 Scheme include, among others, Directors and full-time or part-time employees whereas the eligible participants of the 2002 Scheme cover only Directors and full-time employees. Under the 2011 Scheme, share options comprising 3,352,000 and 23,045,000 Shares were granted on 18 May 2011 and 18 August 2011, respectively. The closing prices of the Company's shares immediately before the dates of grant were HK\$1.80 and HK\$1.21 each, respectively.

Other particulars and movements of the Company's share option schemes, namely the 2002 Scheme and the 2011 Scheme during the Year, are set out in note 32 to the consolidated financial statements.

## 購股權計劃

本公司於2002年1月25日採納一項購股權計劃(「2002年計劃」)及於2011年1月20日採納另一項新購股權計劃(「2011年計劃」)。

### 2002年計劃

2002年計劃乃由本公司於2002年1月25日舉行之股東特別大會上採納，2002年計劃原於2012年1月24日終止，但於2011年1月20日已提前終止。2002年計劃的主要目的為讓本公司可靈活地向僱員給予鼓勵、獎賞、報酬、補償及／或提供福利及就董事會不時批准的其他目的。年內，所有根據2002年計劃授出之購股權均告失效。

### 2011年計劃

於2011年1月20日，本公司根據於同日舉行之股東特別大會上通過一項股東決議案採納新的2011年購股權計劃。2011年計劃將於2021年1月20日屆滿。

2011年計劃之條款及條件基本上與2002年計劃相同，惟2011年計劃之合資格參與者包括(其中包括)董事及全職或兼職僱員，而2002年計劃之合資格參與者僅包括董事及全職僱員。根據2011年計劃，於2011年5月18日及2011年8月18日已分別授出包含3,352,000股及23,045,000股股份之購股權。本公司股份於緊接授出日期前之收市價分別為1.80港元及1.21港元。

年內本公司購股權計劃的其他資料及變動，即2002年計劃及2011年計劃，載於綜合財務報表附註32。

## DIRECTORS' REPORT 董事會報告

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 December 2016, the following persons/entities (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as recorded in the register of interests of the substantial shareholders required to be kept by the Company pursuant to section 336 of the SFO (the "Substantial Shareholders' Register").

Long positions in Shares and underlying Shares:

### 主要股東及其他人士權益

於2016年12月31日，根據本公司按證券及期貨條例第336條所存置之主要股東名冊（「主要股東名冊」）記錄，下列人士／實體（本公司董事或行政總裁除外）於股份及相關股份中擁有權益或淡倉為：

於股份及相關股份的好倉情況：

Name of substantial shareholders 主要股東名稱	Number of Shares held 持有股份數目	Capacity 身份	Approximate % of the issued Shares 約佔已發行股份百分比
Chinatex Corporation ("Chinatex") 中國中紡集團公司（「中紡」）	433,494,000 (Notes 1 and 2) (附註1及2)	Interest of controlled corporations 控制法團的權益	35.97
Chinatex Yieldfull Investment Co., Ltd. ("Yieldfull") 中紡盈豐投資管理有限公司 （「盈豐」）	409,036,000 (Note 1) (附註1)	Beneficial owner 實益擁有人	33.94
Chinatex Jinhui Investment Management Co., Ltd.* ("Jinhui") 中紡錦輝投資管理有限責任公司 （「錦輝」）	409,036,000 (Note 1) (附註1)	Interest of a controlled corporation 控制法團的權益	33.94
Mr. HA Chung Fong ("Mr. HA") 夏松芳先生（「夏先生」）	97,938,000 (Note 3) (附註3)	Beneficial owner 實益擁有人	8.13
	69,160,948 (Notes 3 and 5) (附註3及5)	Other interests 其他權益	5.74

\* For identification purpose only

\* 僅供識別

**DIRECTORS' REPORT**  
**董事會報告**

Name of substantial shareholders 主要股東名稱	Number of Shares held 持有股份數目	Capacity 身份	Approximate % of the issued Shares 約佔已發行股份 百分比
Ms. TANG Kuen Mui 鄧娟妹女士	167,098,948 (Note 3) (附註3)	Spouse's interests 配偶權益	13.87
Super Brilliance Company Limited ("Super Brilliance")	69,160,948 (Notes 4 and 5) (附註4及5)	Beneficial owner 實益擁有人	5.74
Island Treasure Investments Limited ("Island Treasure")	69,160,948 (Notes 4 and 5) (附註4及5)	Interest of a controlled corporation 控制法團的權益	5.74
Onwide (H.K.) Limited ("Onwide") 安和(香港)有限公司(「安和」)	69,160,948 (Notes 4 and 5) (附註4及5)	Trustee 受託人	5.74
Mr. WONG Tak Leung, Charles ("Mr. WONG") 王德良先生(「王先生」)	69,160,948 (Notes 4 and 5) (附註4及5)	Interest of controlled corporations 控制法團的權益	5.74

## Notes:

- Yieldfull is a wholly-owned subsidiary of Jinhui and Jinhui is a wholly-owned subsidiary of Chinatex. Therefore, each of Jinhui and Chinatex is deemed to be interested in the Shares held by Yieldfull. As disclosed in the announcement of the Company dated 27 July 2016, Chinatex will be a wholly-owned subsidiary of COFCO Corporation, which is a state-wholly-owned enterprise in the PRC and a direct wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.
- As at 31 December 2016, Chinatex (H.K.) Holding Limited held 24,458,000 Shares as beneficial owner. Chinatex (H.K.) Holding Limited is a wholly-owned subsidiary of Chinatex. Chinatex is deemed to be interested in the Shares held by Chinatex (H.K.) Holding Limited.
- Ms. TANG Kuen Mui, spouse of Mr. HA, is deemed to be interested in the Shares held by Mr. HA.
- Super Brilliance is a wholly-owned subsidiary of Island Treasure, Island Treasure is a wholly-owned subsidiary of Onwide and Onwide is owned as to 100% by Mr. WONG. Therefore, each of Island Treasure, Onwide and Mr. WONG is deemed to be interested in the Shares held by Super Brilliance.
- Onwide is the trustee of the HA Trust, a discretionary trust set up by Mr. HA for the benefit of his family.

## 附註:

- 盈豐為錦輝之全資附屬公司，而錦輝為中紡之全資附屬公司。因此，錦輝及中紡各自被視作擁有盈豐所持股份之權益。誠如本公司日期為2016年7月27日之公告所披露，中紡將為中糧集團的全資附屬公司，中糧集團為於中國成立的國有企業及為中國國務院國有資產監督管理委員會直接管理全資附屬公司。
- 於2016年12月31日，中紡(香港)控股有限公司持有24,458,000股股份(作為實益擁有人)。中紡(香港)控股有限公司為中紡之全資附屬公司。因此，中紡被視作擁有中紡(香港)控股有限公司所持股份之權益。
- 鄧娟妹女士為夏先生之配偶，因而被當作擁有夏先生所持股份之權益。
- Super Brilliance為Island Treasure之全資附屬公司，Island Treasure為安和之全資附屬公司，而王先生擁有安和的全部權益。因此，Island Treasure、安和及王先生各自被視作擁有Super Brilliance所持股份之權益。
- 安和為HA Trust的受託人，HA Trust為夏先生為其家族利益而成立的一項酌情信託。

## **DIRECTORS' REPORT** **董事會報告**

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any persons who/entities which had any interest and short position in the Shares and underlying Shares (other than a Director or the chief executive of the Company), which were required to be recorded in the Substantial Shareholders' Register.

### **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

Save as disclosed above, during the Year, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **PERMITTED INDEMNITY PROVISION**

Pursuant to the Articles, every Director shall be entitled to be indemnified out of assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office.

The Company has arranged appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

Save as disclosed in the section headed "Connected Transactions" in this report below and note 41 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted as at 31 December 2016 or at any time during the Year.

### **DIRECTORS OF SUBSIDIARIES**

The names of all directors who have served on the boards of the subsidiaries of the Company during the Year or during the period from 1 January 2017 to the date of this Report are available on the Company's website at [www.fshl.com](http://www.fshl.com).

除上述披露者外，於2016年12月31日，董事並不知悉任何人士／實體（董事或本公司行政總裁除外）於股份及相關股份中擁有須記錄於主要股東名冊之權益或淡倉。

### **購買股份或債券安排**

除上述披露者外，本公司或其任何附屬公司在本年度內均無任何安排，使董事可藉購買本公司或任何其他公司之股份或債券而獲益。

### **獲准許的彌償條文**

根據章程細則，每名董事就其執行職務或與此有關所蒙受或招致之一切損失或負債，均有權從本公司資產中獲得彌償。

本公司已就董事及主要職員可能面對之有關法律行動安排適當的董事及主要職員責任保險。

### **董事擁有之重要交易，安排或合約權益**

除本年報「關連交易」部分及綜合財務報表附註41所披露者外，於截至2016年12月31日或在本年度任何時間，本公司或其任何附屬公司並無訂立任何與董事有直接或間接重大權益之重要交易，安排或合約。

### **附屬公司之董事**

於本年度或於2017年1月1日起至本報告日期止期間任職於本公司附屬公司董事會的全體董事姓名載於本公司網站[www.fshl.com](http://www.fshl.com)。



## CONNECTED TRANSACTIONS

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and by reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in note 41 to the consolidated financial statements (the "Continuing Connected Transactions") in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange. The information in relation to the Continuing Connected Transactions entered into during the Year is set out in note 41 to the consolidated financial statements.

The Company's independent auditor has confirmed that all of the Continuing Connected Transactions (a) had been approved by the Board; (b) were in accordance with the pricing policies of the Group, where applicable; (c) had been entered into in accordance with the terms of the agreements governing the transactions; and (d) had not exceeded the respective cap amounts in respect of each of the Continuing Connected Transactions, except as disclosed in note 41(c) to the consolidated financial statements.

The INEDs have also reviewed the Continuing Connected Transactions and confirmed that the same had been entered into by the Group:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the terms of the agreements governing such transactions that were fair and reasonable and in the interests of the Shareholders as a whole.

## 關連交易

本公司獨立核數師已獲委聘根據香港會計師公會頒佈的《香港核證工作準則》第3000號(經修訂)「對過往財務資料進行審核或審閱以外的核證工作」及參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」報告本集團之持續關連交易。核數師已根據上市規則第14A.56條發出函件，當中載有核數師對本集團於綜合財務報表附註41所披露之持續關連交易之發現及結論。本公司已將核數師函件副本送呈聯交所。於本年度訂立之持續關連交易之資料已載於綜合財務報表附註41。

本公司獨立核數師已確認，所有持續關連交易(a)已獲董事會批准；(b)根據本集團之定價政策釐定(如適用)；(c)根據監管該等交易之協議條款訂立；及(d)各項持續關連交易並無超過各自之上限金額，惟綜合財務報表附註41(c)所披露者除外。

獨立非執行董事亦已審閱上述持續關連交易，並確認上述持續關連交易乃由本集團按下列基準訂立：

- (i) 於本集團日常及正常業務過程中訂立；
- (ii) 按一般商業條款或不遜於本集團提供予獨立第三方或獨立第三方提供予本集團之條款訂立；及
- (iii) 根據監管該等交易之協議條款訂立，而該等協議條款屬公平合理，並符合本公司股東的整體利益。

## **DIRECTORS' REPORT** **董事會報告**

### **PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Year, the Company had not redeemed its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such securities.

### **CONFIRMATION OF INDEPENDENCE**

The Company has received, from each of the INEDs, an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considered that all the INEDs meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

### **REMUNERATION POLICY**

The remuneration policy of the employees (including key management) of the Group was established by the management of the Group on the basis of their merit, qualifications and competence. The remuneration committee of the Board (the "Remuneration Committee") will review and approve the remuneration policy to be recommended to the Board for approval.

The remuneration of the Directors are reviewed and recommended by the Remuneration Committee to the Board for approval, having regard to the Company's operating results, individual performance and comparable market statistics. No Directors or executives, or any of their respective associates (as defined in the Listing Rules), is involved in dealing with his own remuneration.

The Company has adopted the 2002 Scheme and the 2011 Scheme as an incentive to the Directors and eligible employees, details of which are set out in the "SHARE OPTION SCHEMES" section above, note 32 to the consolidated financial statements and under the section headed "Share-based Payment Transactions" in this annual report.

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the Year, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in any business which competed or was likely to compete, either directly or indirectly with the business of the Group.

### **購買、出售及贖回本公司之上市證券**

本年度內，本公司及其任何附屬公司並無購買、出售或贖回本公司之上市證券。

### **獨立性之確認**

本公司已獲得每名獨立非執行董事每年書面聲明以確認各自按上市規則第3.13條的獨立性。本公司認為全體獨立非執行董事均符合上市規則第3.13條所載之獨立指引，並根據有關指引屬獨立。

### **薪酬政策**

有關本集團僱員（包括主要管理人員）之薪酬政策由本集團管理層制定，以彼等之表現、資歷及工作能力為基準，由董事會的薪酬委員會（「薪酬委員會」）審閱及審批，並作為建議向董事會呈交，供其審批。

董事之酬金參照本公司之營運業績、個別表現及比較市場統計數字而釐定，並由薪酬委員會審閱及作為建議向董事會呈交，供其審批。概無董事或執行人員或其任何聯繫人士（如上市規則所列）參與處理其本身之薪酬事宜。

本公司採納2002年計劃及2011年計劃，藉以給予董事及合資格僱員獎勵，計劃詳情載於上文「購股權計劃」部分、綜合財務報表附註32及本年報之「以股份為基礎之付款交易」部分。

### **董事於競爭業務之權益**

本年度內，董事或彼等各自之聯繫人士（定義見上市規則）概無在與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

**DIRECTORS' REPORT**  
**董事會報告**

**UPDATE ON THE DIRECTORS INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES**

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors since the date of the 2016 Interim Report of the Company required to be disclosed in this annual report are as follows:

- (i) Dr. YEN Gordon has been appointed as the management partner of Radiant Tech Ventures Limited with effect from 18 November 2016;
- (ii) Mr. YING Wei was appointed as a director of Chongqing New Century Cruise Co., Ltd on 27 May 2016, a company listed on Shenzhen Stock Exchange. He has been also appointed as a non-executive director of China Health Group Limited with effect from 18 June 2016, and has been appointed as an independent non-executive director of Zhongsheng Group Holdings Limited with effect from 19 December 2016; and
- (iii) Mr. LAN Jiang has served as a director of Hong Kong General Chamber of Textiles Limited since January 2017.

**MANAGEMENT CONTRACTS**

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

**MAJOR CUSTOMERS AND SUPPLIERS**

During the Year, the aggregate revenue attributable to the Group's five largest customers was less than 30% of the total revenue for the Year.

During the Year, the aggregate purchases attributable to the Group's five largest suppliers accounted for 32% of the total purchases for the Year. The amount of purchases from the Group's largest supplier represented approximately 13.8% of the Group's total purchases.

None of the Directors nor any of their close associates nor any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's number of issued shares) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

**上市規則第13.51B(1)條所載之董事資料更新**

按上市規則第13.51B(1)條之規定，需披露於本年報自2016年中期業績報告後有關於董事的資料更新如下：

- (i) 嚴震銘博士於2016年11月18日獲委任為慧科科創投資有限公司之管理合夥人；
- (ii) 應偉先生於2016年5月27日獲委任為重慶新世紀郵輪股份有限公司之董事，該公司為深圳證券交易所之上市公司。彼亦於2016年6月18日及2016年12月19日分別獲委任為中國衛生集團有限公司及中升集團控股有限公司之非執行董事及獨立非執行董事；及
- (iii) 藍江先生自2017年1月開始委任為香港紡織商會會董。

**管理合約**

於本年度內，並無訂立或存在與本公司業務全部或任何重大部分有關的管理及行政合約。

**主要客戶及供應商**

本集團本年度內之5大客戶共佔營業總額少於30%。

本集團本年度內之5大供應商共佔採購總額之32%。來自本集團最大供應商的採購額佔本集團總採購額約13.8%。

年內，董事或彼等的任何緊密聯繫人或任何股東（就董事所深知擁有本公司已發行股份數目5%以上）概無於本集團五大客戶及／或五大供應商中擁有任何實益權益。

## **DIRECTORS' REPORT** **董事會報告**

### **DONATIONS**

During the Year, the Group made charitable and other donations totaling HK\$1,014,000 (2015: HK\$208,000).

### **CORPORATE GOVERNANCE**

The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 31 to 55 of this annual report.

### **EQUITY-LINKED AGREEMENT**

Save as the share options granted with details set out under the section headed "Share Option Schemes" in this report, no equity-linked agreements subsisted at the end of the Year.

### **SUFFICIENCY OF PUBLIC FLOAT**

From the information publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the Company's issued Shares throughout the Year and the period thereafter up to the date of this Report.

### **AUDIT COMMITTEE'S REVIEW**

The Company has established an audit committee of the Board (the "Audit Committee") for the purposes of reviewing and providing supervision over the Company's financial reporting process, internal controls and risk management. The Audit Committee presently comprises 1 NED and 2 INEDs, and 1 of the INEDs acts as the chairman of the Audit Committee. The Audit Committee has reviewed the audited final results and the systems of internal control and risk management of the Company for the Year.

### **INDEPENDENT AUDITOR**

The Board has taken the Audit Committee's recommendation that a resolution will be submitted to the forthcoming AGM to re-appoint BDO Limited as the independent auditor of the Company.

On behalf of the Board

**ZHAO Yao**

*Chairman and Chief Executive Officer*

Hong Kong

23 March 2017

### **捐款**

本年度本集團作出之慈善及其他捐款共1,014,000港元(2015年:208,000港元)。

### **企業管治**

本公司採納之主要企業管治常規載於本年報第31至55頁之企業管治報告內。

### **股權掛鉤協議**

除本報告「購股權計劃」一節所詳載的已授出購股權外，於是年度結束時概無存在任何股權掛鉤協議。

### **足夠公眾持股量**

從本公司可獲得之公開資料顯示及就董事所知，本公司於截至本年度及本報告日期期間一直維持不少於本公司已發行股份25%之足夠公眾持股量。

### **審核委員會審閱**

本公司已成立董事會審核委員會(「審核委員會」)，藉以檢討及監察本公司之財務申報程序、內部監控及風險管理。審核委員會現由1名非執行董事及2名獨立非執行董事組成，並由其中1名獨立非執行董事擔任審核委員會主席。審核委員會已審閱本公司本年度之經審核末期業績及內部監控制度。

### **獨立核數師**

董事會應審核委員會推薦於應屆股東週年大會上將提呈決議案以續聘香港立信德豪會計師事務所有限公司為本公司獨立核數師。

代表董事會

**趙耀**

*主席兼行政總裁*

香港

2017年3月23日

## PARTICULARS OF INVESTMENT PROPERTIES 投資物業詳情

Particulars of investment properties held by the Group at 31 December 2016 are as follows:

於2016年12月31日，本集團投資物業的詳情如下：

Location 地點	Lease 租賃年期	Use 用途	The Group's effective interest 本集團有效權益
Unit A2 on 5/F., & unit A1 on 7/F., Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong 香港新界葵涌葵昌路29-39號 東海工業大廈 5樓A2室及7樓A1室	Medium-term leases 中期租賃	Warehouse and office 貨倉及辦公室	100%
Office Units A3801, 03, 05, 06, 08-10 and 12, Block A, United Plaza, Futian District, Shenzhen, the PRC 中國深圳市福田區濱河路與彩田路交匯處 聯合廣場A棟塔樓 A3801, 03, 05, 06, 08至10和12	Medium-term land use rights 中期土地使用權	Office 辦公室	100%
Factory Nos. 5-6, 9 and 11 No 66-68, Danxia Road, Xiangshan Industry Zone, Ningbo, Zhejiang Province, the PRC 中國浙江省寧波市象山縣工業園區丹霞路66-68號 廠區內5至6、9及11號廠房	Medium-term land use rights 中期土地使用權	Factory and office 廠房及辦公室	55.5%
3/F and 5/F of Dormitory Block No. 3 No 66-68, Danxia Road, Xiangshan Industry Zone, Ningbo, Zhejiang Province, the PRC 中國浙江省寧波市象山縣工業園區丹霞路66-68號 廠區內宿舍第三棟第三和第五層	Medium-term land use rights 中期土地使用權	Dormitory 宿舍	55.5%
A pier located at west port dike of Baiqu Port, near No. 9 Xiaoshun Road, High-tech Zone, Jiangyin, Jiangsu Province, the PRC 中國江蘇省江陰高新區蘆山路9號旁 白屈港河西港堤碼頭	Medium-term land use rights 中期土地使用權	Pier 碼頭	100%

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



TO THE MEMBERS OF FOUNTAIN SET (HOLDINGS) LIMITED  
(incorporated in Hong Kong with limited liability)

### OPINION

We have audited the consolidated financial statements of Fountain Set (Holdings) Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 82 to 180, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the 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 Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “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.

致福田實業（集團）有限公司各位股東  
(於香港註冊成立的有限公司)

### 意見

本核數師行已審核載於第82頁至第180頁內的福田實業（集團）有限公司（「貴公司」）及其附屬公司（統稱為「貴集團」）的綜合財務報表。此等財務報表包括於2016年12月31日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本核數師行認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實且公平地反映了貴集團於2016年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例妥為編製。

### 意見基準

本核數師行已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核工作。本核數師行於該等準則下的責任在本行的報告內「核數師就審核綜合財務報表須承擔的責任」中作進一步闡述。根據香港會計師公會的「國際職業會計師道德守則」（「守則」），本核數師行獨立於貴集團，並已遵循守則履行其他道德責任。本核數師行相信，本行所獲得的審核憑證能充足及適當地為本行的意見提供基礎。

**INDEPENDENT AUDITOR'S REPORT**  
**獨立核數師報告**

**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

*Impairment of inventories*

*Refer to note 20 to the consolidated financial statements*

A degree of substandard products are typically produced during the normal course of the Group's production process. Moreover, inventories of the Group will become aged and/or obsolete in the absence or cancellation of orders. The Group maintains a sophisticated information technology system to keep track of the aging and utilisation of inventories and materials regarded as wastage for the estimation of net realisable value.

Based on the utilisation of inventories which became wastage and long-aged, the Group made an accumulated provision of HK\$194,868,000 as at year end by reference to estimated net realisable value of inventories.

We identified the impairment of inventories as a key audit matter because the estimates of net realisable value and how materials are regarded as wastage on which this impairment entailed a significant degree of management judgement.

*Our response:*

We performed audit procedures in relation to management's impairment assessment of inventories which included:

- evaluating the methodology and key assumptions adopted by management in estimating the net realisable value and discussing them with management;
- challenging the reasonableness of key assumptions based on our knowledge of the business and industry;
- checking, on a sample basis, the accuracy and relevance of the input data used by management in capturing the aging and utilisation of inventories and estimate the net realisable value of those inventories; and
- testing controls over recording impairment of inventories.

**關鍵審核事項**

根據本核數師行的專業判斷，關鍵審核事項為本行於本期間的綜合財務報表中最重要的事項。本核數師行在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

**關鍵審核事項**

*存貨減值*

*請參閱綜合財務報表附註20*

貴集團於日常業務生產過程中會產生一定程度的不合格產品。此外，若無訂單或取消訂單，貴集團的存貨會變為陳舊及／或廢棄。貴集團設有完善的資訊科技系統，從以監察存貨及被視作廢棄物的材料之賬齡及使用情況以估算其可變現淨值。

根據廢棄及陳舊存貨的使用情況，貴集團於年度終結時經參考存貨的估計可變現淨值作出累計撥備194,868,000港元。

本核數師行確定存貨減值為關鍵審核事項，此乃由於對有關可變現淨值作出減值估計以及材料為何被視為廢棄材料時，涉及管理層的重大判斷。

**本核數師行的應對：**

本核數師行就管理層的存貨減值評估進行的審核程序包括：

- 對管理層於估計可變現淨值時所採納的方法及主要假設進行評估並與管理層進行討論；
- 依據本核數師行對業務及行業的了解，質疑關鍵假設的合理性；
- 抽樣檢查管理層於計算存貨賬齡及使用情況，以及估計該等存貨的可變現淨值時所用輸入數據的準確性及相關性；及
- 測試對記錄存貨減值的監控。

## **INDEPENDENT AUDITOR'S REPORT** **獨立核數師報告**

### **OTHER INFORMATION IN THE ANNUAL REPORT**

The directors are responsible for the other information. The other information comprises the information included in the Company's 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.

### **DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors 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 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 misstatements, whether due to fraud or error.

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

### **年報內的其他資料**

董事須對其他資料負責。其他資料包括 貴公司年報所載資料，惟不包括綜合財務報表及本核數師行就此發出的核數師報告。

本核數師行對綜合財務報表的意見並不涵蓋其他資料，本行亦不會對其他資料發表任何形式的核證結論。

就本核數師行審核綜合財務報表而言，本行的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本行在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。基於本核數師行已執行的工作，倘本行認為其他資料有重大錯誤陳述，本行須報告該事實。就此，本核數師行毋須作出報告。

### **董事就綜合財務報表須承擔的責任**

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例，編製真實且公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營相關的事項，並運用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營或別無其他實際的替代方案。

董事亦須負責監督 貴集團財務申報程序。審核委員會協助董事履行其在這方面的責任。



**INDEPENDENT AUDITOR'S REPORT**  
**獨立核數師報告**

**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. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

**核數師就審核綜合財務報表須承擔的責任**

本核數師行的目標為對綜合財務報表是否不存在由欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告。本報告乃根據香港公司條例第405條僅向整體股東作出報告，並無作其他用途。本核數師行不會就本報告內容向任何其他人士負上或承擔任何責任及債務。

合理核證是高水平的核證，但不能保證按香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

本核數師行根據香港會計準則執行審核的工作之一，是在審核的過程中運用職業判斷及保持職業懷疑。本核數師行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為本核數師行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

### 核數師就審核綜合財務報表須承擔的 責任(續)

- 對董事採用持續經營會計基準的恰當性作出結論，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疑慮。倘本核數師行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂本行意見。本核數師行的結論乃基於截至本行的核數師報告日期止所得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否公平反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。本核數師行負責集團審核的方向、監督及執行。本行為審核意見承擔全部責任。

本核數師行與審核委員會就(其中包括)審核的計劃範圍、時間安排及重大審核發現溝通，該等發現包括本行在審核過程中識別的內部監控的任何重大缺陷。

本核數師行亦向審核委員會作出聲明，指出本行已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響本行獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

**INDEPENDENT AUDITOR'S REPORT**  
**獨立核數師報告**

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF  
THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(Continued)**

From the matters communicated with the directors, 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.

**BDO Limited**

*Certified Public Accountants*

**Chow Tak Sing, Peter**

Practising Certificate Number P04659

Hong Kong, 23 March 2017

**核數師就審核綜合財務報表須承擔的  
責任(續)**

從與董事溝通的事項中，本核數師行釐定對本期間綜合財務報表審核至關重要的事項，因而構成關鍵審核事項。本核數師行在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極少數情況下，倘合理預期在本行的報告中溝通某事項造成的負面後果超出產生的公眾利益，則本核數師行決定不應在報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

周德陞

執業證書編號P04659

香港，2017年3月23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2016年12月31日止年度

			2016	2015
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
<b>Revenue</b>	<b>營業額</b>	6	<b>6,328,714</b>	6,653,051
Cost of sales	銷售成本		<b>(5,553,590)</b>	(5,845,406)
<b>Gross profit</b>	<b>毛利</b>		<b>775,124</b>	807,645
Other revenue	其他收入		<b>48,338</b>	57,492
Other gains and losses	其他收益及虧損		<b>(48,452)</b>	(26,496)
Distribution and selling expenses	分銷及銷售費用		<b>(163,756)</b>	(191,745)
Administrative expenses	行政費用		<b>(424,275)</b>	(469,362)
Finance costs	融資成本	7	<b>(19,506)</b>	(26,166)
Share of profit of an associate	應佔一間聯營公司之盈利	17	<b>595</b>	839
<b>Profit before income tax expense</b>	<b>除所得稅支出前盈利</b>		<b>168,068</b>	152,207
Income tax expense	所得稅支出	8	<b>(18,076)</b>	(24,133)
Profit for the year	是年度盈利	9	<b>149,992</b>	128,074
Profit for the year attributable to:	應佔是年度盈利：			
Owners of the Company	本公司擁有人		<b>127,903</b>	99,860
Non-controlling interests	非控股權益		<b>22,089</b>	28,214
			<b>149,992</b>	128,074
			<b>HK cents 港仙</b>	<b>HK cents 港仙</b>
<b>Earnings per share</b>	<b>每股盈利</b>			
– Basic	– 基本	12	<b>10.6</b>	8.3
– Diluted	– 攤薄	12	<b>10.6</b>	8.3

**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2016年12月31日止年度

		Note 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Profit for the year</b>	是年度盈利	9	<u>149,992</u>	<u>128,074</u>
<b>Other comprehensive income, net of tax</b>	其他全面收益 (經扣除稅項)			
<b>Items that may be reclassified subsequently to profit or loss:</b>	其後可能重新分類至 損益之項目:			
Net gain arising on revaluation of available-for-sale financial assets during the year	年內重估可供 出售金融資產產生之 收益淨值		1,410	426
Exchange differences arising on translation of foreign operations	換算海外業務產生之 匯兌差額		(16,051)	(10,288)
Release upon disposal of available-for-sale financial assets	處置可供出售 金融資產時轉出		<u>(3,012)</u>	<u>-</u>
<b>Other comprehensive expense for the year</b>	是年度其他全面開支		<u>(17,653)</u>	<u>(9,862)</u>
<b>Total comprehensive income for the year</b>	是年度全面收益總值		<u>132,339</u>	<u>118,212</u>
<b>Total comprehensive income for the year attributable to:</b>	應佔是年度 全面收益總值:			
Owners of the Company	本公司擁有人		116,000	94,368
Non-controlling interests	非控股權益		<u>16,339</u>	<u>23,844</u>
			<u>132,339</u>	<u>118,212</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

AS AT 31 DECEMBER 2016 於2016年12月31日

			At 31 December 2016 於2016年12月31日	At 31 December 2015 於2015年12月31日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment properties	投資物業	13	67,410	74,551
Property, plant and equipment	物業、機器及設備	14	1,463,317	1,412,120
Prepaid lease payments – non-current portion	預付租賃款項—非流動部分	15	99,115	102,020
Other intangible assets	其他無形資產	16	21,617	24,888
Interest in an associate	於一間聯營公司之權益	17	16,900	16,305
Investment in life insurance policies	人壽保險保單之投資	19	20,050	38,345
Deferred tax assets	遞延稅項資產	18	49,909	39,721
			<u>1,738,318</u>	<u>1,707,950</u>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	1,401,911	1,410,330
Trade and bills receivables	營業及票據應收款項	21	1,209,330	1,313,533
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	136,420	116,765
Prepaid lease payments – current portion	預付租賃款項—流動部分	15	2,600	2,606
Tax recoverable	可收回稅項		4,479	2,104
Restricted bank deposits	受限制銀行存款	23	10,406	7,043
Short-term bank deposits	短期銀行存款	24	177,660	183,917
Bank balances and cash	銀行結餘及現金	24	690,491	686,306
			<u>3,633,297</u>	<u>3,722,604</u>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and bills payables	營業及票據應付款項	25	752,140	851,477
Other payables and accruals	其他應付款項及應計費用	26	322,845	343,499
Amounts due to non-controlling shareholders	欠非控股股東款項	27	80,100	80,100
Amount due to an associate	欠一間聯營公司款項	27	5,499	7,080
Deferred income – current portion	遞延收入—流動部分	28	1,592	1,458
Tax payable	應付稅項		20,912	31,376
Bank and other borrowings – due within one year	銀行及其他借貸—一年內到期	29	488,191	494,619
			<u>1,671,279</u>	<u>1,809,609</u>
<b>Net current assets</b>	<b>流動資產淨值</b>		<u>1,962,018</u>	<u>1,912,995</u>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<u>3,700,336</u>	<u>3,620,945</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**綜合財務狀況表**

AS AT 31 DECEMBER 2016 於2016年12月31日

		Notes 附註	At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred income – non-current portion	遞延收入 – 非流動部分	28	60,370	60,760
Bank and other borrowings – due after one year	銀行及其他借貸 – 一年後到期	29	179,453	159,225
Deferred tax liabilities	遞延稅項負債	18	6,868	6,204
			<u>246,691</u>	<u>226,189</u>
<b>Net assets</b>	<b>資產淨值</b>		<u>3,453,645</u>	<u>3,394,756</u>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	30	865,716	865,716
Other reserves	其他儲備		<u>2,432,336</u>	<u>2,364,829</u>
Equity attributable to owners of the Company	本公司擁有人應佔權益		<u>3,298,052</u>	3,230,545
Non-controlling interests	非控股權益	31	<u>155,593</u>	164,211
<b>Total equity</b>	<b>權益總值</b>		<u>3,453,645</u>	<u>3,394,756</u>

The consolidated financial statements on pages 82 to 180 were approved and authorised for issue by the Board of Directors on 23 March 2017 and are signed on its behalf by:

第82至180頁的綜合財務報表已於2017年3月23日由董事會通過及核准發放，並由下列董事代表簽署：

**ZHAO Yao**

趙耀

*Director*

董事

**LAN Jiang**

藍江

*Director*

董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2016 截至2016年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔						Non-controlling interests	Total equity	
		Share capital	Investment revaluation reserve	Translation reserve	Share options reserve	Statutory reserves	Retained earnings	Total		
		股本	投資重估儲備	匯兌儲備	購股權儲備	法定儲備	滾存盈利	總值	非控股權益	
		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	
						(note) (附註)				
At 1 January 2015	於2015年1月1日	862,211	-	(35,512)	14,830	80,160	2,260,839	3,182,528	143,095	3,325,623
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	(5,918)	-	-	-	(5,918)	(4,370)	(10,288)
Net gain arising on revaluation of available-for-sale financial assets during the year	年內重估可供出售金融資產產生之收益淨值	-	426	-	-	-	-	426	-	426
Profit for the year	是年度盈利	-	-	-	-	-	99,860	99,860	28,214	128,074
Total comprehensive income/(expense) for the year	是年度全面收益/(開支)總值	-	426	(5,918)	-	-	99,860	94,368	23,844	118,212
Equity-settled share-based payments reverse	以權益結算以股份為基礎之付款撥回	-	-	-	(546)	-	-	(546)	-	(546)
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	-	(48,201)	(48,201)	-	(48,201)
Transfer from retained earnings to investment revaluation reserve and statutory reserves	由滾存盈利調撥至投資重估儲備及法定儲備	-	1,805	-	-	17,254	(19,059)	-	-	-
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	-	(5,716)	-	5,716	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	(2,728)	(2,728)
Exercise of share options	行使購股權	3,505	-	-	(1,109)	-	-	2,396	-	2,396
At 31 December 2015	於2015年12月31日	865,716	2,231	(41,430)	7,459	97,414	2,299,155	3,230,545	164,211	3,394,756
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	(10,301)	-	-	-	(10,301)	(5,750)	(16,051)
Net gain arising on revaluation of available-for-sale financial assets during the year	年內重估可供出售金融資產產生之收益淨值	-	1,410	-	-	-	-	1,410	-	1,410
Release upon disposal of available-for-sale financial assets	處置可供出售金融資產時轉出	-	(3,012)	-	-	-	-	(3,012)	-	(3,012)
Profit for the year	是年度盈利	-	-	-	-	-	127,903	127,903	22,089	149,992
Total comprehensive (expense)/income for the year	是年度全面(開支)/收益總值	-	(1,602)	(10,301)	-	-	127,903	116,000	16,339	132,339
Equity-settled share-based payments reverse	以權益結算以股份為基礎之付款撥回	-	-	-	(292)	-	-	(292)	-	(292)
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	-	(48,201)	(48,201)	-	(48,201)
Transfer from retained earnings to statutory reserves	由滾存盈利調撥至法定儲備	-	-	-	-	2,263	(2,263)	-	-	-
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	-	(6,352)	-	6,352	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	(24,957)	(24,957)
At 31 December 2016	於2016年12月31日	865,716	629	(51,731)	815	99,677	2,382,946	3,298,052	155,593	3,453,645

Note: The statutory reserves represent the appropriation of certain percentages of profit after taxation of certain subsidiaries in the People's Republic of China (the "PRC") as recommended by the directors of those subsidiaries as reported under the PRC statutory financial statements. According to the provision of the articles of association of the subsidiaries, the statutory reserves shall only be used for making up losses, capitalisation into share capital, expansion of the relevant subsidiary's operation and for the welfare of the subsidiary's staff and workers.

附註：法定儲備指若干在中華人民共和國（「中國」）的附屬公司的董事按中國法定財務報表的呈報要求建議將該等附屬公司若干比率的稅後盈利撥備的金額。根據附屬公司組織章程細則的條款，法定儲備僅可用於彌補虧損、撥充股本、擴充相關附屬公司的業務及附屬公司員工及工人的福利。



## CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2016 截至2016年12月31日止年度

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>營運項目所得的現金流量</b>		
Profit before income tax expense	除所得稅支出前盈利	168,068	152,207
Adjustments for:	調整:		
Government grants	政府補貼	(3,805)	(3,739)
Amortisation of deferred income	遞延收入的攤銷	(1,507)	(1,458)
Depreciation of investment properties	投資物業之折舊	3,896	4,049
Depreciation of property, plant and equipment	物業、機器及設備之折舊	174,756	190,128
Amortisation of other intangible assets	其他無形資產之攤銷	3,271	3,246
Equity-settled share-based payments reverse	以權益結算以股份為基礎之付款撥回	(292)	(546)
Finance costs	融資成本	19,506	26,166
Interest income	利息收入	(4,587)	(8,324)
Loss on disposal/written-off of property, plant and equipment	出售/註銷物業、機器及設備 之虧損	13,283	5,161
Share of profit of an associate	應佔一間聯營公司之盈利	(595)	(839)
Gain on disposal of available-for-sale financial assets	處置可供出售金融資產之所得收益	(751)	-
Impairment loss recognised on trade and bills receivables, net	確認為營業及票據應收款項之 減值損失淨值	21,401	25,159
Impairment loss (reversed)/recognised on other receivables	其他應收款項之減值損失 (撥回)/確認	(483)	1,665
Release of prepaid lease payments	預付租賃款項轉出	2,601	2,610
Operating profit before working capital changes	營運資金變動前之營運盈利	394,762	395,485
Decrease/(increase) in inventories	存貨之減少/(增加)	3,369	(110,598)
Decrease in trade and bills receivables	營業及票據應收款項之減少	62,184	29,675
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之 (增加)/減少	(21,844)	7,631
(Decrease)/increase in trade and bills payables	營業及票據應付款項之(減少)/增加	(74,505)	68,133
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用之(減少)/增加	(20,657)	75,041
(Decrease)/increase in amount due to an associate	欠一間聯營公司款項之(減少)/增加	(1,581)	7,080
Cash generated from operations	營運所得之現金	341,728	472,447
Hong Kong profits tax paid	已付香港利得稅	(5,947)	(1,308)
Overseas tax paid	已付海外稅項	(28,766)	(19,914)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>營運項目所得的現金淨值</b>	<b>307,015</b>	<b>451,225</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2016 截至2016年12月31日止年度

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>NET CASH FROM OPERATING ACTIVITIES</b>	營運項目所得的現金淨值		<b>307,015</b>	451,225
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	投資項目所得的現金流量			
Interest received	已收利息		4,487	8,279
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項		2,433	2,413
Proceeds from disposal of available-for-sale financial assets	處置可供出售金融資產所得款項		16,538	-
Purchase of property, plant and equipment	購買物業、機器及設備	14	(256,485)	(117,811)
Additions of prepaid lease payments	預付租賃款項增加		-	(23)
Purchase of other intangible assets	購置其他無形資產	16	-	(488)
Net movement in derivative financial instruments	衍生金融工具的變動淨值		-	(1,686)
Increase in restricted bank deposits	受限制銀行存款增加		(3,363)	(7,043)
Government grants received	已收政府補貼		5,056	3,739
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	投資項目所用的現金淨值		<b>(231,334)</b>	(112,620)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	融資項目所得的現金流量			
Repayment of bank and other borrowings	償還銀行及其他借貸		(1,376,979)	(2,019,757)
Interest paid	已付利息		(16,790)	(28,667)
Dividends paid to non-controlling shareholders	已付股息予非控股股東		(24,957)	(2,728)
Dividends paid	已付股息		(48,201)	(48,201)
Proceeds from exercise of share options	行使購股權所得款項		-	2,396
New bank and other borrowings raised	新籌集之銀行及其他借貸		1,389,965	1,676,372
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	融資項目所用的現金淨值		<b>(76,962)</b>	(420,585)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	現金及等同現金項目的減少淨值		<b>(1,281)</b>	(81,980)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	於是年度開始時的現金及等同現金項目		<b>870,223</b>	956,085
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	匯率變動對現金及等同現金項目的影響		<b>(791)</b>	(3,882)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	於是年度終結時的現金及等同現金項目		<b>868,151</b>	870,223
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:</b>	現金及等同現金項目結存的分析:			
Short-term bank deposits	短期銀行存款		177,660	183,917
Bank balances and cash	銀行結餘及現金		690,491	686,306
			<b>868,151</b>	870,223

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 1. GENERAL

The Company is a public limited company incorporated in Hong Kong. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 35.

The directors consider its immediate parent is Chinatex Yieldfull Investments Co., Ltd. and ultimate parent is Chinatex Corporation, a state-owned enterprise under the direct supervision and administration of, and is beneficially owned by, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2016

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The adoption of these amendments has no material impact on the Group’s financial statements.

### 1. 簡介

本公司為在香港註冊成立的公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司的註冊辦事處地址及主要營業地點於本年報公司資料內披露。

財務報表乃以港元呈列，港元亦為本公司的功能貨幣。

本公司乃一間投資控股公司。其主要附屬公司的主要業務載列於附註35內。

董事認為，其直接母公司為中紡盈豐投資有限公司，而其最終母公司為中國中紡集團公司，一家由中國國務院國有資產監督管理委員會直接監督及管理以及實益擁有之國有企業。

### 2. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納新訂／經修訂之香港財務報告準則—於2016年1月1日生效

香港財務報告準則（修訂本）	2012年至2014年 週期之年度改進
香港會計準則第1號之修訂本	披露計劃
香港會計準則第16號及香港會計準則第38號之修訂本	折舊及攤銷可接受方法的澄清
香港會計準則第27號之修訂本	獨立財務報表的權益法
香港財務報告準則第11號之修訂本	收購合營業務權益的會計處理

採納該等修訂本對本集團的財務報表並無重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

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

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>4</sup> The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

### 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

下列可能與本集團財務報表有關之新訂／經修訂香港財務報告準則經已頒佈，惟尚未生效亦未經本集團提早採納。本集團目前擬於該等變動生效日期應用該等變動。

香港會計準則第7號之修訂本	披露計劃 <sup>1</sup>
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產 <sup>1</sup>
香港財務報告準則第2號之修訂本	以股份為基礎之付款交易的分類及計量 <sup>2</sup>
香港財務報告準則第9號	金融工具 <sup>2</sup>
香港財務報告準則第15號	客戶合同收入 <sup>2</sup>
香港財務報告準則第15號之修訂本	客戶合同收入（澄清香港財務報告準則第15號） <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間的資產出售或注資 <sup>4</sup>
香港財務報告準則第16號	租賃 <sup>3</sup>

<sup>1</sup> 於2017年1月1日或之後開始之年度期間生效

<sup>2</sup> 於2018年1月1日或之後開始之年度期間生效

<sup>3</sup> 於2019年1月1日或之後開始之年度期間生效

<sup>4</sup> 該等修訂本原訂於2016年1月1日或之後開始之期間生效。生效日期現已延遲／刪除。繼續允許提前應用有關修訂本。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**綜合財務報表附註**

31 DECEMBER 2016 2016年12月31日

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

*Amendments to HKAS 7 – Disclosure Initiative*

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

*Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

*Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment Transaction*

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

*HKFRS 9 – Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

**2. 採納香港財務報告準則(「香港財務報告準則」)(續)**

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

*香港會計準則第7號之修訂本－披露計劃*

有關修訂本引進額外披露，其將令財務報表使用者評估因融資項目所產生負債的變化。

*香港會計準則第12號之修訂本－就未變現虧損確認遞延稅項資產*

有關修訂本與確認遞延稅項資產及澄清若干必要考慮因素有關，包括如何就以公平價值計量之債務工具相關之遞延稅項資產予以入賬。

*香港財務報告準則第2號之修訂本－以股份為基礎之付款交易的分類及計量*

有關修訂本規定歸屬及非歸屬條件對以現金結算以股份為基礎之付款計量的會計處理；預扣稅責任具有淨值結算特徵的以股份為基礎之付款交易；以及交易類別由現金結算變更為權益結算之以股份為基礎之付款條款及條件的修訂。

*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號引進金融資產分類及計量的新規定。按業務模式持有資產而目的為收取合約現金流量的債務工具(業務模式測試)以及具產生現金流量的合約條款且僅為支付本金及未償還本金利息的債務工具(合約現金流量特徵測試)，一般按攤銷成本計量。倘該實體業務模式的目的為持有及收取合約現金流量以及出售金融資產，則符合合約現金流量特徵測試的債務工具以按公平價值計入其他全面收益計量。實體可於初步確認時作出不可撤銷的選擇，以按公平價值計入其他全面收益計量並非持作買賣的股本工具。所有其他債務及股本工具以按公平價值計入損益計量。

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### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

#### *HKFRS 9 – Financial Instruments (Continued)*

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

#### *HKFRS 15 – Revenue from Contracts with Customers*

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps 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 each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

### 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

#### *香港財務報告準則第9號－金融工具（續）*

香港財務報告準則第9號就並非按公平價值計入損益的所有金融資產納入新的預期虧損減值模式（取代香港會計準則第39號的已產生虧損模式）以及新的一般對沖會計規定，以讓實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號遵照香港會計準則第39號有關金融負債的確認、分類及計量的規定，惟指定按公平價值計入損益的金融負債除外，除非會產生或擴大會計錯配風險，該負債信貸風險變動引致的公平價值變動金額於其他全面收益確認。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債的規定。

#### *香港財務報告準則第15號－客戶合同收入*

本項新準則設立單一的收入確認框架。該框架的核心原則為實體應確認收入以金額描述轉讓已承諾的貨品或服務予客戶，該金額反映該實體預期就交換該等商品及服務有權獲得的代價。香港財務報告準則第15號將取代現行收益確認指引（包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋）。

香港財務報告準則第15號要求透過五個步驟確認收入：

- 第一步：識別與客戶的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至各履約責任
- 第五步：於各履約責任完成時確認收入

香港財務報告準則第15號包含與特定收入相關的特定指引，該等指引或會更改香港財務報告準則現時應用之方法。該準則亦對收入相關的披露作出大幅質化與量化改進。

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**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

*Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)*

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

*HKFRS 16 – Leases*

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

**2. 採納香港財務報告準則（「香港財務報告準則」）（續）**

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

*香港財務報告準則第15號之修訂本－客戶合同收入（澄清香港財務報告準則第15號）*

香港財務報告準則第15號之修訂本包括澄清對履約責任的識別；應用委託人及代理人；知識產權許可；及過渡需要。

*香港財務報告準則第16號－租賃*

香港財務報告準則第16號由生效日期起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產則另作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人就租賃採用的會計處理顯著不同，後者適用於根據原準則香港會計準則第17號分類為營運租賃之租賃。

就出租人會計處理而言，香港財務報告準則第16號大致繼承了香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為營運租賃或財務租賃，並且對兩類租賃進行不同之會計處理。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

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

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group’s accounting policies and financial statements.

### 3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (“the Listing Rules”).

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values.

(c) Functional and presentation currency

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

### 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

#### *香港財務報告準則第10號及香港會計準則第28號之修訂本－投資者與其聯營公司或合營公司之間的資產出售或注資*

有關修訂本澄清實體向其聯營公司或合營公司出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務的資產，則僅須就不相關投資者於合資公司或聯營公司之權益確認收益或虧損。

本集團尚未確定此等新公告是否將引致本集團的會計政策及財務報表出現重大變動。

### 3. 編製基準

(a) 遵例聲明

財務報表乃按照所有適用之香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（統稱「香港財務報告準則」）以及香港公司條例之條文而編製。此外，財務報表包括聯交所證券上市規則（「上市規則」）所規定之適用披露資料。

(b) 計量基準

財務報表乃按歷史成本基準編製，惟若干金融工具按公平價值列賬除外。

(c) 功能及呈列貨幣

財務報表以港元呈列，亦為本公司之功能貨幣。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**4. SIGNIFICANT ACCOUNTING POLICIES**

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“the Group”). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group’s previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

**4. 主要會計政策**

(a) 業務合併及綜合基準

綜合財務報表包含本公司及其附屬公司（「本集團」）的財務報表。集團公司之間內部公司交易及結餘以及未實現之盈利已於編製綜合財務報表時完全對銷。未實現虧損亦已作對銷，除非是項交易提供所轉讓資產之減值證據，則在損益賬內確認虧損。

是年度收購或出售的附屬公司的業績已根據其收購生效或出售日期（如適用）包括在綜合損益及其他全面收益表內。如有需要，附屬公司的財務報表會作出調整，使其會計政策與本集團其他成員公司所採用者一致。

收購附屬公司或業務採用收購法入賬。收購成本按本集團（作為收購方）於收購日期所轉移資產、所產生的負債及發行的股權的公平價值總額計算。所收購之可識別資產及所產生的負債主要按收購日期公平價值計算。本集團先前於被收購方所持有的股權將按收購日期公平價值重新計算，所產生的收益或虧損於損益賬內確認。本集團可就每宗交易選擇按公平價值或按應佔被收購方可識別資產淨值的比例計量代表於附屬公司的目前擁有權權益之非控股權益。所有其他非控股權益按公平價值計量，除非香港財務報告準則規定另一項計量基準，則作別論。因收購所產生之相關成本一概列作開支，除非有關成本是於發行股本工具時產生，則有關成本會於權益中扣除。

收購方將予轉移之任何或然代價按收購日期公平價值確認。其後對代價之調整，則僅於調整是源自有關於收購日期之公平價值之新資料，且新資料是於計量期間（最長為收購日期起12個月）內取得時，方以商譽確認。所有其他對分類為資產或負債的或然代價作出之其後調整於損益賬內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Business combination and basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal 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 previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

#### (b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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

### 4. 主要會計政策 (續)

#### (a) 業務合併及綜合基準 (續)

當本集團失去該附屬公司之控制權，出售溢利或虧損為以下兩者之差額：(i)已收代價公平價值與任何保留權益公平價值之總額與(ii)附屬公司過往之資產（包括商譽）及負債之賬面值及任何非控股股東權益。如相關資產或負債已經出售，以往於其他全面收益確認與該附屬公司有關之金額須以相同方式入賬。

於收購後，代表於附屬公司的現有擁有權權益的非控股權益的賬面值指該等權益初步確認的金額加上該非控股權益應佔權益之其後變動。即使導致該等非控股權益結餘出現虧絀，全面收益總值亦歸屬於該等非控股權益。

#### (b) 附屬公司

附屬公司為本公司可以對其行使控制權的被投資方。倘出現以下全部三個因素時，本公司即控制一名被投資方：有權控制被投資方、承擔或享有來自被投資方可變回報的風險或權利，及利用其權力影響該等可變回報的能力。當有事實及情況顯示任何該等控制因素可能出現變動時，將會重新評估控制權。

於本公司的財務狀況表內，於附屬公司的投資乃按成本扣除減值損失（如有）入賬。附屬公司的業績由本公司按已收及應收的股息基準入賬。

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**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

(d) Investment properties

Investment properties are properties held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Depreciation is charged so as to write off the cost of investment properties net of expected residual value over the estimated useful life using straight-line method. The useful life, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

**4. 主要會計政策 (續)**

(c) 聯營公司

聯營公司指本集團能對其行使重大影響力，而並非附屬公司或於合營安排之實體。重大影響力指可參與被投資方之財務及營運政策之決策但不是控制或共同控制該等政策之權力。

聯營公司以權益法入賬。根據權益法，投資初始以成本確認，其後，其賬面金額根據本集團在收購後分佔聯營公司資產淨值的變動進行調整，惟超過本集團在聯營公司中的權益的虧損則不會確認，除非有義務填補有關虧損，則作別論。

本集團與其聯營公司之間的交易所產生的損益會予以確認，但僅限於無關連投資者在聯營公司之權益。投資者應佔因該等交易而產生的有關聯營公司損益與聯營公司的賬面值對銷。倘未實現虧損提供所轉讓資產之減值證據，則立即於損益賬內確認。

任何收購聯營公司之成本超過本集團應佔所收購的可識別資產、負債及或然負債的公平價值的部分會予以資本化，並計入聯營公司的賬面值。倘有客觀證據顯示於聯營公司之投資已經減值，則投資的賬面值會以與其他非金融資產相同的方式進行減值測試。

(d) 投資物業

投資物業為持作賺取租金或資本增值或兩者兼有，而非於日常業務過程中持作出售、用於生產或提供貨品或服務，或作行政用途的物業。

投資物業初步以成本（包括任何直接應佔開支）計量。於初步確認後，投資物業以成本減往後累計折舊及往後累計減值損失（如有）列賬。投資物業之折舊乃按其估計可使用年期經扣減其估計剩餘價值後，以直線法撇銷其成本。可使用年期、剩餘價值及折舊方法於各報告期終進行檢討並於適當情況下作出調整。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress and freehold land) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment (other than construction in progress and freehold land) are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Freehold land	Nil
Leasehold land and buildings	Shorter of 2% – 4.5% or period of the lease term
Furniture, fixtures and equipment	10% – 33%
Plant and machinery	10% – 20%
Motor vehicles	20% – 30%
Construction in progress	Nil

Freehold land is carried at cost less any recognised impairment loss.

### 4. 主要會計政策 (續)

#### (e) 物業、機器及設備

物業、機器及設備包括持作生產或供應貨物或提供服務或行政用途的建築物(惟在建工程及永久持有的土地除外)，以成本扣減往後累計折舊及累計減值損失(如有)後列賬。

物業、機器及設備的成本包括其購買價及收購該等項目直接應佔之成本。

僅當項目相關之未來經濟利益應會流入本集團，而且能夠可靠地計算該項目之成本時，其後成本方會計入資產之賬面值或確認為一項獨立資產(如適宜)。被取代部分之賬面值將不再確認。所有其他維修及保養在其產生之財政期間於損益賬內確認為開支。

除在建工程及永久持有的土地外，物業、機器及設備乃按估計可使用年期經扣減其剩餘價值後之後，以直線法撇銷其成本。可使用年期、剩餘價值及折舊方法於各報告期終進行檢討及調整(如適宜)。可使用年期載列如下：

永久持有的土地	無
租賃土地及建築物	2% – 4.5%或租賃年期 (以較短者為準)
傢俬、裝置及設備	10% – 33%
廠房及機器	10% – 20%
車輛	20% – 30%
在建工程	無

永久持有的土地乃按成本減任何已確認減值損失列賬。

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**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(e) Property, plant and equipment (Continued)

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

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

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(f) Leasing

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

*The Group as lessor*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

*The Group as lessee*

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

**4. 主要會計政策(續)**

(e) 物業、機器及設備(續)

在建工程以成本扣減減值損失列賬。成本指建築的直接成本，以及於建築及安裝期間資本化的借貸成本。當絕大部分準備該資產以用作擬定用途所須的活動已完成時，則停止資本化成本，並將在建工程轉移至相關類別的物業、機器及設備。在建工程於完成及可按擬定用途使用前不作折舊撥備。

倘資產的賬面值高於其估計可收回金額，則會即時撇減至其可收回金額。

處置一項物業、機器及設備產生的收益或虧損為銷售所得款項與其賬面值的差額，並於處置時於損益賬內確認。

(f) 租賃

如租賃條款將所有權的絕大部分風險及回報轉嫁給承租人，則該等租賃被視為財務租賃。所有其他租賃則分類為營運租賃。

*本集團作為出租人*

營運租賃的租金收入乃按有關租賃年期以直線法在損益賬內確認。磋商及安排營運租賃的初步直接成本會加入該租賃資產的賬面值內並按租賃年期以直線法確認為開支。

*本集團作為承租人*

根據營運租賃應付的租金總額以直線法按租賃年期在損益賬內確認為開支。已收取租賃優惠於租賃年內確認為租金開支總額不可或缺的部分。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) 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. 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.

#### (h) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### 4. 主要會計政策 (續)

#### (g) 租賃土地及建築物

倘租賃包括土地及建築物部分，則本集團會基於有關各部分擁有權所附之絕大部分風險及回報是否轉讓予本集團的評定，獨立評估各要素作為財務或營運租賃的分類。具體而言，最低租賃付款（包括任何一次過預付款）按租賃開始時土地及建築物部分之租賃權益的相對公平價值比例於土地與建築物部分之間分配。

倘租賃付款能夠可靠地分配，則列為營運租賃的租賃土地權益於綜合財務狀況表呈列為「預付租賃款項」，並以直線基準於租賃年期內攤銷。

#### (h) 存貨

存貨初始按成本確認，其後按成本及可變現淨值的較低者確認。成本包括所有採購成本、轉換成本及將存貨達致其目前地點及狀況所產生的其他成本。成本以先進先出基準計算。可變現淨值指一般業務過程中的估計售價減去作出銷售所需的估計成本。

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**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(i) Intangible assets (other than goodwill)

*(i) Intangible assets*

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Software Shorter of 10% –20% or period of the contract term

*(ii) Impairment*

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(n)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in prior years. All reversals are recognised in the consolidated statement of profit or loss and other comprehensive income immediately.

**4. 主要會計政策(續)**

(i) 無形資產(商譽除外)

*(i) 無形資產*

獨立收購的無形資產初步按成本確認。其後，確定可使用年期之無形資產會按成本扣減任何累計攤銷及累計減值損失列賬。

攤銷乃以直線法按以下可使用年期計提撥備。不確定可使用年期之無形資產會按成本扣減任何累計減值損失列賬。攤銷費用於損益賬內確認及計入行政費用。

軟件 10% –20%或合約年期(以較短者為準)

*(ii) 減值*

具有限使用年期之無形資產於資產出現可能減值之跡象時進行減值測試。具不確定可使用年期之無形資產及尚未可供使用之無形資產不論是否出現任何可能減值之跡象，均會於每年進行減值測試。無形資產之減值測試為比較其賬面值與其可收回金額(見附註4(n))。

倘估計資產之可收回金額低於其賬面值，則資產之賬面值減至其可收回金額。減值損失即時確認為開支。

倘減值損失於其後撥回，資產賬面值將增加至其經修訂之估計可收回金額；然而，賬面值不應增加至超過其可收回金額或於過往年度並無就資產確認減值損失的情況下原賬面值(以較低者為準)。全部撥回可於綜合損益及其他全面收益表內即時確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Financial instruments

##### (i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

##### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, other receivables, amounts due from subsidiaries, bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

##### *Available-for-sale financial assets*

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets (including investment in life insurance policies) are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

### 4. 主要會計政策 (續)

#### (j) 金融工具

##### (i) 金融資產

本集團於初步確認金融資產時，視乎收購資產的目的將其分類。金融資產初步以公平價值加收購金融資產的直接交易成本計算。以常規方式購入或出售之金融資產乃按交易日基準確認及終止確認。以常規方式購入或出售指須於市場法規或慣例所訂時限內交付資產之金融資產購入或出售。

##### *貸款及應收款項*

該等資產為在活躍市場非報價的附帶固定或可釐定付款的非衍生金融資產。該等資產乃主要於向客戶提供商品及服務過程中產生（應收賬款），且同時亦包括其他類別之合約貨幣資產。於初步確認後，貸款及應收款項（包括營業及票據應收款項、其他應收款項、附屬公司所欠款項、銀行存款及銀行結餘及現金）均按實際利率方法，扣除任何已識別的減值損失後的攤銷成本列賬。

##### *可供出售金融資產*

該等資產為指定為可供出售或不計入其他金融資產類別的非衍生金融資產。於初始確認後，該等資產（包括人壽保險保單之投資）乃按公平價值列賬，而公平價值的變動於其他全面收益內確認，惟於損益賬內確認的貨幣工具減值損失及匯兌盈虧除外。

於活躍市場並無市場報價且公平價值不能可靠計量的可供出售股本權益投資及與該等無報價的股本工具掛鉤及必須透過交付該等工具進行交收的衍生工具，均按成本減任何已識別減值損失列賬。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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31 DECEMBER 2016 2016年12月31日

**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(j) Financial instruments (Continued)

*(ii) Impairment loss on financial assets*

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

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

*For loans and receivables*

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

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

**4. 主要會計政策 (續)**

(j) 金融工具 (續)

*(ii) 金融資產之減值損失*

本集團於各報告期終會評估是否有任何客觀證據證明金融資產出現減值。倘於初步確認資產後，因發生一項或多項的事件引致客觀證據證明減值及有關事件對金融資產估計未來現金流量之影響無法可靠計量，則金融資產出現減值。減值的證據可能包括：

- 債務人出現嚴重財務困難；
- 違反合約，例如欠繳或拖欠利息或本金付款；
- 由於債務人財務困難，向債務人授予寬限；
- 債務人很有可能將宣告破產或進行其他財務重組。

*貸款及應收款項*

就若干類別的金融資產（如營業應收款項）而言，不會單獨作出減值評估的資產會於日後彙集一併評估減值。應收款項組合出現的減值客觀證據可包括本集團的過往收款經驗、組合內延遲還款至超逾信貸期之次數增加及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

減值損失乃於有客觀證據證明資產出現減值時於損益賬內確認，並按該資產的賬面值與按原先實際利率貼現的估計未來現金流量現值的差額計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Financial instruments (Continued)

##### (ii) Impairment loss on financial assets (Continued)

The carrying amount of the loans and receivables is reduced by the impairment loss directly for all loans and receivables 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.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### *For available-for-sale financial assets*

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investments can be objectively related to an event occurring after the recognition of impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

### 4. 主要會計政策 (續)

#### (j) 金融工具 (續)

##### (ii) 金融資產之減值損失 (續)

貸款及應收款項的賬面值直接按減值損失調低，惟營業應收款項除外，其賬面值乃透過使用撥備賬目而調低。撥備賬目的賬面值變動於損益賬內確認。倘營業應收款項被視為無法收回，則於撥備賬內撇銷。其後收回過往撇銷的款項計入損益賬內。

倘於往後期間，減值損失金額減少，而該減少可客觀地與減值損失確認後發生的事件有關，則先前確認的減值損失透過損益撥回，惟該資產於撥回減值當日的賬面值不得超過在並無確認減值的情況下應有的已攤銷成本。

##### *可供出售金融資產*

倘公平價值減少構成減值的客觀證據，則虧損金額自權益扣除及於損益賬內確認。

如投資公平價值之增加客觀上與確認減值損失後發生之事件相關，則可供出售債務投資之減值損失其後會從損益中撥回。

可供出售股本權益投資於減值損失後的任何公平價值增加乃於其他全面收益內確認。

按成本列賬可供出售股本權益投資的減值損失金額乃以資產賬面值及按類似金融資產的現時市場回報率折現的估計未來現金流量現值兩者的差額計算。有關減值損失不得撥回。

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**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(j) Financial instruments (Continued)

*(iii) Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost including trade and bills payables, other payables, amounts due to subsidiaries/non-controlling shareholders, bank and other borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

*(iv) Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period.

*(v) Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

*(vi) Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

**4. 主要會計政策 (續)**

(j) 金融工具 (續)

*(iii) 金融負債*

本集團視乎金融負債產生的目的將其金融資產分類。按攤銷成本計量的金融負債初步以公平價值，扣除所產生的直接應佔成本後計算。

按攤銷成本計量的金融負債包括營業及票據應付款項、其他應付款項、欠附屬公司／非控股股東款項、銀行及其他借貸，其後乃按實際利率方法以攤銷成本計量。有關利息費用於損益賬內確認。

收益或虧損於終止確認負債時透過攤銷於損益賬內確認。

*(iv) 實際利率方法*

實際利率方法是一種計算金融資產及金融負債的攤銷成本以及按有關期間攤分利息收入或利息費用的方法。實際利率是將估計未來現金付款透過金融資產或金融負債的預期年期或更短期間(倘適用)準確貼現的利率。

*(v) 權益工具*

本公司發行的權益工具乃以所收款項，扣除直接發行成本後記賬。

*(vi) 終止確認*

本集團於金融資產有關之未來現金流量合約權利屆滿，或此類金融資產已轉讓且該轉讓根據香港會計準則第39號符合終止確認標準時，終止確認金融資產。

當有關所訂明責任已告解除、註銷或屆滿時，則金融負債將被終止確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise short-term bank deposits, bank balances and cash are subject to an insignificant risk of changes in value, and have a short maturity of generally within one year when acquired, which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise short-term bank deposits, bank balances and cash which are not restricted as to use.

#### (l) Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

#### (m) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 4. 主要會計政策 (續)

#### (k) 現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括短期銀行存款、銀行結餘及現金均受價值變動的輕微風險所限，且到期日數短暫，一般於收購後一年內到期，且按要求償還並組成本集團現金管理不可或缺部分。

就綜合財務狀況表而言，現金及等同現金項目包括短期銀行存款、銀行結餘及現金，其用途不受限制。

#### (l) 政府補貼

除非能合理確定本集團將符合補貼所附帶之條件及將獲發有關補貼，否則政府補貼不予確認。

政府補貼於本集團確認有關成本為開支的期間內，有系統地於損益賬內確認，該補貼擬用於補償相關成本。與折舊資產有關的政府補貼於綜合財務狀況表確認為遞延收入，並按相關資產的可使用年期內撥入損益。

#### (m) 撥備及或然負債

倘本集團因過往事件而承擔法律或推定責任，而有可能將導致經濟利益外流及能夠可靠估計時，則會為未確定時間或金額之負債確認撥備。

倘經濟利益需要外流的可能性不大，或不能對有關金額作出可靠估計時，則有關責任會作為或然負債披露，惟經濟利益外流之可能性極低則作別論。僅以發生或未發生一項或多項未來事件方可確定是否存在的可能責任，亦會披露為或然負債，惟經濟利益外流之可能性極低則作別論。

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**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(n) Impairment of assets (other than financial assets)

At the end of the reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exist or may have decreased:

- investment properties;
- property, plant and equipment;
- prepaid lease payments;
- other intangible assets; and
- interest in an associate;

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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 or cash generating unit.

**4. 主要會計政策(續)**

(n) 資產減值(金融資產除外)

於報告期終,本集團會檢討以下資產的賬面值,以判斷是否有任何跡象顯示該等資產出現減值損失,或過往確認的減值損失是否不再存在或已經減少:

- 投資物業;
- 物業、機器及設備;
- 預付租賃款項;
- 其他無形資產;及
- 於聯營公司的權益;

若估計一項資產的可收回金額(即公平價值減處置成本與使用價值兩者的較高者)低於其賬面值時,該資產的賬面值會減至其可收回金額。此項減值損失會立即確認為支出。

倘減值損失其後出現逆轉,則該資產的賬面值可增加至其經修訂的預計可收回金額,惟增加後的賬面值不得超過該資產於過往年度並未確認減值損失時的賬面值。此項減值損失撥回會立即確認為收入,惟有關資產根據另一香港財務報告準則以重估金額列賬,則減值損失撥回會根據該香港財務報告準則視為重估增值。

使用價值按基於預計將源自資產之估計未來現金流量,按照能反映當時市場對貨幣時間值和資產或現金產生單位特定風險的評估的稅前折現率折現至其現值計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) Revenue recognition

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

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which date the following conditions are satisfied:

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

Rental income under operating lease is recognised on a straight-line basis over the term of the relevant lease.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

#### (p) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 4. 主要會計政策 (續)

#### (o) 收入確認

收入按已收或應收代價的公平價值計量，乃指於日常業務過程中售出貨品及提供服務應收的款項，經扣除退貨、折扣及銷售相關稅項。

貨品銷售收入於貨品付運及擁有權移交後確認，即下列條件獲達成之日：

- 本集團已將貨品擁有權之重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權有關之銷售貨品持續管理權或實際控制權；
- 收入金額能夠可靠地計量；
- 與交易相關之經濟效益很可能流入本集團；及
- 有關交易產生或將產生之成本能夠可靠地計量。

營運租賃之租金收入按有關租賃年期以直線法確認。

金融資產的利息收入乃於經濟效益可能流入本集團，且收入金額能被可靠地計量時予以確認。

#### (p) 借貸成本撥作資本

收購、建造或生產合資格資產（即需要大量時間達成其擬定用途或供銷售的資產）直接應佔的借貸成本撥作資本，作為該等資產成本的一部分。該等資產有待支銷的特定借貸臨時投資所賺得的收入，從資本化的借貸成本中扣除。所有其他借貸成本在其產生期間的損益賬內確認。

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**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(q) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, 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.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

**4. 主要會計政策(續)**

(q) 所得稅

是年度所得稅包括是年度稅項及遞延稅項。

是年度稅項乃根據日常業務之盈利或虧損，就所得稅而言毋須課稅或不可扣稅之項目作出調整，按報告期終已頒佈或實際上已頒佈的稅率計算。

遞延稅項乃就用於財務報告目的之資產及負債的賬面值與用於稅務目的之相應金額之間的暫時差額而確認。除商譽以及不影響會計或應課稅溢利的已確認資產及負債外，會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅溢利抵銷可抵扣暫時差額的情況下確認。遞延稅項乃按預期資產變現或清償負債賬面值的方式以及於報告期終已頒佈或實質上已頒佈的適用稅率計量。

對於計量遞延稅項金額時用於釐定適合稅率的一般規定而言，有一個例外情況，即投資物業是根據香港會計準則第40號「投資物業」而按公平價值列賬。除非該假定被推翻，否則此等投資物業的遞延稅項金額是以出售此等投資物業時所適用的稅率以及按其於報告日期的賬面值而計量。若投資物業是可計提折舊並根據一個商業模式而持有，而該商業模式的目的是隨著時間推移而消耗該物業所體現的絕大部分經濟效益（而不是通過出售）時，該假定即被推翻。

就附屬公司、聯營公司及共同控制實體的投資相關的應課稅暫時差異會被確認為遞延稅項負債，惟若本集團可控制暫時差異的撥回及於可見將來不會將暫時差異撥回則除外。

所得稅乃於損益賬內確認，除非該等稅項與於其他全面收益或與於權益內直接確認的項目有關，在此情況下，該等稅項亦分別於其他全面收益或直接於權益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. 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 translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

### 4. 主要會計政策 (續)

#### (r) 外幣

集團實體以其經營所在的主要經濟環境貨幣(「功能貨幣」)以外的貨幣進行的交易乃按交易發生時的適用匯率入賬。外匯貨幣資產及負債則以報告期終的適用匯率換算。按公平價值以外幣列賬的非貨幣項目乃按釐定公平價值當日的匯率重新換算。按歷史成本以外幣計算的非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生的匯兌差額乃於其產生的期間於損益賬內確認。於重新換算以公平價值列賬的非貨幣項目時產生的匯兌差額計入該期間之損益賬內，惟重新換算之非貨幣項目所產生差額的盈虧是在其他全面收益確認時，在此情況下，有關匯兌差額亦於其他全面收益確認。

綜合賬目時，海外業務的收入及支出項目乃按該年度的平均匯率換算為本集團的呈列貨幣(即港元)，除非匯率於該期間內出現大幅波動則除外，在此情況下則會採用進行該等交易時的相若匯率換算。所有海外業務的資產及負債均以報告期終的適用匯率換算。所產生的匯兌差額(如有)於其他全面收益確認，並於權益累計入賬為外匯儲備(少數股東權益外匯儲備(如適用))。於換算構成本集團於所涉海外業務的部分投資淨額的長期貨幣項目時，集團實體獨立財務報表的損益賬內確認的匯兌差額則重新分類至其他全面收益，並於權益累計入賬為外匯儲備。

當處置海外業務時，外匯儲備內確認該業務截至處置日期止的累積匯兌差額將重新分類至損益賬，作為處置盈利或虧損的一部分。



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**4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(s) Employee benefits

*(i) Short term employee benefits*

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

*(ii) Defined contribution retirement plan*

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

*(iii) Termination benefits*

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(t) Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in the share options reserve will be credited to share capital. 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 options reserve will be transferred to retained profits.

**4. 主要會計政策 (續)**

(s) 僱員福利

*(i) 短期僱員福利*

短期僱員福利是指預計在僱員提供相關服務的年度呈報期末後十二個月以內將全數結付的僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務的年度內確認。

*(ii) 定額供款退休計劃*

向定額供款退休計劃作出的供款,於僱員提供服務時在損益賬內確認為開支。

*(iii) 離職福利*

離職福利於本集團在不得撤銷提供該等福利時或本集團確認重組成本(涉及支付離職福利)時(以較早者為準)確認。

(t) 以權益結算以股份為基礎之付款交易

參考購股權於授出日的公平價值所釐定的已收取服務的公平價值,於歸屬期間以直線法支銷,並會於權益中作出相應增加(購股權儲備)。

於報告期終,本集團修訂其對預期最終會歸屬的購股權數目之估計。於歸屬期間,修訂該等估計的影響(如有)將於損益賬內確認,並於購股權儲備作出相應調整。

當購股權獲行使時,原於購股權儲備中確認的金額將計入股本。當購股權於歸屬日期後遭沒收或於到期日仍未獲行使,則原於購股權儲備中確認的金額則會撥入滾存盈利。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

### 4. 主要會計政策 (續)

#### (u) 關聯人士

(a) 倘屬以下人士，則該人士或該人士的近親與本集團有關聯：

- (i) 對本集團有控制權或共同控制權；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或本公司母公司高級管理層職員的成員。

(b) 倘符合下列任何條件，則該實體與本集團有關聯：

- (i) 該實體及本集團屬同一集團（即各母公司、附屬公司及同系附屬公司為互相關聯）。
- (ii) 一個實體是另一實體的聯營公司或合營公司（或集團之成員之聯營公司或合營公司，而該集團當中的另一實體為成員）。
- (iii) 兩個實體皆為相同第三方的合營公司。
- (iv) 一個實體為第三實體之合營公司及另一實體為第三實體的聯營公司。
- (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受(a)部所識別的人士控制或共同控制。
- (vii) 於(a)(i)所識別對實體有重大影響的人士，或是實體（或實體之母公司）高級管理層職員的成員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供高級管理層職員服務。

該名人士的近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響的該等家族成員並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的家屬。

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**5. KEY SOURCES OF ESTIMATION UNCERTAINTY**

The key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

**Useful lives and residual values of items of property, plant and equipment**

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are difference from previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

**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 actual future cash flows are different from expected, a material impairment or reversal may arise.

**Allowance for inventories**

Inventories are valued at the lower of cost and net realisable value. The Group regularly reviews its inventory levels in order to identify slow-moving and obsolete merchandise. When the Group identifies items of inventories which have a market price that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. If the market price of inventories of the Group becomes lower than its carrying amount subsequently, an additional allowance may be required.

**5. 不確定性估計的主要來源**

於報告期終有極大風險會導致下個財政年度的資產及負債的賬面值出現重大調整之不確定性估計的主要來源如下：

**物業、機器及設備項目的可使用年期及剩餘價值**

在釐定物業、機器及設備項目的可使用年期及剩餘價值時，本集團須考慮多項因素，例如因生產變動或改進或市場對有關資產的產品或服務輸出的需求有所改變而產生的技術性或商業性過時、資產預期用途、預期自然損耗、資產維修及保養以及使用資產所受到的法律或類似限制。估計資產的可使用年期時，本集團根據經驗考慮類似用途的類似資產。倘若物業、機器及設備項目的估計可使用年期及／或剩餘價值與先前估計不同，則增加折舊。可使用年期及剩餘價值於每個財政年度結算日按情況變化檢討。

**營業應收款項的估計減值**

當有客觀證據證明出現減值損失，本集團會考慮估計未來現金流量。減值損失金額乃按資產賬面值與按金融資產原先實際利率（即初步確認時計算的實際利率）貼現的估計未來現金流量（不包括尚未產生的日後信貸虧損）現值的差額計量。當實際未來現金流量與預期相異時，或會產生重大減值或撥回。

**存貨撥備**

存貨乃按成本及可變現淨值的較低者估值。本集團定期檢討其存貨水平，以辨別滯銷及陳舊商品。倘本集團發現存貨項目的市價低於其賬面值，則本集團評估存貨撇減的金額，確認存貨撇減撥備。倘本集團的存貨市價之後低於其賬面值，則或須作出額外撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 6. REVENUE AND SEGMENT INFORMATION

The board of directors of the Company, i.e. the chief operating decision maker, regularly reviews the operating results and financial information based on distinct geographical areas of location of customers, including Hong Kong (place of domicile of the Group), the People's Republic of China (the "PRC"), Taiwan, Korea, Sri Lanka, America, Europe and Others (i.e. representing other geographical locations mainly Bangladesh, Vietnam and Macau). All of these geographical areas are operating segments except "Others" which is an aggregation of operating segments.

The following is an analysis of the Group's revenue and profit from the production and sales of dyed fabrics, yarns and garments and results by reportable segment for the year.

### 6. 營業額及分類資料

本公司董事會（即主要營運決策者）根據客戶所在地區不同的地域位置定期審閱經營業績及財務資料，包括香港（本集團所屬地）、中華人民共和國（「中國」）、台灣、韓國、斯里蘭卡、美洲、歐洲及其他地區（即指其他地域位置，主要為孟加拉、越南及澳門）。所有該等地域位置為營運分類，而「其他地區」則為綜合之營運分類。

以下為本集團於是年度源自製造及銷售色布、紗及成衣按可申報分類劃分之營業額及盈利以及業績所作之分析。

2016

2016年

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment		Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	營業額											
External sales	對外銷售	1,439,830	1,119,663	631,045	1,166,770	751,178	407,387	48,589	764,252	6,328,714	-	6,328,714
Inter-segment sales	分類間銷售											
(note)	(附註)	4,414,472	2,369,402	-	-	362,057	28,732	-	152,250	7,326,913	(7,326,913)	-
Total segment revenue	分類營業額總值	5,854,302	3,489,065	631,045	1,166,770	1,113,235	436,119	48,589	916,502	13,655,627	(7,326,913)	6,328,714
Results	業績											
Segment profit	分類盈利	133,033	108,964	54,950	101,603	73,728	38,005	4,248	69,442			583,973
Interest income	利息收入											4,587
Unallocated income	未分配收入											2,997
Depreciation and amortisation	折舊及攤銷											(184,524)
Other unallocated expenses	其他未分配支出											(220,054)
Finance costs	融資成本											(19,506)
Share of profit of an associate	應佔一間聯營公司之盈利											595
Profit before income tax expense	除所得稅支出前盈利											168,068

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**6. REVENUE AND SEGMENT INFORMATION**  
**(Continued)**
**6. 營業額及分類資料(續)**

2015

2015年

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	營業額											
External sales	對外銷售	1,430,114	1,194,748	770,123	1,059,345	814,559	390,323	81,006	912,833	6,653,051	-	6,653,051
Inter-segment sales	分類間銷售											
(note)	(附註)	4,774,710	2,677,060	-	-	421,331	72,388	-	172,293	8,117,782	(8,117,782)	-
Total segment revenue	分類營業額總值	6,204,824	3,871,808	770,123	1,059,345	1,235,890	462,711	81,006	1,085,126	14,770,833	(8,117,782)	6,653,051
Results	業績											
Segment profit	分類盈利	123,890	90,677	68,940	96,395	92,648	30,808	7,493	83,865			594,716
Interest income	利息收入											8,324
Unallocated income	未分配收入											8,815
Depreciation and amortisation	折舊及攤銷											(200,033)
Other unallocated expenses	其他未分配支出											(234,288)
Finance costs	融資成本											(26,166)
Share of profit of an associate	應佔一間聯營公司之盈利											839
Profit before income tax expense	除所得稅支出前盈利											152,207

Note: Inter-segment sales are charged at price with reference to the prevailing market rates.

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

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### 6. REVENUE AND SEGMENT INFORMATION (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee benefits expenses, directors' emoluments, bank charges, etc.), depreciation and amortisation, interest income, loss on disposal/written-off of property, plant and equipment, net gain from derivative financial instruments, gain from disposal of available-for-sale financial assets, finance costs, share of profit of an associate, etc.. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment. No analysis on segment assets and liabilities is disclosed as it is not presented to the board of directors of the Company.

#### Other segment information

Amounts included in the measure of segment profit:

Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Consolidated
香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	綜合
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

2016

2016年

Impairment loss (reversed)/ recognised on trade and bills receivables, net	營業及票據應收 款項之減值損失 (撥回)/確認淨值	292	15,822	(1,007)	1,355	(153)	(22)	(1)	5,115	21,401
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2015

2015年

Impairment loss (reversed)/ recognised on trade and bills receivables, net	營業及票據應收 款項之減值損失 (撥回)/確認淨值	13,267	10,468	420	418	444	(38)	(1)	181	25,159
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### 6. 營業額及分類資料 (續)

可申報分類之會計政策與附註4所述之本集團會計政策相同。分類盈利乃指各分類所賺取的盈利，當中並無計入中央行政成本及其他費用（包括非與生產有關之僱員福利開支、董事酬金、銀行費用等）、折舊及攤銷、利息收入、出售／註銷物業、機器及設備之虧損、衍生金融工具之收益淨值、處置可供出售金融資產之收益、融資成本、應佔一間聯營公司之盈利等。此乃為資源分配及績效評估而向本公司董事會匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向本公司董事會呈列。

#### 其他分類資料

已包括入計量分類盈利之金額：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue from the Group's products

The following is an analysis of the Group's revenue from external customers by products:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	5,461,209	5,626,076
Production and sales of garments	製造及銷售成衣	867,505	1,026,975
		<b>6,328,714</b>	<b>6,653,051</b>

### Geographical information

The following is an analysis of geographical location of the Group's non-current assets (*note*) at the end of the reporting period:

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
The PRC	中國	1,470,256	1,427,220
Hong Kong	香港	39,832	42,903
America	美洲	-	87
Sri Lanka	斯里蘭卡	158,086	159,465
Others	其他地區	185	209
		<b>1,668,359</b>	<b>1,629,884</b>

*Note:* Non-current assets excluded deferred tax assets and investment in life insurance policies.

### Information about major customers

No revenue from individual customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2016 and 31 December 2015.

### 6. 營業額及分類資料(續)

本集團產品之營業額

以下為按產品劃分本集團來自外部客戶營業額之分析：

### 地域資料

於報告期終，本集團之非流動資產(附註)按地域位置之分析如下：

*附註：* 非流動資產不包括遞延稅項資產及人壽保險保單之投資。

### 有關主要客戶之資料

截至2016年12月31日止年度及截至2015年12月31日止年度，來自個別客戶之營業額佔本集團營業總額均無超過10%。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 7. FINANCE COSTS

### 7. 融資成本

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Finance costs on:	融資成本：		
Bank and other borrowings	銀行及其他借貸	19,506	26,166

### 8. INCOME TAX EXPENSE

### 8. 所得稅支出

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Current tax:	是年度稅項：		
Hong Kong	香港	2,371	4,449
The PRC	中國	15,893	20,307
Other jurisdictions	其他司法地區	7,604	11,421
		<u>25,868</u>	<u>36,177</u>
Under/(over) provision in prior years:	過往年度撥備不足／(超額撥備)：		
Hong Kong	香港	(40)	(48)
The PRC	中國	1,717	167
Other jurisdictions	其他司法地區	59	(568)
		<u>1,736</u>	<u>(449)</u>
		<u>27,604</u>	<u>35,728</u>
Deferred tax (note 18):	遞延稅項(附註18)：		
Hong Kong	香港	291	2
The PRC	中國	(10,319)	(11,421)
Other jurisdictions	其他司法地區	500	(176)
		<u>(9,528)</u>	<u>(11,595)</u>
		<u>18,076</u>	<u>24,133</u>

Hong Kong Profits Tax is calculated at 16.5% (31 December 2015: 16.5%) of the estimated assessable profit for the year.

香港利得稅乃按是年度之估計應課稅盈利以16.5% (2015年12月31日：16.5%)之稅率計算。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 8. INCOME TAX EXPENSE (Continued)

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant laws and regulations in Sri Lanka, the tax rate of Sri Lanka subsidiary is 12%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Details of the deferred tax are set out in note 18.

The tax charge for the year can be reconciled to the profit before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

### 8. 所得稅支出(續)

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,中國附屬公司之稅率為25%。

根據斯里蘭卡有關之法律及法規,斯里蘭卡附屬公司之稅率為12%。

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。

有關遞延稅項之詳情載於附註18。

是年度於綜合損益及其他全面收益表的稅項支出與除所得稅支出前盈利的對賬如下:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit before income tax expense	除所得稅支出前盈利	168,068	152,207
Tax at domestic rates applicable to profits or losses in the jurisdiction concerned	按有關司法地區適用於損益之當地稅率計算的稅項	15,177	13,303
Tax effect of expenses not deductible for tax purpose	費用不獲扣稅的稅務影響	14,167	4,970
Tax effect of income not taxable for tax purpose	收入毋須課稅的稅務影響	(1,669)	(2,435)
Under/(over) provision in prior years	過往年度撥備不足/(超額撥備)	1,736	(449)
Tax effect of tax losses not recognised	稅項虧損未被確認的稅務影響	1,783	13,606
Tax effect of other deferred tax not recognised	其他遞延稅項未被確認的稅務影響	9,746	5,139
Utilisation of tax losses previously not recognised	運用過往未被確認的稅項虧損	(19,172)	(8,136)
Utilisation of other deferred tax previously not recognised	運用過往未被確認的其他遞延稅項	(3,850)	(1,653)
Effect on opening deferred tax balances resulting from an decrease/(increase) in applicable tax rate	適用稅率減少/(增加)對遞延稅項期初結餘之影響	455	(211)
Deferred tax (reversed)/provided on withholding tax on overseas subsidiaries	就海外附屬公司預扣稅作出的遞延稅項(撥回)/撥備	(298)	4
Others	其他	1	(5)
Tax charge for the year	是年度稅項支出	18,076	24,133

The weighted average applicable tax rate for the year increased which is caused by changes in profitability of the Group's subsidiaries in respective countries they are operating.

是年度加權平均適用稅率上升乃由於本集團之附屬公司於彼等經營所在各國之盈利能力變動所致。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 9. PROFIT FOR THE YEAR

#### 9. 是年度盈利

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit for the year has been arrived at after charging:	是年度盈利已扣減下列各項：		
Auditors' remuneration	核數師之薪酬	3,063	2,908
Cost of inventories sold (note i)	存貨銷售成本(附註i)	5,553,590	5,845,406
Depreciation of investment properties (note 13)	投資物業之折舊(附註13)	3,896	4,049
Depreciation of property, plant and equipment (note 14)	物業、機器及設備之折舊(附註14)	174,756	190,128
Employee costs (including Directors' emoluments set out in note 10)	僱員成本(包括載於附註10之董事酬金)	947,128	988,758
Loss on disposal/written-off of property, plant and equipment <sup>2</sup>	出售/註銷物業、機器及設備之虧損 <sup>2</sup>	13,283	5,161
Net exchange losses <sup>2</sup>	匯兌虧損淨值 <sup>2</sup>	15,002	-
Impairment loss recognised on trade and bills receivables, net <sup>2</sup>	確認為營業及票據應收款項之減值損失淨值 <sup>2</sup>	21,401	25,159
Impairment loss recognised on other receivables, net <sup>2</sup>	確認為其他應收款項之減值損失淨值 <sup>2</sup>	-	1,665
Release of prepaid lease payments	預付租賃款項轉出	2,601	2,610
Amortisation of other intangible assets (note 16) <sup>3</sup>	其他無形資產之攤銷(附註16) <sup>3</sup>	3,271	3,246
and after crediting:	及已計入下列各項：		
Amortisation of deferred income <sup>1</sup>	遞延收入的攤銷 <sup>1</sup>	1,507	1,458
Interest income <sup>1</sup>	利息收入 <sup>1</sup>	4,587	8,324
Net rental income from investment properties <sup>1</sup>	投資物業的租金收入淨值 <sup>1</sup>	10,156	9,331
Net exchange gain <sup>2</sup>	匯兌收益淨值 <sup>2</sup>	-	5,441
Net gain from derivative financial instruments <sup>2</sup>	衍生金融工具之收益淨值 <sup>2</sup>	-	48
Impairment loss reversed on other receivables, net <sup>2</sup>	其他應收款項之減值損失撥回淨值 <sup>2</sup>	483	-
Government grants (note ii) <sup>1</sup>	政府補貼(附註ii) <sup>1</sup>	3,805	3,739
Gain on disposal of available-for-sale financial assets <sup>2</sup>	處置可供出售金融資產之收益 <sup>2</sup>	751	-

- 1 Included in other revenue  
2 Included in other gains and losses  
3 Included in administrative expenses

#### Notes:

- (i) Cost of inventories sold includes HK\$1,598,598,000 (2015: HK\$1,684,468,000) of staff costs, depreciation, subcontracting fee, provision/(reversal) of write-down of inventories and other manufacturing overheads, which are also included in the respective total amounts disclosed above for each of these types of expenses.
- (ii) Government grants mainly represent grants of HK\$3,092,000 (2015: HK\$2,743,000) received from the PRC local government authority as subsidies to the Group for (a) acquiring certain property, plant and equipment for energy saving scheme and environmental protection scheme implemented by the PRC local government; (b) incentive of foreign trade; and (c) incentive of steady growth of business.

There were no restrictions with the use of such government grants.

- 1 包括在其他收入內  
2 包括在其他收益及虧損內  
3 包括在行政費用內

#### 附註：

- (i) 存貨銷售成本包括1,598,598,000港元(2015年：1,684,468,000港元)員工成本、折舊、加工費用、註銷存貨之撥備/(撥回)及其他製造費用。此等項目亦已包括在上文所披露各類開支之相關總額內。
- (ii) 政府補貼主要指收取來自中國當地政府機構授出的3,092,000港元(2015年：2,743,000港元)作為本集團(a)為中國當地政府實施之節能計劃及環保計劃而購置若干物業、機器及設備；(b)鼓勵外貿；及(c)激勵業務穩定增長之補貼。

該等政府補貼並無使用限制。

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**10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS**
**(a) Directors' emoluments**

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) (the Ordinance) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) (the Regulation) are as follows:

2016

		2016年											
		HA Kam	YEN	GONG	ZHAO	NG	CHOW	William	ZHANG	CHEN	YING	LAN	Total
		On, Victor	Gordon	Zhengyi	Yao	Kwok Tung	Wing Kin, Anthony	LAM	Chong	Minghong	Wei	Jiang	
		夏錦安	嚴震銘	宮征誼	趙耀	伍國棟	周永健	林偉成	張湧	陳鳴洪	廖偉	藍江	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note i)		(note ii)			(note iii)	(note iv)				(note v)	
		(附註i)		(附註ii)			(附註iii)	(附註iv)				(附註v)	
Fees	袍金	221	200	-	-	250	100	129	-	-	200	129	1,229
Other emoluments	其他酬金												
Salaries and other benefits	薪金及其他福利	-	-	870	3,304	-	-	-	-	-	-	-	4,174
Discretionary bonuses*	酌情獎金*	-	-	-	1,525	-	-	-	-	-	-	-	1,525
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	51	-	-	-	-	-	-	-	-	-	51
Retirement benefits scheme contribution	退休福利計劃供款	9	-	9	18	-	-	-	-	-	-	-	36
		<b>230</b>	<b>251</b>	<b>879</b>	<b>4,847</b>	<b>250</b>	<b>100</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>129</b>	<b>7,015</b>

**10. 董事及僱員酬金資料**
**(a) 董事酬金**

根據香港公司條例(第622章)(條例)第383條及公司(披露董事利益資料)規例(第622G章)(規例)披露的董事酬金如下:

2016年

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### 10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

2015

	HA Kam LI Lan 李蘭	YEN Gordon 嚴震銘	GONG Zhengyi 宮征誼	ZHAO Yao 趙耀	NG Kwok Tung 伍國棟	CHOW Wing Kin, Anthony 周永健	YANG Shibin 楊世濱	ZHANG Chong 張湧	CHEN Minghong 陳鳴洪	YING Wei 應偉	Total 總值
	HK\$'000 千港元 (note vi) (附註vi)	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元 (note vii) (附註vii)	HK\$'000 千港元 千港元 (note viii) (附註viii)	HK\$'000 千港元 千港元 (note ix) (附註ix)	HK\$'000 千港元	HK\$'000 千港元
Fees 袍金	-	250	200	150	-	250	200	-	-	200	1,250
Other emoluments 其他酬金											
Salaries and other benefits 薪金及其他福利	180	-	-	488	3,304	-	-	-	-	-	3,972
Discretionary bonuses* 酌情獎金*	-	100	-	100	1,017	-	-	-	-	-	1,217
Equity-settled share-based payments 以權益結算以股份 為基礎之付款	-	433	145	-	-	-	-	-	-	-	578
Retirement benefits scheme contribution 退休福利計劃供款	-	12	-	2	18	-	-	-	-	-	32
	180	795	345	740	4,339	250	200	-	-	200	7,049

\* The basis of the discretionary bonus is based on the profitability of the Group.

## Notes:

- (i) Mr. Ha Kam On, Victor resigned as Executive Director on 19 May 2016.
- (ii) Mr. Gong Zhengyi retired as Executive Director on 24 June 2016.
- (iii) Mr. Chow Wing Kin, Anthony, SBS, JP retired as Independent Non-Executive Director on 24 June 2016.
- (iv) Mr. William Lam was appointed as Independent Non-Executive Director on 9 May 2016.
- (v) Mr. Lan Jiang was appointed as Executive Director on 9 May 2016.
- (vi) Madam Li Lan retired as Executive Director on 23 January 2015.
- (vii) Mr. Yang Shibin resigned as Independent Non-Executive Director on 1 January 2015.
- (viii) Mr. Chen Minghong was appointed as Executive Director on 23 January 2015.
- (ix) Mr. Ying Wei was appointed as Independent Non-Executive Director on 1 January 2015.

During the year, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments in the year.

## 10. 董事及僱員酬金資料 (續)

(a) 董事酬金 (續)

2015年

	HA Kam LI Lan 李蘭	YEN Gordon 嚴震銘	GONG Zhengyi 宮征誼	ZHAO Yao 趙耀	NG Kwok Tung 伍國棟	CHOW Wing Kin, Anthony 周永健	YANG Shibin 楊世濱	ZHANG Chong 張湧	CHEN Minghong 陳鳴洪	YING Wei 應偉	Total 總值
	HK\$'000 千港元 (note vi) (附註vi)	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元	HK\$'000 千港元 千港元 (note vii) (附註vii)	HK\$'000 千港元 千港元 (note viii) (附註viii)	HK\$'000 千港元 千港元 (note ix) (附註ix)	HK\$'000 千港元	HK\$'000 千港元
Fees 袍金	-	250	200	150	-	250	200	-	-	200	1,250
Other emoluments 其他酬金											
Salaries and other benefits 薪金及其他福利	180	-	-	488	3,304	-	-	-	-	-	3,972
Discretionary bonuses* 酌情獎金*	-	100	-	100	1,017	-	-	-	-	-	1,217
Equity-settled share-based payments 以權益結算以股份 為基礎之付款	-	433	145	-	-	-	-	-	-	-	578
Retirement benefits scheme contribution 退休福利計劃供款	-	12	-	2	18	-	-	-	-	-	32
	180	795	345	740	4,339	250	200	-	-	200	7,049

\* 酌情獎金的基礎是基於本集團盈利能力。

## 附註:

- (i) 夏錦安先生於2016年5月19日辭任執行董事。
- (ii) 宮征誼先生於2016年6月24日退任執行董事。
- (iii) 周永健先生，銀紫荊星章，太平紳士於2016年6月24日退任獨立非執行董事。
- (iv) 林偉成先生於2016年5月9日獲委任為獨立非執行董事。
- (v) 藍江先生於2016年5月9日獲委任為執行董事。
- (vi) 李蘭女士於2015年1月23日退任執行董事。
- (vii) 楊世濱先生於2015年1月1日辭任獨立非執行董事。
- (viii) 陳鳴洪先生於2015年1月23日獲委任為執行董事。
- (ix) 應偉先生於2015年1月1日獲委任為獨立非執行董事。

於是年度，本集團並無向任何董事支付酬金，以作為加盟本集團或於加入本集團時的獎勵或離職補償。是年度概無董事放棄任何酬金。

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**10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)**

## (b) Employees' emoluments

The five highest paid employees included one (31 December 2015: one) director, whose emoluments are set out in note (a) above. Emoluments of the remaining four (31 December 2015: four) employees are as follows:

**10. 董事及僱員酬金資料(續)**

## (b) 僱員酬金

最高酬金的5名僱員包括1位(2015年12月31日: 1位)董事,其酬金詳情載於上述附註(a)。餘下4位(2015年12月31日: 4位)僱員的酬金如下:

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	8,113	13,763
Retirement benefits scheme contributions	退休福利計劃供款	168	200
Discretionary bonuses	酌情獎金	3,339	2,726
		<b>11,620</b>	<b>16,689</b>

Their emoluments were within the following bands:

彼等之酬金介乎以下組別:

		2016	2015
HK\$1,500,000 to HK\$2,000,000	1,500,000港元至2,000,000港元	1	-
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	2
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1	1
HK\$7,500,000 to HK\$8,000,000	7,500,000港元至8,000,000港元	-	1

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### 10. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

#### (c) Senior management's emoluments

The emoluments paid or payable to members of senior management were within the following bands:

		2016	2015
Below HK\$1,000,000	少於1,000,000港元	4	4
HK\$4,000,001 to HK\$5,000,000	4,000,001港元至5,000,000港元	1	1

### 11. DIVIDENDS

Dividend recognised as distribution during the year:	是年度已確認為分派之股息：
2015 final dividend of HK4.0 cents (2014 final dividend of HK4.0 cents) per share	2015年末期股息每股4.0港仙 (2014年末期股息：4.0港仙)

No interim dividend was paid or proposed for both years.

The final dividend of HK5.3 cents in respect of the year ended 31 December 2016 (2015: HK4.0 cents) per share, amounting to approximately HK\$63,866,000 (2015: HK\$48,201,000) in total, has been recommended by the directors of the Company and is subject to the approval of the shareholders at the forthcoming annual general meeting.

### 10. 董事及僱員酬金資料(續)

#### (c) 高級管理層酬金

已付或應付高級管理層成員之酬金介乎以下組別：

		2016	2015
Below HK\$1,000,000	少於1,000,000港元	4	4
HK\$4,000,001 to HK\$5,000,000	4,000,001港元至5,000,000港元	1	1

### 11. 股息

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Dividend recognised as distribution during the year:	是年度已確認為分派之股息：		
2015 final dividend of HK4.0 cents (2014 final dividend of HK4.0 cents) per share	2015年末期股息每股4.0港仙 (2014年末期股息：4.0港仙)	48,201	48,201

於兩個年度並無已付或擬派中期股息。

本公司董事建議派付截至2016年12月31日止年度之末期股息每股5.3港仙(2015年：4.0港仙)，合共約63,866,000港元(2015年：48,201,000港元)，並須待股東於應屆股東週年大會上批准。

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**12. EARNINGS PER SHARE**

The calculation of the basic earnings and diluted earnings per share attributable to owners of the Company is based on the following data:

**12. 每股盈利**

本公司擁有人應佔每股基本盈利及攤薄盈利乃根據下列數據計算：

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
Profit for the year attributable to owners of the Company for the purposes of basic earnings and diluted earnings per share	就計算每股基本盈利及攤薄盈利所用之本公司擁有人應佔是年度盈利	<u>127,903</u>	<u>99,860</u>
		2016	2015
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purposes of basic earnings and diluted earnings per share	就計算每股基本盈利及攤薄盈利所用之普通股加權平均數目	<u>1,205,026,960</u>	<u>1,204,050,522</u>

The computation of diluted earnings per share for the years ended 31 December 2016 and 31 December 2015 does not assume the exercise of the Company's outstanding share options because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" are higher than the average market price of the shares for both years.

由於根據香港會計準則第33號「每股盈利」計算之本公司尚未行使購股權之經調整行使價高於股份於兩個年度之平均市價，因此計算截至2016年12月31日及2015年12月31日止年度之每股攤薄盈利時並無假設該等購股權已獲行使。

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**13. INVESTMENT PROPERTIES****13. 投資物業**

HK\$'000 千港元

<b>Cost</b>	<b>成本</b>	
At 1 January 2015	於2015年1月1日	57,586
Currency realignment	外幣換算差額	(1,975)
Reclassification from buildings	從建築物調撥	<u>25,325</u>
At 31 December 2015	於2015年12月31日	80,936
Currency realignment	外幣換算差額	(3,986)
Reclassification from buildings	從建築物調撥	<u>280</u>
At 31 December 2016	於2016年12月31日	<u>77,230</u>
<b>Depreciation</b>	<b>折舊</b>	
At 1 January 2015	於2015年1月1日	2,492
Currency realignment	外幣換算差額	(156)
Provided for the year	是年度撥備	<u>4,049</u>
At 31 December 2015	於2015年12月31日	6,385
Currency realignment	外幣換算差額	(461)
Provided for the year	是年度撥備	<u>3,896</u>
At 31 December 2016	於2016年12月31日	<u>9,820</u>
<b>Carrying values</b>	<b>賬面值</b>	
At 31 December 2016	於2016年12月31日	<u>67,410</u>
At 31 December 2015	於2015年12月31日	<u>74,551</u>



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**13. INVESTMENT PROPERTIES (Continued)**

The Group's investment properties consisted of leased properties and leased pier. The fair value of the Group's investment properties at 31 December 2016 was HK\$189,436,000 (31 December 2015: HK\$193,965,000). The fair value of leased properties was HK\$166,574,000 (31 December 2015: HK\$169,184,000) and the fair value of leased pier was HK\$22,862,000 (31 December 2015: HK\$24,781,000) which have been arrived at based on a valuation carried out by RHL Appraisal Limited, an independent property valuer. (31 December 2015: Ascent Partners Valuation Service Limited and RHL Appraisal Limited respectively, both are independent property valuers.)

The valuation of leased properties was determined by direct comparison method (31 December 2015: Direct comparison method and Depreciated Replacement Cost approach). The change of valuation technique resulted in a measurement that is equally or more representative of fair value in the circumstances.

Direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realised on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

Depreciated Replacement Cost approach requires an estimate of the new replacement costs of the buildings and structures of the property from which deductions are then made to allow for age, conditions, functional obsolescence, etc.

The valuation of leased pier was determined by Depreciated Replacement Cost approach, which is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimisation. The key input of Depreciated Replacement Cost approach is the building construction cost per square metre. A significant increase/decrease in building construction cost per metre used would result in a significant increase/decrease in the fair value of the leased pier.

**13. 投資物業 (續)**

本集團的投資物業包括租賃物業及租賃碼頭。本集團投資物業於2016年12月31日的公平價值為189,436,000港元(2015年12月31日:193,965,000港元)。租賃物業的公平價值為166,574,000港元(2015年12月31日:169,184,000港元)及租賃碼頭的公平價值為22,862,000港元(2015年12月31日:24,781,000港元),乃由獨立物業估值師永利行評值顧問有限公司進行的估值計算得出。(2015年12月31日:艾升評值諮詢有限公司及永利行評值顧問有限公司,彼等均為獨立物業估值師。)

租賃物業的估值乃按直接比較法(2015年12月31日:直接比較法及折舊重置成本法)釐定。估值方法的變動導致公平價值之計量於不同情況下出現相等或更具代表性。

直接比較法乃根據替代原則而採納,據此,比較乃按實際銷售實現之價格及/或可供比較物業之索價作出。大小、規模、性質、特徵及地點相若之可供比較物業乃按照各物業之相關利弊進行分析及仔細衡量,以達致公平市值比較。

折舊重置成本法需要估計物業樓宇及結構物之新重置成本,並於當中就樓齡、狀況及功能損耗等作出扣減。

租賃碼頭的估值乃按折舊重置成本法釐定,該方法乃根據土地的現有用途對市值作出估計,加上目前裝修重置的成本減去實質損耗撥備及所有相關形式的陳舊及優化計算。折舊重置成本法的主要輸入數據為每平方米的建築成本。每平方米的建築成本大幅上升/下跌將導致租賃碼頭之公平價值大幅上升/下跌。

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### 13. INVESTMENT PROPERTIES (Continued)

The valuation of leased properties takes into account the characteristics of the investment properties, which include the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the unit market price. The key input of direct comparison method is the unit market price. A significant increase/decrease in the market price would result in a significant increase/decrease in the fair value of the leased properties.

The fair value of investment properties is a level 3 recurring fair value measurement. The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

The above investment properties are depreciated on a straight-line basis over the shorter of 2% to 4.5% or period of the lease term.

All of the investment properties of the Group are held to earn rentals or for capital appreciation.

### 13. 投資物業(續)

租賃物業估值時會考慮投資物業之整體特性，包括位置、尺寸、形狀、景觀、樓層、落成年份及其他因素，以得出單位市場價格。直接比較法之主要輸入數據為單位市場價格。市場價格大幅上升／下跌將導致租賃物業之公平價值大幅上升／下跌。

投資物業之公平價值為第3級經常性公平價值計量。公平價值計量乃以以上物業之最高及最佳用途為依據，其與物業之實際用途並無差別。

上述投資物業以直線法按2%至4.5%或租賃年期（以較短者為準）折舊。

本集團所有投資物業乃持作賺取租金或資本增值。

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**14. PROPERTY, PLANT AND EQUIPMENT**
**14. 物業、機器及設備**

		Freehold and leasehold land 永久持有及 租賃的土地 HK\$'000 千港元	Buildings 建築物 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>							
At 1 January 2015	於2015年1月1日	21,550	970,304	792,156	2,220,787	24,493	22,133	4,051,423
Currency realignment	外幣換算差額	(2)	(2,128)	(1,652)	(1,226)	(142)	(396)	(5,546)
Additions	增加	–	969	30,299	70,412	1,179	14,952	117,811
Reclassifications to:	調撥至:							
– investment properties	– 投資物業	–	(27,634)	–	–	–	–	(27,634)
– others	– 其他	–	225	12,331	8,052	–	(20,608)	–
Disposals/written-off	出售/註銷	–	–	(25,458)	(49,374)	(1,476)	–	(76,308)
At 31 December 2015	於2015年12月31日	21,548	941,736	807,676	2,248,651	24,054	16,081	4,059,746
Currency realignment	外幣換算差額	2	(3,998)	(5,622)	(2,894)	(139)	(2,155)	(14,806)
Additions	增加	–	12	10,623	115,536	3,341	126,973	256,485
Reclassifications to:	調撥至:							
– investment properties	– 投資物業	–	(408)	–	–	–	–	(408)
– others	– 其他	–	39,164	38,162	10,662	–	(87,988)	–
Disposals/written-off	出售/註銷	–	–	(29,015)	(41,643)	(3,155)	(9,030)	(82,843)
At 31 December 2016	於2016年12月31日	21,550	976,506	821,824	2,330,312	24,101	43,881	4,218,174

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**14. PROPERTY, PLANT AND EQUIPMENT (Continued)**      **14. 物業、機器及設備 (續)**

		Freehold and leasehold land 永久持有及 租賃的土地 HK\$'000 千港元	Buildings 建築物 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>Depreciation and impairment</b>	<b>折舊及減值</b>							
At 1 January 2015	於2015年1月1日	12,230	327,772	605,163	1,566,628	19,456	-	2,531,249
Currency realignment	外幣換算差額	-	(622)	(1,149)	(821)	(115)	-	(2,707)
Provided for the year	是年度撥備	215	40,074	31,495	116,299	2,045	-	190,128
Eliminated on reclassification to investment properties	調撥至投資物業時撤銷	-	(2,309)	-	-	-	-	(2,309)
Eliminated on disposals/written-off	出售/註銷時撤銷	-	-	(23,139)	(44,282)	(1,314)	-	(68,735)
At 31 December 2015	於2015年12月31日	12,445	364,915	612,370	1,637,824	20,072	-	2,647,626
Currency realignment	外幣換算差額	-	(1,319)	(2,031)	(1,263)	(92)	-	(4,705)
Provided for the year	是年度撥備	215	40,144	27,457	105,254	1,686	-	174,756
Eliminated on reclassification to investment properties	調撥至投資物業時撤銷	-	(128)	-	-	-	-	(128)
Eliminated on disposals/written-off	出售/註銷時撤銷	-	-	(23,037)	(36,702)	(2,953)	-	(62,692)
At 31 December 2016	於2016年12月31日	12,660	403,612	614,759	1,705,113	18,713	-	2,754,857
<b>Carrying values</b>	<b>賬面值</b>							
At 31 December 2016	於2016年12月31日	8,890	572,894	207,065	625,199	5,388	43,881	1,463,317
At 31 December 2015	於2015年12月31日	9,103	576,821	195,306	610,827	3,982	16,081	1,412,120

The cost of above items of property, plant and equipment are depreciated, after taking into account of their estimated residual values, on a straight-line basis.

上述物業、機器及設備之成本於計入彼等之估計剩餘價值後以直線法折舊。

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**15. PREPAID LEASE PAYMENTS**

**15. 預付租賃款項**

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團的預付租賃款項包括：		
Leasehold land situated outside Hong Kong	位於香港以外的租賃土地	<b>101,715</b>	104,626
Analysed for reporting purposes as:	就呈報而言的分析：		
Current assets	流動資產	<b>2,600</b>	2,606
Non-current assets	非流動資產	<b>99,115</b>	102,020
		<b>101,715</b>	104,626

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**16. OTHER INTANGIBLE ASSETS****16. 其他無形資產**
**Software**  
**軟件**

HK\$'000 千港元

<b>Cost</b>	<b>成本</b>	
At 1 January 2015	於2015年1月1日	30,779
Additions	增加	<u>488</u>
At 31 December 2015	於2015年12月31日	31,267
Additions	增加	<u>—</u>
At 31 December 2016	於2016年12月31日	<u>31,267</u>
<b>Amortisation</b>	<b>攤銷</b>	
At 1 January 2015	於2015年1月1日	3,133
Provided for the year	是年度撥備	<u>3,246</u>
At 31 December 2015	於2015年12月31日	6,379
Provided for the year	是年度撥備	<u>3,271</u>
At 31 December 2016	於2016年12月31日	<u>9,650</u>
<b>Carrying values</b>	<b>賬面值</b>	
At 31 December 2016	於2016年12月31日	<u>21,617</u>
At 31 December 2015	於2015年12月31日	<u>24,888</u>

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**17. INTEREST IN AN ASSOCIATE**

**17. 於一間聯營公司之權益**

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·以成本列出	16,204	16,204
Share of post-acquisition profit	應佔收購後盈利	696	101
		<b>16,900</b>	<b>16,305</b>

Particulars of the associate of the Group at 31 December 2016 and 31 December 2015 is as follows:

本集團聯營公司於2016年12月31日及2015年12月31日之詳情如下：

Name	Form of business structure	Place of incorporation	Place of operation and principal activities	Percentage of ownership interests/ voting rights/ profit share 所佔擁有權權益/ 投票權/ 盈利百分比
名稱	業務架構形式	註冊成立所在地	營業所在地及主要業務	
東莞欣潤水務有限公司	Corporation	The PRC	Construction and managing of sewage treatment plant in the PRC	30%
	法團	中國	於中國建設及管理污水處理廠	

The primary business of 東莞欣潤水務有限公司 is engaged in construction and managing of sewage treatment plant in Dongguan of Guangdong Province.

東莞欣潤水務有限公司的主要業務乃於廣東省東莞市建設及管理污水處理廠。

The above associate is accounted for using the equity method in the consolidated financial statements.

上述聯營公司乃以權益法於綜合財務報表列賬。

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### 17. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information of an associate that are not individually material:

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Profit from continuing operations	持續經營業務之盈利	595	839
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	全面收益總值	595	839

### 17. 於一間聯營公司之權益 (續)

個別非屬重要之聯營公司之財務資料概述：

### 18. DEFERRED TAX

The major deferred tax liabilities/(assets) recognised by the Group and movements thereon during the current and prior reporting periods are as follows:

### 18. 遞延稅項

本集團於本報告期間及過往報告期間確認的主要遞延稅項負債／(資產)及其變動如下：

		Accelerated tax depreciation 提前稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元 (note) (附註)	Total 總值 HK\$'000 千港元
At 1 January 2015	於2015年1月1日	12,073	(5,096)	(28,894)	(21,917)
Charged/(credit) to profit or loss	於損益賬內扣除／(計入)	1,226	97	(12,918)	(11,595)
Currency realignment	外幣換算差額	(5)	-	-	(5)
At 31 December 2015	於2015年12月31日	13,294	(4,999)	(41,812)	(33,517)
Charged/(credit) to profit or loss	於損益賬內扣除／(計入)	263	535	(10,326)	(9,528)
Currency realignment	外幣換算差額	4	-	-	4
At 31 December 2016	2016年12月31日	13,561	(4,464)	(52,138)	(43,041)

Note: The amount represents mainly deferred tax assets arising from unrealised profit on inventories, unrealised gain on transfer of plant and equipment between subsidiaries and deferred tax liabilities arising from withholding tax charged on an overseas subsidiary at the amounts of HK\$4,206,000 (31 December 2015: HK\$3,927,000), HK\$2,034,000 (31 December 2015: HK\$2,431,000) and HK\$25,000 (31 December 2015: HK\$323,000) respectively.

附註：有關款額主要為存貨的未變現盈利及附屬公司之間機器及設備調撥的未變現收益所產生的遞延稅項資產，以及一間海外附屬公司扣除的預扣稅所產生的遞延稅項負債，分別為4,206,000港元（2015年12月31日：3,927,000港元）、2,034,000港元（2015年12月31日：2,431,000港元）及25,000港元（2015年12月31日：323,000港元）。



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**18. DEFERRED TAX (Continued)**

As at 31 December 2016, the Group had unused tax losses of approximately HK\$216 million (31 December 2015: HK\$375 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$27 million (31 December 2015: HK\$30 million) of such losses, which represent tax losses incurred by certain of the Company's subsidiaries as it is considered by the management that future taxable profits will be available against which the tax losses can be utilised. No deferred tax asset has been recognised in respect of the remaining HK\$189 million (31 December 2015: HK\$345 million) tax losses due to the unpredictability of future profit streams. As at 31 December 2016, of the above tax losses, an aggregate amount of approximately HK\$56 million (31 December 2015: HK\$110 million) can be carried forward for five years following the year when the losses were incurred. Other tax losses may be carried forward indefinitely.

In addition, at 31 December 2016, the Group had other deductible temporary differences of approximately HK\$73 million (31 December 2015: HK\$39 million) mainly consist of unrealised gain on transfer of plant and equipment between subsidiaries, unrealised profit on inventories, allowance for doubtful debts and inventories and interest capitalisation. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not certain that taxable profits will be available against which the deductible temporary differences can be utilised.

According to the EIT Law, starting from 1 January 2008, 10% withholding income tax will be imposed on dividends relating to profits earned in the calendar year 2008 onwards to foreign investors for the companies established in the PRC. For investors incorporated in Hong Kong and holds at least 25% of the equity interest in the PRC company, reduced rate of 5% will be applied. No deferred tax has been provided for in the consolidated financial statements in respect of the temporary differences attributable to such loss amounting to HK\$40,784,000 (31 December 2015: HK\$44,544,000). Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to HK\$210,494,000 (31 December 2015: HK\$192,870,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

**18. 遞延稅項 (續)**

於2016年12月31日，本集團可用作抵銷未來盈利的未運用稅項虧損約為216,000,000港元（2015年12月31日：375,000,000港元）。而此項虧損中約27,000,000港元（2015年12月31日：30,000,000港元）已確認為一項遞延稅項資產，此乃本公司若干附屬公司所產生的稅項虧損，經管理層考慮認為未來的應課稅盈利將可抵銷此稅項虧損。餘下的稅項虧損為189,000,000港元（2015年12月31日：345,000,000港元）因未能預測將來的盈利來源而未有確認為遞延稅項資產。於2016年12月31日，上述稅項虧損中，總金額約56,000,000港元（2015年12月31日：110,000,000港元）可於產生虧損年度後轉存5年。其他稅項虧損可能無限期地轉存。

此外，於2016年12月31日，本集團其他可扣減暫時差異約為73,000,000港元（2015年12月31日：39,000,000港元），主要包含附屬公司之間機器及設備調撥的未變現收益、存貨的未變現盈利、呆賬及存貨撥備以及利息資本化。因未能確定應課稅盈利將可作抵銷此可扣減暫時差異，故未有確認該可扣減暫時差異為遞延稅項資產。

根據企業所得稅法，由2008年1月1日起，於中國成立的公司向境外投資者派發與於2008曆年及以後年度的盈利有關的股息須繳納10%預扣所得稅。於香港註冊成立且持有中國公司最少25%權益的投資者，將應用寬減稅率5%。綜合財務報表內並無就該等虧損產生的暫時差異40,784,000港元（2015年12月31日：44,544,000港元）作出遞延稅項撥備。由於本集團可以控制暫時差異撥回之時間，而暫時差異很可能於可見將來不會撥回，故並未就中國附屬公司滾存盈利之暫時差異210,494,000港元（2015年12月31日：192,870,000港元）在綜合財務報表內作出遞延稅項撥備。

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### 18. DEFERRED TAX (Continued)

For an overseas subsidiary, the Group provided the deferred tax in full in respect of the withholding tax attributable to the undistributed profits of HK\$995,000 (31 December 2015: HK\$12,677,000). The rate applied is the domestic income tax rate.

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for reporting purposes:

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(49,909)	(39,721)
Deferred tax liabilities	遞延稅項負債	<u>6,868</u>	<u>6,204</u>
		<u>(43,041)</u>	<u>(33,517)</u>

### 19. INVESTMENT IN LIFE INSURANCE POLICIES

In prior period, the Group entered into two contracts with two insurance companies, which contain seven life insurance policies to insure against the death of seven key members of management of the Group, with an aggregate insured sum of approximately US\$18.8 million (equivalent to approximately HK\$145.8 million). Under these contracts, the beneficiary and policy holder is the Company. The Company has made upfront payments of HK\$36,178,000 in prior period. The monthly insurance costs and administrative charges determined by the insurance companies will be deducted from the account value. The insurers will declare interest (including the guaranteed interest) to the Company on a monthly basis, based on the amount of account value, at a rate to be determined at their own discretion.

During the year, the Group terminated a contract which contained five life insurance policies. A gain on disposal amounting to HK\$751,000, which included a reclassification from other comprehensive income of HK\$3,012,000, has been recognised in the consolidated statement of profit or loss for the year.

### 18. 遞延稅項 (續)

就一間海外附屬公司而言，本集團已就未分派盈利995,000港元（2015年12月31日：12,677,000港元）之預扣稅全數計提遞延稅項撥備。所應用之稅率為該地方所得稅率。

就綜合財務狀況表的呈列而言，若干遞延稅項資產及負債已抵銷。以下是就呈報而言的遞延稅項結餘分析：

### 19. 人壽保險保單之投資

於過往期間，本集團與兩間保險公司訂立兩張合約，當中包含七份人壽保險保單，為本集團七名主要管理層成員之身故事宜投保，投保金額合共約為18,800,000美元（相等於約145,800,000港元）。根據該等合約，受益人及保單持有人為本公司。本公司於過往期間已支付預付款項36,178,000港元。每月支付的保費及保險公司釐定的行政費用將從賬戶價值中扣除。保險公司每月可根據賬戶價值按其酌情決定之利率向本公司宣派利息（包括保證利息）。

於年內，本集團終止一份合約當中包含五份人壽保險保單，處置收益為751,000港元（包括從其他全面收益調撥3,012,000港元）已於是年度綜合損益表內確認。

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**19. INVESTMENT IN LIFE INSURANCE POLICIES**  
**(Continued)**

As at 31 December 2015, certain life insurance policies were secured for bank loans of HK\$11,830,000 as detailed in note 29. As at 31 December 2016, no life insurance policies were secured for bank loans.

**19. 人壽保險保單之投資(續)**

於2015年12月31日，若干人壽保險保單乃作為銀行貸款11,830,000港元的抵押，詳情見附註29。於2016年12月31日，概無人壽保險保單用於銀行貸款的抵押。

**20. INVENTORIES**

Spare parts	備件
Raw materials	原料
Work-in-progress	半製品
Finished goods	製成品

**20. 存貨**

	At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
	44,992	44,370
	646,164	603,230
	397,563	417,943
	<u>313,192</u>	<u>344,787</u>
	<u>1,401,911</u>	<u>1,410,330</u>

**21. TRADE AND BILLS RECEIVABLES**

Trade receivables	營業應收款項
Bills receivables	票據應收款項
Less: Allowance for doubtful debts	減：呆賬撥備

**21. 營業及票據應收款項**

	At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
	941,500	1,061,359
	316,860	295,506
	<u>(49,030)</u>	<u>(43,332)</u>
	<u>1,209,330</u>	<u>1,313,533</u>

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### 21. TRADE AND BILLS RECEIVABLES (Continued)

The Group allows a credit period ranging from 30 days to 60 days to its trade customers. The following is an ageing analysis of trade and bills receivables based on the payment due dates net of allowance for doubtful debts:

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Not yet due	未到期	743,201	834,044
Overdue 1-30 days	逾期1-30天	228,570	285,435
Overdue 31-60 days	逾期31-60天	114,875	86,352
Overdue >60 days	逾期超過60天	122,684	107,702
		<b>1,209,330</b>	1,313,533

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly. Trade receivables that are neither past due nor impaired have good track records with the Group.

Included in the Group's trade and bills receivables balance are debtors with an aggregate carrying amount of HK\$466,129,000 (31 December 2015: HK\$479,489,000) which was past due at the end of the reporting period for which the Group has not provided for impairment loss, as there is no significant change in credit quality and the amounts are either settled subsequently or still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

No interest is charged on the overdue trade receivables. The Group has fully provided for all trade receivables over 360 days as, based on historical experience, trade receivables that are past due beyond 360 days are generally not recoverable. Trade receivables between 60 days and 360 days have been provided for based on estimated irrecoverable amounts, determined by reference to past default experiences.

### 21. 營業及票據應收款項 (續)

本集團提供介乎30天至60天信貸期予其營業客戶。營業及票據應收款項根據付款到期日(經扣除呆賬撥備)的賬齡分析如下:

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Not yet due	未到期	743,201	834,044
Overdue 1-30 days	逾期1-30天	228,570	285,435
Overdue 31-60 days	逾期31-60天	114,875	86,352
Overdue >60 days	逾期超過60天	122,684	107,702
		<b>1,209,330</b>	1,313,533

本集團於接納任何新客戶前，會評估該潛在客戶的信貸質素及界定其信貸限額。信貸銷售將會給予信貸記錄良好的客戶。客戶信貸限額定期予以檢討。本集團既無逾期亦無減值的營業應收款項均擁有良好往績記錄。

包括在本集團營業及票據應收款項結餘內的應收賬合共賬面值為466,129,000港元(2015年12月31日: 479,489,000港元)，其於報告期終已逾期，由於信貸質素並無重大變動且該等金額已於其後結清或根據過往經驗仍視為可予收回，本集團並無就此作出減值損失撥備。本集團並無就該等結餘持有任何抵押品。

逾期營業應收款項不計入利息。本集團已就超過360天的所有營業應收款項全數計提撥備，此乃由於根據過往經驗逾期超過360天的營業應收款項一般是無法收回。60天至360天之間的營業應收款項乃按估計無法收回金額並參考過往欠款經驗所釐定而計提撥備。

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**21. TRADE AND BILLS RECEIVABLES (Continued)**

Movements in the allowance for doubtful debts are as follows:

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Balance at beginning of the year	年初結餘	43,332	21,386
Impairment loss recognised on trade and bills receivables, net	營業及票據應收款項之減值損失確認淨值	21,401	25,159
Amounts written-off as uncollectible	因不可收回而撇銷的金額	<u>(15,703)</u>	<u>(3,213)</u>
Balance at end of the year	年終結餘	<u>49,030</u>	43,332

**21. 營業及票據應收款項 (續)**

呆賬撥備之變動如下：

At 31 December 2016, the Group's trade and bills receivables included in the allowance for doubtful debts with an aggregate balance of HK\$49,030,000 (31 December 2015: HK\$43,332,000) was individually determined to be impaired. The Group does not hold any collateral over these balances.

**Transferred financial assets that are derecognised in their entirety**

At 31 December 2016, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of HK\$115,608,000 (2015: HK\$106,102,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

於2016年12月31日，包括在呆賬撥備合共結餘為49,030,000港元（2015年12月31日：43,332,000港元）的本集團營業及票據應收款項已個別釐定為已減值。本集團並無就該等結餘持有任何抵押品。

**全部終止確認的已轉讓金融資產**

於2016年12月31日，本集團向其若干供應商背書獲中國內地的銀行接納的若干票據應收款項（「終止確認票據」），以結清賬面值合共為115,608,000港元（2015年：106,102,000港元）的欠付該等供應商的營業應付款項。於報告期終，終止確認票據的期限為一至六個月。根據中國票據法，倘中國的銀行違約，則終止確認票據持有人對本集團有追索權（「持續參與」）。董事認為，本集團已轉移有關終止確認票據的絕大部分風險及回報，據此，已取消確認終止確認票據及相關營業應付款項的全部賬面值。本集團因持續參與終止確認票據及因購回該等終止確認票據的未貼現現金流量而面臨的最大損失等於其賬面值。董事認為，本集團之持續參與終止確認票據的公平價值並不重大。

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### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Value-added tax recoverable	可退回增值稅	34,518	19,589
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	<u>101,902</u>	<u>97,176</u>
		<u>136,420</u>	<u>116,765</u>

### 23. RESTRICTED BANK DEPOSITS

As at 31 December 2016, restricted bank deposits of HK\$10,406,000 (31 December 2015: HK\$7,043,000) mainly represented guaranteed deposits placed in a bank in PRC as securities for the bills payables.

### 24. SHORT-TERM BANK DEPOSITS AND BANK BALANCES AND CASH

Short-term bank deposits and bank balances carry market interest rates ranging from 0.01% to 3.3% (31 December 2015: 0.01% to 5.2%) per annum.

### 25. TRADE AND BILLS PAYABLES

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Trade payables	營業應付款項	516,861	561,234
Bills payables	票據應付款項	<u>235,279</u>	<u>290,243</u>
		<u>752,140</u>	<u>851,477</u>

### 22. 預付款項、按金及其他應收款項

### 23. 受限制銀行存款

於2016年12月31日，受限制銀行存款10,406,000港元（2015年12月31日：7,043,000港元）主要指存放於中國一家銀行作為票據應付款項抵押的有擔保存款。

### 24. 短期銀行存款及銀行結餘及現金

短期銀行存款及銀行結餘乃按介乎0.01%至3.3%（2015年12月31日：0.01%至5.2%）之市場年利率計息。

### 25. 營業及票據應付款項

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### 25. TRADE AND BILLS PAYABLES (Continued)

The following is an ageing analysis of trade payables based on the payment due dates:

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Not yet due	未到期	431,767	490,001
Overdue 1-30 days	逾期1-30天	57,492	48,131
Overdue 31-60 days	逾期31-60天	10,661	8,473
Overdue >60 days	逾期超過60天	16,941	14,629
		<b>516,861</b>	<b>561,234</b>

All the bills payables of the Group were not yet due at the end of the reporting period.

As at 31 December 2016, bills payables of HK\$18,920,000 (31 December 2015: HK\$22,682,000) were secured by the Group's restricted bank deposits of HK\$5,676,000 (31 December 2015: HK\$7,043,000).

The average credit period on purchase of goods ranges from 30 days to 120 days. The Group has financial risk management policies in place to ensure that payables are within the credit time frame.

### 26. OTHER PAYABLES AND ACCRUALS

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Other payables	其他應付款項	133,375	120,490
Accruals	應計費用	189,470	223,009
		<b>322,845</b>	<b>343,499</b>

### 25. 營業及票據應付款項(續)

營業應付款項按付款到期日的賬齡分析如下：

於報告期終，本集團之所有票據應付款項均未到期。

於2016年12月31日，票據應付款項18,920,000港元(2015年12月31日：22,682,000港元)乃由本集團為數5,676,000港元(2015年12月31日：7,043,000港元)之受限制銀行存款作為抵押。

購貨的平均信貸期為30天至120天。本集團已設有財務風險管理政策，以確保應付款項均處於信貸期限內。

### 26. 其他應付款項及應計費用

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### 27. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS/AN ASSOCIATE

#### (a) Amounts due to non-controlling shareholders

The amounts are unsecured, interest-free and repayable on demand.

#### (b) Amount due to an associate

The amount is unsecured, interest-free and repayable with agreed 30 days credit period.

### 28. DEFERRED INCOME

### 27. 欠非控股股東／一間聯營公司款項

#### (a) 欠非控股股東款項

有關款項為無抵押、免息及應要求償還。

#### (b) 欠一間聯營公司款項

有關款項為無抵押、免息及須於30天協定信貸期間償還。

### 28. 遞延收入

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Arising from government grants ( <i>note</i> )	由政府補貼所產生 ( <i>附註</i> )	<b>61,962</b>	62,218
Current	流動	<b>1,592</b>	1,458
Non-current	非流動	<b>60,370</b>	60,760
		<b>61,962</b>	62,218

*Note:* In 2008, the Group received a government subsidy of HK\$72,912,000 for the purchase of certain assets, which had been deferred to recognise as income over the useful lives of the relevant assets upon the fulfillment of the relevant conditions. The Group has no unfulfilled conditions attaching to the government grants.

*附註:* 於2008年，本集團已收一項政府補貼72,912,000港元，用於購買若干資產，補貼已於達成相關條件後按有關資產使用年期確認為收入。本集團並無該等政府補貼所附帶的未達成條件。



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**29. BANK AND OTHER BORROWINGS**
**29. 銀行及其他借貸**

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Secured borrowings:	有抵押借貸：		
Bank loans (note (a))	銀行貸款 (附註(a))	-	11,830
Unsecured borrowings:	無抵押借貸：		
Bank loans	銀行貸款	358,010	525,123
Import bills loans	進口貸款	309,634	116,891
		<b>667,644</b>	<b>653,844</b>
Repayable as follows:	須於下列期間償還：		
On demand or within one year (note (b))	應要求償還或1年內 (附註(b))	488,191	494,619
More than one year, but not exceeding two years	1年以上但不超過2年	39,461	159,225
More than two years, but not exceeding five years	2年以上但不超過5年	139,992	-
		<b>667,644</b>	<b>653,844</b>
Less: Amounts repayable on demand or due within one year shown under current liabilities	減：應要求償還或1年內到期金額轉入流動負債項目		
- bank borrowings due within one year	-1年內到期的銀行借貸	(488,191)	(494,619)
Amounts due after one year	1年後到期金額	<b>179,453</b>	<b>159,225</b>

**Notes:**

- (a) As at 31 December 2015, bank loans of HK\$11,830,000 were secured by certain life insurance policies as detailed in note 19.
- (b) As at 31 December 2016, the current liabilities include bank loans that are all scheduled to repay within one year. As at 31 December 2015, the current liabilities include bank loans of HK\$11,830,000 that are not scheduled to repay within one year. They are classified as current liabilities as the related loan agreements contain a clause that provides the lenders with an unconditional right to demand repayment at any time at its own discretion.

**附註：**

- (a) 於2015年12月31日，銀行貸款11,830,000港元乃以若干人壽保險保單作為抵押，詳情載於附註19。
- (b) 於2016年12月31日，流動負債包括須於一年內到期償還之銀行貸款。於2015年12月31日，流動負債包括不會於一年內到期償還之銀行貸款11,830,000港元。由於相關貸款協議載有條款，訂明貸款人有無條件權利可隨時酌情要求還款，故有關銀行貸款被分類為流動負債。

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### 29. BANK AND OTHER BORROWINGS (Continued)

The bank borrowings of the Group are mainly variable rate borrowings which carry interest at HIBOR plus a spread, ranging from 0.9% to 2.8% (31 December 2015: 1% to 2.8%) or London Interbank Offered Rate plus a spread, ranging from 0.9% to 1.75% (31 December 2015: 1.3% to 2%) per annum in Hong Kong. The average effective interest rates of the bank borrowings of the Group is 2.49% (31 December 2015: 2.45%) per annum. Some other bank borrowings of the Group carry interest at fixed-rates ranging from 1.02% to 1.57% (31 December 2015: 1.02% to 2.7%) per annum.

Pursuant to the Group's banking facilities letters, the Group was required to maintain a number of covenant ratios and general undertakings including the limit of annual capital expenditure (the "CAPEX"). As at 31 December 2016, the bank borrowing with principal amount of HK\$280,000,000 which carries interest at HIBOR plus 2.6% per annum (the "term loan") exceeded the CAPEX limit of general undertakings. This bank borrowing is repayable in seven equal installments at the date which falls 18 months, 21 months, 24 months, 27 months, 30 months, 33 months and 36 months from 22 December 2014. As at 31 December 2016, the carrying amount of the term loan is HK\$159,225,000. According to the term of general undertakings, the lenders have the right to demand accelerated repayment. The Group obtained a waiver letter on 13 January 2017 in relation to the term loan and the lenders have agreed not to demand payment as a consequence of such excess of the CAPEX limit of the general undertakings. During the year ended 31 December 2015, the Group had complied with all covenant ratios and general undertakings.

### 30. SHARE CAPITAL

### 29. 銀行及其他借貸 (續)

本集團的銀行借貸主要為浮息借貸，於香港乃按香港銀行同業拆息加上息差介乎0.9%至2.8% (2015年12月31日：1%至2.8%) 或倫敦銀行同業拆息加上息差介乎0.9%至1.75% (2015年12月31日：1.3%至2%) 之年利率計息。本集團銀行借貸之平均實際年利率為2.49% (2015年12月31日：2.45%)。本集團部分其他銀行借貸乃按固定年利率介乎1.02%至1.57% (2015年12月31日：1.02%至2.7%) 計息。

根據本集團的銀行融資函件，本集團須維持數個契約比率及一般承諾，包括年度資本開支限額（「年度資本開支限額」）。於2016年12月31日，本金為280,000,000港元以香港銀行同業拆息加上2.6% 年利率計息的銀行借貸（「定期貸款」）超出一般承諾的年度資本開支限額。該銀行借貸於2014年12月22日後的第18個月、21個月、24個月、27個月、30個月、33個月及36個月當日分七次等額償還。於2016年12月31日，定期貸款賬面值為159,225,000港元。根據一般承諾條款，貸款人有權要求提前還款。於2017年1月13日，本集團已獲得有關定期貸款的豁免書，且貸款人已同意不會因超出一般承諾的年度資本開支限額而要求償付。於截至2015年12月31日止年度內，本集團已遵守所有契約比率及一般承諾。

### 30. 股本

		At 31 December 2016 於2016年12月31日		At 31 December 2015 於2015年12月31日	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
<b>Ordinary shares, issued and fully paid:</b>	<b>普通股，已發行及繳足股本：</b>				
At beginning of the year	於是年度開始時	1,205,026,960	865,716	1,203,046,960	862,211
Exercise of share options	行使購股權	-	-	1,980,000	3,505
At the end of the year	於是年度終結時	1,205,026,960	865,716	1,205,026,960	865,716

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**31. NON-CONTROLLING INTERESTS**

Ocean Lanka (Private) Limited, a 60% (2015: 60%) owned subsidiary of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to the NCI of Ocean Lanka (Private) Limited, before intra-group eliminations, is presented below:

**31. 非控股權益**

本公司於一間附屬公司Ocean Lanka (Private) Limited，擁有60%（2015年：60%）股權的重大非控股權益（「非控股權益」）。並非由本集團擁有100%權益之所有其他附屬公司之非控股權被認為並不重大。

於集團內部對銷之前，有關Ocean Lanka (Private) Limited非控股權益的概要財務資料呈列如下：

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
<b>For the year ended 31 December</b>	<b>截至12月31日止年度</b>		
Revenue	營業額	721,900	768,991
Profit for the year	是年度盈利	49,308	70,489
Total comprehensive income	全面收益總額	49,064	70,765
Profit allocated to NCI	分配至非控股權益的盈利	19,723	28,196
<b>For the year ended 31 December</b>	<b>截至12月31日止年度</b>		
Cash flows from operating activities	營運項目所得的現金流量	59,584	92,194
Cash flows used in investing activities	投資項目所用的現金流量	(16,718)	(5,494)
Cash flows used in financing activities	融資項目所用的現金流量	(46,638)	(6,824)
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及等同現金項目的影響	71	(31)
Net cash (outflows)/inflows	現金(流出)/流入淨額	(3,701)	79,845

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**31. NON-CONTROLLING INTERESTS (Continued)****31. 非控股權益 (續)**

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
<b>As at 31 December</b>	<b>於12月31日</b>		
Current assets	流動資產	<b>353,409</b>	357,414
Non-current assets	非流動資產	<b>158,105</b>	159,482
Current liabilities	流動負債	<b>(76,504)</b>	(85,418)
Non-current liabilities	非流動負債	<b>(8,674)</b>	(8,055)
Net assets	資產淨值	<b>426,336</b>	423,423
Accumulated non-controlling interests	累計非控股權益	<b>170,534</b>	169,369

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**32. SHARE-BASED PAYMENT TRANSACTIONS**

The 2002 Scheme

The Company has a share option scheme (the “2002 Scheme”), which was adopted by the Company at the extraordinary general meeting held on 25 January 2002. The 2002 Scheme was expired on 24 January 2012. The primary purpose of the 2002 Scheme is to provide the Company with a flexible mean of giving incentives to, rewarding, remunerating, compensating and/or providing benefits to the employees and for such other purposes as the board of directors of the Company may approve from time to time. Under the 2002 Scheme, the board of directors of the Company may offer to full time employees, including full time executive directors, of the Company and/or its subsidiaries who have completed the probation period options to subscribe for shares in the Company in accordance with the terms of the 2002 Scheme for the consideration of HK\$1 for each lot of share options granted. The total number of shares in respect of which options may be granted under the 2002 Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of approval of the 2002 Scheme. The Company may seek approval from shareholders of the Company in general meeting to refresh the 10% limit. In addition, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time. The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of shares of the Company in issue, subject to approval from shareholders of the Company. Options granted must be taken within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think fit. The minimum period for which an option must be held before it can be exercised is one year or such other period as the board of directors of the Company may think fit commencing from the date of grant (“Holdup period”). An option period, at the absolute discretion of the board of directors of the Company, shall commence on the expiry of the Holdup period and expire no later than the 10th anniversary of the date of grant. The exercise price is determined by the board of directors of the Company and will be at least the highest of the followings:

**32. 以股份為基礎之付款交易**

2002年計劃

本公司擁有一項購股權計劃(「2002年計劃」)，乃由本公司於2002年1月25日舉行之股東特別大會上採納。2002年計劃已於2012年1月24日屆滿。2002年計劃的主要目的為讓本公司可向僱員給予鼓勵、獎賞、報酬、補償及／或提供福利及就本公司董事會不時批准的其他目的而言提供一個靈活方式。根據2002年計劃，本公司董事會可按2002年計劃的條款授予本公司及／或其附屬公司已通過試用期的全職僱員(包括全職執行董事)購股權以認購本公司股份，每次接受購股權的代價為1港元。根據2002年計劃所授出的購股權而發行的股份總數，最多不得超過2002年購股權計劃獲批准當日的已發行股份總數的10%。本公司可在股東大會上尋求股東批准，更新此10%的上限。此外，根據2002年計劃及本公司任何其他購股權計劃已授出但尚未行使的購股權獲行使而發行的股份總數，最多不得超過本公司不時已發行股份總數的30%(或根據上市規則容許的較高上限)。除已獲本公司股東批准外，任何1位僱員於任何12個月期間內，其因行使將獲授購股權的股份總數，最多不得超過本公司已發行股份總數的1%。僱員必須在購股權授出日起28日內或本公司董事會可能認為適當的其他較長或較短期間內接納所獲授予的購股權。僱員必須最少於授出日起計1年或本公司董事會可能認為適當的其他期間(「持有期」)持有購股權後，才可作出認購。認購期由本公司董事會按絕對酌情權釐定，將由持有期屆滿後開始計算及不遲於授出日後10週年屆滿。行使價由本公司董事會議定，但必須為以下三者中的最高者：

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### 32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The 2002 Scheme (Continued)

- (a) the closing price of shares at the date of grant of a share option;
- (b) the average closing price of the shares for the five business days immediately preceding the date of grant; and
- (c) the nominal value of a share.

Under the 2002 Scheme, 22,400,000 options were granted on 17 September 2010. The closing price of the Company's shares immediately before the date of grant was HK\$1.29. Details of the movements of those options and other information of the grant are set out below.

#### The 2011 Scheme

On 20 January 2011, the 2002 Scheme was early terminated and the Company adopted a new share option scheme (the "2011 Scheme") pursuant to a resolution passed at the extraordinary general meeting held on the same date. Further details are set out in the announcement of the Company dated 10 December 2010.

The terms and conditions of the 2011 Scheme are basically the same as those of the 2002 Scheme except that the eligible participants of the 2011 Scheme include, among others, directors and full-time or part-time employees whereas the eligible participants of the 2002 Scheme cover only directors and full-time employees. In addition, there is no specific period for accepting the share options granted and also no specific Holdup period, which are determined by the board of directors upon the grant of share options as they think as appropriate.

The 2011 Scheme will expire on 20 January 2021.

Under the 2011 Scheme, share options of 3,352,000 and 23,045,000 were granted on 18 May 2011 and 18 August 2011, respectively. The closing prices of the Company's shares immediately before the dates of grant were HK\$1.80 and HK\$1.21, respectively.

### 32. 以股份為基礎之付款交易 (續)

2002年計劃 (續)

- (a) 股份於購股權授出日期的收市價；
- (b) 股份於緊接授出日期之前5個營業日的平均收市價；及
- (c) 股份的每股面值。

根據2002年計劃，已於2010年9月17日授出22,400,000份購股權。本公司股份於緊接授出日期前之收市價為1.29港元。有關該等購股權變動詳情及授出之其他資料載列於下文。

#### 2011年計劃

於2011年1月20日，2002年計劃已被提前終止，而本公司已根據於同日舉行之股東特別大會上通過之一項決議案採納一項新購股權計劃（「2011年計劃」）。進一步詳情載於本公司日期為2010年12月10日之公告內。

2011年計劃之條款及條件基本上與2002年計劃相同，惟2011年計劃之合資格參與者包括（其中包括）董事及全職或兼職僱員，而2002年計劃之合資格參與者僅包括董事及全職僱員。此外，概無由董事會於購股權授出時已釐定之接納已授出購股權特定期限，亦無特定持有期（如彼等認為適用）。

2011年計劃將於2021年1月20日屆滿。

根據2011年計劃，於2011年5月18日及2011年8月18日已分別授出3,352,000份及23,045,000份購股權。本公司股份於緊接授出日期前之收市價分別為1.80港元及1.21港元。

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**32. SHARE-BASED PAYMENT TRANSACTIONS**  
**(Continued)**
**32. 以股份為基礎之付款交易(續)**

The following table discloses movements of the Company's share options granted under the 2002 Scheme and the 2011 Scheme.

下表披露本公司根據2002年計劃及2011年計劃已授出購股權之變動情況。

	Scheme	Date of grant	Exercise price	Outstanding at 1 January 2016 於2016年1月1日 尚未行使	Forfeited during the year 年內已沒收	Outstanding at 31 December 2016 於2016年12月31日 尚未行使
	計劃	授出日期	行使價			
Directors						
董事						
Mr. HA Kam On, Victor 夏錦安先生	2002	17 September 2010 2010年9月17日	HK\$1.29 1.29港元	4,600,000	(4,600,000)	–
	2011	18 August 2011 2011年8月18日	HK\$1.21 1.21港元	3,300,000	(3,300,000)	–
Dr. YEN Gordon 嚴震銘博士	2011	18 August 2011 2011年8月18日	HK\$1.21 1.21港元	1,320,000	–	1,320,000
Total 合共				<u>9,220,000</u>	<u>(7,900,000)</u>	<u>1,320,000</u>
Exercisable at the end of the year 於是年度終結時可予行使						
				<u>6,060,000</u>		<u>1,320,000</u>

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### 32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

### 32. 以股份為基礎之付款交易 (續)

	Scheme	Date of grant	Exercise price	Outstanding at 1 January 2015 於2015年1月1日 尚未行使	Forfeited during the year 年內已沒收	Expired during the year 年內已屆滿	Exercised during the year 年內已行使	Outstanding at 31 December 2015 於2015年12月31日 尚未行使
	計劃	授出日期	行使價					
Category 1: Directors								
第1類：董事								
Mr. HA Kam On, Victor	2002	17 September 2010	HK\$1.29	4,600,000	-	-	-	4,600,000
夏錦安先生	2002年	2010年9月17日	1.29港元					
	2011	18 August 2011	HK\$1.21	3,300,000	-	-	-	3,300,000
	2011年	2011年8月18日	1.21港元					
Dr. YEN Gordon	2011	18 August 2011	HK\$1.21	3,300,000	-	-	(1,980,000)	1,320,000
嚴震銘博士	2011年	2011年8月18日	1.21港元					
Total Directors 董事合共				<u>11,200,000</u>	<u>-</u>	<u>-</u>	<u>(1,980,000)</u>	<u>9,220,000</u>
Category 2: Employees								
第2類：僱員								
	2002	17 September 2010	HK\$1.29	4,600,000	(4,600,000)	-	-	-
	2002年	2010年9月17日	1.29港元					
	2011	18 May 2011	HK\$1.91	2,086,000	(244,000)	(1,842,000)	-	-
	2011年	2011年5月18日	1.91港元					
	2011	18 August 2011	HK\$1.21	6,800,000	(5,300,000)	(1,500,000)	-	-
	2011年	2011年8月18日	1.21港元					
Total employees 僱員合共				<u>13,486,000</u>	<u>(10,144,000)</u>	<u>(3,342,000)</u>	<u>-</u>	<u>-</u>
Two categories 兩類別合共				<u>24,686,000</u>	<u>(10,144,000)</u>	<u>(3,342,000)</u>	<u>(1,980,000)</u>	<u>9,220,000</u>
Exercisable at the end of the year								
於是年度終結時可予行使								
				<u>14,286,000</u>				<u>6,060,000</u>



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**32. SHARE-BASED PAYMENT TRANSACTIONS**  
**(Continued)**

**32. 以股份為基礎之付款交易(續)**

Share options granted on 17 September 2010 under the 2002 Scheme are exercisable during the period from 17 March 2014 to 17 March 2017 in three tranches, being

於2010年9月17日根據2002年計劃授出之購股權可於2014年3月17日至2017年3月17日期間分3個階段予以行使·即

- 17 March 2014 to 17 March 2017 (up to 30.00% of the share options granted are exercisable)
- 17 March 2015 to 17 March 2017 (up to 60.00% of the share options granted are exercisable)
- 17 March 2016 to 17 March 2017 (all share options granted are exercisable)
- 2014年3月17日至2017年3月17日(最多佔已授出購股權之30.00%可予行使)
- 2015年3月17日至2017年3月17日(最多佔已授出購股權之60.00%可予行使)
- 2016年3月17日至2017年3月17日(所有已授出之購股權可予行使)

Share options granted on 18 May 2011 under the 2011 Scheme are exercisable during the period from 18 May 2012 to 17 May 2015 in three tranches, being

於2011年5月18日根據2011年計劃授出之購股權可於2012年5月18日至2015年5月17日期間分3個階段予以行使·即

- 18 May 2012 to 17 May 2015 (up to 32.52% of the share options granted are exercisable)
- 18 May 2013 to 17 May 2015 (up to 65.04% of the share options granted are exercisable)
- 18 May 2014 to 17 May 2015 (all share options granted are exercisable)
- 2012年5月18日至2015年5月17日(最多佔已授出購股權之32.52%可予行使)
- 2013年5月18日至2015年5月17日(最多佔已授出購股權之65.04%可予行使)
- 2014年5月18日至2015年5月17日(所有已授出之購股權可予行使)

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### 32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Share options granted on 18 August 2011 under the 2011 Scheme are exercisable by 2 batches as follows:

Batch 1: 15,900,000 share options are exercisable during the period from 19 August 2012 to 18 August 2017 in five tranches, being

- 19 August 2012 to 18 August 2017 (up to 20.00% of the share options granted are exercisable)
- 19 August 2013 to 18 August 2017 (up to 40.00% of the share options granted are exercisable)
- 19 August 2014 to 18 August 2017 (up to 60.00% of the share options granted are exercisable)
- 19 August 2015 to 18 August 2017 (up to 80.00% of the share options granted are exercisable)
- 19 August 2016 to 18 August 2017 (all share options granted are exercisable)

Batch 2: 7,145,000 share options are exercisable during the period from 19 August 2012 to 18 August 2015 in three tranches, being

- 19 August 2012 to 18 August 2015 (up to 34.15% of the share options granted are exercisable)
- 19 August 2013 to 18 August 2015 (up to 68.31% of the share options granted are exercisable)
- 19 August 2014 to 18 August 2015 (all share options granted are exercisable)

### 32. 以股份為基礎之付款交易 (續)

於2011年8月18日根據2011年計劃授出之購股權可分2批予以行使，載列如下：

第1批：15,900,000份購股權可於2012年8月19日至2017年8月18日期間分5個階段予以行使，即

- 2012年8月19日至2017年8月18日（最多佔已授出購股權之20.00%可予行使）
- 2013年8月19日至2017年8月18日（最多佔已授出購股權之40.00%可予行使）
- 2014年8月19日至2017年8月18日（最多佔已授出購股權之60.00%可予行使）
- 2015年8月19日至2017年8月18日（最多佔已授出購股權之80.00%可予行使）
- 2016年8月19日至2017年8月18日（所有已授出之購股權可予行使）

第2批：7,145,000份購股權可於2012年8月19日至2015年8月18日期間分3個階段予以行使，即

- 2012年8月19日至2015年8月18日（最多佔已授出購股權之34.15%可予行使）
- 2013年8月19日至2015年8月18日（最多佔已授出購股權之68.31%可予行使）
- 2014年8月19日至2015年8月18日（所有已授出之購股權可予行使）

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**32. SHARE-BASED PAYMENT TRANSACTIONS**  
**(Continued)**
**32. 以股份為基礎之付款交易(續)**

The fair values of the share options were determined using the Binomial model: 購股權之公平價值乃採用二項式模式釐定:

		Under the 2002 Scheme Share options granted on 17 September 2010 根據2002年計劃 於2010年9月17日 已授出的購股權	Under the 2011 Scheme Share options granted on 18 May 2011 根據2011年計劃 於2011年5月18日 已授出的購股權	Under the 2011 Scheme Share options granted on 18 August 2011 根據2011年計劃 於2011年8月18日 已授出的購股權
Number of options	購股權數目	22,400,000	3,352,000	23,045,000
Grant date fair value	授出日期之公平價值	HK\$15,812,000港元	HK\$2,718,000港元	HK\$13,156,000港元
Grant date share price	授出日期之股價	HK\$1.29港元	HK\$1.80港元	HK\$1.21港元
Exercise price	行使價	HK\$1.29港元	HK\$1.91港元	HK\$1.21港元
Suboptimal exercise factor	次優行使因素	2	2	2
Contractual life	合約年期	6.5 years 年	4 years 年	4-6 years 年
Expected volatility	預計波幅	58.25%	66.97%	59.96%-66.16%
Dividend yield	股息率	0%	0.58%	0.88%
Risk-free interest rate	無風險利率	1.59%	1.23%	0.48%-0.99%

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### 32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Expected volatilities were determined by using historical volatilities of the stock return of the Company over the previous 4 to 6.5 years. The risk-free interest rates used in the model were determined based on the yield of Hong Kong Sovereign Curve for the share options granted on 17 September 2010 and the yield of Hong Kong Exchange Fund Note for the share options granted on 18 May 2011 and 18 August 2011.

The Group recognised a net reversal of HK\$292,000 (31 December 2015: HK\$546,000) for the current year in relation to share options granted by the Company. Out of the amount, total expense of HK\$51,000 (31 December 2015: HK\$578,000) is current year incurred that related to the directors of the Company.

The options outstanding at 31 December 2016 had a weighted average remaining contractual life of 0.6 years (31 December 2015: 1.4 years).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss over the remaining vesting period, with a corresponding adjustment to the share options reserve.

The Binomial model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

### 32. 以股份為基礎之付款交易 (續)

預期波幅乃採用本公司過去4至6.5年股票回報之歷史波幅釐定。模式中所採用之無風險利率乃根據香港主權曲線回報率(yield of Hong Kong Sovereign Curve) (就2010年9月17日已授出之購股權)及香港外匯基金債券回報率(就2011年5月18日及2011年8月18日已授出之購股權)釐定。

本集團於本年度已就本公司授出之購股權確認撥回淨額292,000港元(2015年12月31日: 546,000港元)。當中,本年度51,000港元的總開支(2015年12月31日: 578,000港元)與本公司董事有關。

於2016年12月31日,尚未行使的購股權的加權平均剩餘合約年期為0.6年(2015年12月31日: 1.4年)。

於報告期終,本集團修訂其對預期最終歸屬的購股權數目之估計。修訂原先估計產生之影響(如有)按剩餘歸屬年期於損益賬內確認,並於購股權儲備作出相應調整。

購股權之公平價值採用二項式模式估計。計算購股權公平價值所採用之變動因素及假設乃根據董事之最佳估計而釐定。購股權之價值於若干主觀假設之變動因素下會有所不同。

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**33. RESERVES**

The Company

**33. 儲備**

本公司

		Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Retained earnings 滾存盈利 HK\$'000 千港元	Total 總值 HK\$'000 千港元
At 1 January 2015	於2015年1月1日	–	14,846	1,264,618	1,279,464
Transfer	調撥	1,805	(5,716)	3,911	–
Profit for the year	是年度盈利	–	–	113,302	113,302
Net gain arising on revaluation of available-for-sale financial assets during the year	年內重估可供出售 金融資產產生之 收益淨值	426	–	–	426
Dividend recognised as distribution	已確認為分派之股息	–	–	(48,201)	(48,201)
Exercise of share options	行使購股權	–	(1,109)	–	(1,109)
Equity-settled share-based payments reverse	以權益結算以股份 為基礎之付款撥回	–	(546)	–	(546)
At 31 December 2015	於2015年12月31日	2,231	7,475	1,333,630	1,343,336
Transfer	調撥	–	(6,352)	6,352	–
Profit for the year	是年度盈利	–	–	46,290	46,290
Net gain arising on revaluation of available-for-sale financial assets during the year	年內重估可供出售 金融資產產生之 收益淨值	1,410	–	–	1,410
Release upon disposal of available-for-sale financial assets	處置可供出售 金融資產時轉出	(3,012)	–	–	(3,012)
Dividend recognised as distribution	已確認為分派之股息	–	–	(48,201)	(48,201)
Equity-settled share-based payments reverse	以權益結算以股份 為基礎之付款撥回	–	(308)	–	(308)
At 31 December 2016	於2016年12月31日	629	815	1,338,071	1,339,515

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### 34. HOLDING COMPANY'S STATEMENT OF FINANCIAL POSITION 34. 控股公司之財務狀況報表

		Notes 附註	At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備		3,264	3,988
Investment in life insurance policies	人壽保險保單之投資		20,050	38,345
Investments in subsidiaries	附屬公司投資		<u>20,111</u>	<u>22,265</u>
			<u>43,425</u>	<u>64,598</u>
<b>Current assets</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		2,163	1,960
Amounts due from subsidiaries	附屬公司所欠款項		2,984,541	3,001,294
Tax recoverable	可收回稅項		256	256
Bank balances and cash	銀行結餘及現金		<u>48,912</u>	<u>42,586</u>
			<u>3,035,872</u>	<u>3,046,096</u>
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及應計費用		7,811	8,465
Amounts due to subsidiaries	欠附屬公司款項		866,255	881,347
Bank and other borrowings – due within one year	銀行及其他借貸 – 一年內到期		–	11,830
			<u>874,066</u>	<u>901,642</u>
<b>Net current assets</b>	<b>流動資產淨值</b>		<u>2,161,806</u>	<u>2,144,454</u>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<u>2,205,231</u>	<u>2,209,052</u>
<b>Net assets</b>	<b>資產淨值</b>		<u>2,205,231</u>	<u>2,209,052</u>
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	30	865,716	865,716
Other reserves	其他儲備	33	<u>1,339,515</u>	<u>1,343,336</u>
<b>Total equity</b>	<b>權益總值</b>		<u>2,205,231</u>	<u>2,209,052</u>

ZHAO Yao  
趙耀  
Director  
董事

LAN Jiang  
藍江  
Director  
董事

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**35. INVESTMENTS IN SUBSIDIARIES**

Particulars of the principal subsidiaries of the Company at 31 December 2016 and 31 December 2015 are as follows:

**35. 附屬公司投資**

於2016年12月31日及2015年12月31日本公司主要附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及繳足的股本/ 登記股本	Proportion of issued share capital/registered capital held by the Company		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
東莞福怡服裝有限公司 (note a) (附註a)	The PRC 中國	HK\$14,000,000 14,000,000港元	–	100	Production and sales of garments 製造及銷售成衣
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. (note b) 東莞沙田麗海紡織印染有限公司(附註b)	The PRC 中國	HK\$307,500,000 307,500,000港元	–	95	Knitting, dyeing, printing and sales of dyed fabrics 針織、染色、印花和銷售色布
Folktune Limited 福津有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Investment holding 投資控股
Fountain Set Limited 福田實業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100	–	Trading of dyed fabrics and yarns 色布及色紗貿易
Highscene Limited 漢盛有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100	–	Trading of yarns 胚紗貿易

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### 35. INVESTMENTS IN SUBSIDIARIES (Continued)

### 35. 附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及繳足的股本/ 登記股本	Proportion of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 登記股本的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Hiway Textiles Limited 海匯紡織有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Trading of garments 成衣貿易
Jiangyin Fuhui Textiles Limited (note a) 江陰福匯紡織有限公司(附註a)	The PRC 中國	USD110,000,000 110,000,000美元	–	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售色布及色紗
Lake Side Printing Factory Limited 麗海印花廠有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Investment holdings 投資控股
Ningbo Young Top Garments Co., Ltd. (note a) 寧波創裕製衣有限公司(附註a)	The PRC 中國	USD26,000,000 26,000,000美元	–	55.5	Production and sales of garments 製造及銷售成衣
Ocean Lanka (Private) Limited	Democratic Socialist Republic of Sri Lanka 斯里蘭卡 民主社會主義 共和國	Sri Lanka Rupee ("LKR") 985,000,000 985,000,000斯里蘭卡 盧比(「盧比」)	–	60	Knitting, dyeing, printing and sales of dyed fabrics 針織、染色、印花和銷售色布
Oceanstar Textiles International Limited 海星紡織國際有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Trading of garments 成衣貿易



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**35. INVESTMENTS IN SUBSIDIARIES (Continued)**
**35. 附屬公司投資(續)**

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及繳足的股本/ 登記股本	Proportion of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 登記股本的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Ocean Yarn Dyeing Factory Limited 海洋染紗廠有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Investment holding 投資控股
Prosperlink (Macao Commercial Offshore) Limited 匯漢(澳門離岸商業服務)有限公司	Macao 澳門	Macau Pataca 100,000 100,000葡幣	–	100	Trading of yarns, dyestuffs and chemicals 胚紗及顏化料貿易
上海福匯紡織貿易有限公司 (note a) (附註a)	The PRC 中國	RMB5,000,000 人民幣5,000,000元	–	100	Trading of dyed fabrics 色布貿易
深圳福力紡織品有限公司 (note a) (附註a)	The PRC 中國	RMB35,000,000 人民幣35,000,000元	–	100	Trading of dyed fabrics 色布貿易
Suqian Young Top Garments Co., Ltd. (note a) 宿遷創裕製衣有限公司 (附註a)	The PRC 中國	USD800,000 800,000美元	–	55.5	Production and sales of garments 製造及銷售成衣
Triumph Luck Limited 凱福有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	–	55.5	Trading of garments 成衣貿易

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### 35. INVESTMENTS IN SUBSIDIARIES (Continued)

### 35. 附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation/ registration and operation 註冊成立/ 登記及營業 所在地/國家	Issued and fully paid share capital/ registered capital 已發行及繳足的股本/ 登記股本	Proportion of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 登記股本的比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
東莞福田綠洲供熱有限公司 (note a) (附註a)	The PRC 中國	RMB50,000,000 人民幣50,000,000元	–	100	Heating supply 熱力供應
鹽城福匯紡織有限公司 (note a) (附註a)	The PRC 中國	USD60,500,000 60,500,000美元	–	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售色布及色紗

Notes:

- a. Companies are established as wholly foreign owned enterprise in the PRC.
- b. Companies are established as cooperative joint ventures in the PRC.

附註:

- a. 於中國以外商獨資企業成立的公司。
- b. 於中國以合資經營的合作形式成立的公司。

The above table includes the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the assets and liabilities of the Group at the end of the reporting period. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

以上本公司的附屬公司乃基於本公司董事認為其對本集團是年度業績有重要影響或構成本集團於報告期終的資產及負債重要部分而表列。本公司董事認為併列其他附屬公司的詳情會引致篇幅過於冗長。

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**36. CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debts, which include the borrowings disclosed in note 29, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with the share capital. Based on recommendations of the directors, the Group may balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts and the redemption of existing debts.

**36. 資本風險管理**

本集團管理資本之目的，在於確保本集團各實體得以持續經營，同時透過取得債務與權益之間的最佳平衡，為持份者爭取最大回報。本集團的整體策略與往年一致。

本集團的資本架構包括債務（當中包括附註29所披露的借貸）及本公司擁有人應佔權益（包括已發行股本及儲備）。

本公司董事按持續基準檢討資本架構。作為檢討一部分，董事會考慮資本的成本與股本的相關風險。根據董事的建議，本集團會以透過派發股息、發行新股及購回股份以及發行新債務及贖回現有債務以平衡其整體資本架構。

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### 37. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Available-for-sales financial assets (investment in life insurance policies)	可供出售金融資產 (人壽保險保單之投資)	20,050	38,345
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及等同現金項目)	2,114,917	2,210,297
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities measured at amortised cost	金融負債按攤銷成本計量	1,598,332	1,672,213

#### (b) Financial risk management objectives and policies

The major financial instruments of the Group include investment in life insurance policies, trade and bills receivables, other receivables, restricted and short term bank deposits, bank balances and cash, trade and bills payables, other payables, amounts due to non-controlling shareholders, amount due to an associate, bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### 37. 金融工具

#### (a) 金融工具類別

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Available-for-sales financial assets (investment in life insurance policies)	可供出售金融資產 (人壽保險保單之投資)	20,050	38,345
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及等同現金項目)	2,114,917	2,210,297
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities measured at amortised cost	金融負債按攤銷成本計量	1,598,332	1,672,213

#### (b) 財務風險管理目標及政策

本集團的主要金融工具包括人壽保險保單之投資、營業及票據應收款項、其他應收款項、受限制及短期銀行存款、銀行結餘及現金、營業及票據應付款項、其他應付款項、欠非控股股東的款項、欠一間聯營公司的款項、銀行及其他借貸。該等金融工具之詳情已於各自附註中披露。與該等金融工具有關的風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。下文載列有關如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時和有效地採取適當措施。

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### 37. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Market risk*

##### *(i) Currency risk*

Certain entities in the Group have foreign currency transactions, which expose the Group to foreign currency risk.

The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. To mitigate the risk of foreign currency, the Group manages the foreign currency bank balances by performing regular review. The Group will continue to assess if the use of the foreign currency hedging strategy as appropriate in order to mitigate the foreign currency risk.

At the end of the reporting period, the carrying amounts of foreign currency denominated monetary assets and monetary liabilities of the Group that are considered significant by the management are as follows:

Monetary assets and monetary liabilities:

### 37. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### *市場風險*

##### *(i) 貨幣風險*

本集團若干實體有外幣交易，故本集團涉及外幣風險。

本集團管理及監控外匯風險，以確保及時和有效地採取適當措施。為降低外幣風險，本集團透過定期檢討以管理外幣之銀行結餘。本集團將繼續評估是否使用適當外幣對沖策略以降低外幣風險。

於報告期終，管理層認為屬重大的本集團以外幣列值的貨幣資產及貨幣負債的賬面值如下：

貨幣資產及貨幣負債：

		Assets 資產		Liabilities 負債	
		At 31 December 2016 於2016年 12月31日 HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 HK\$'000 千港元	At 31 December 2016 於2016年 12月31日 HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 HK\$'000 千港元
USD	美元	723,616	966,082	646,545	676,165
RMB	人民幣	392,716	452,444	318,396	345,932
CAD	加元	21,596	6,931	-	-
LKR	盧比	1,353	733	645	1,686
HK\$	港元	3,684	1,777	7,654	1,501
Indonesian Rupiah ("IDR")	印尼盾	1,521	1,317	1,226	2,326

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### 37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies  
(Continued)

#### Market risk (Continued)

##### (i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to the risk of fluctuation of USD, RMB, CAD and HK\$ when such currencies are different from the relevant group entities.

The following table details the sensitivity of the Group to a 5% increase and decrease in the above foreign currencies against the functional currency of the corresponding group entity, except for HK\$ against USD since HK\$ is pegged to USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the year end for a 5% change in foreign currency rates. On this basis, there will be an increase/(decrease) in pre-tax profit for the year where foreign currencies strengthen against the functional currencies of the corresponding group entity by 5%, and vice versa. The analysis is performed on the same basis for 2015.

Monetary assets and monetary liabilities:

### 37. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

#### 市場風險 (續)

##### (i) 貨幣風險 (續)

敏感度分析

本集團主要涉及美元、人民幣、加元及港元(當該等貨幣與相關集團實體的功能貨幣不同時)的波動風險。

下表詳細載列上述外幣兌相關集團實體功能貨幣升值或貶值5%的敏感度，由於港元與美元掛鈎，因此港元兌美元除外。5%為向主要管理人員內部呈報外匯風險及管理層對匯率可能合理變動的評估所採用的敏感度比率。敏感度分析僅包括尚未結算以外幣列值的貨幣項目，並於年終按5%的外匯率變動調整其換算。按此基準，當外幣兌相關集團實體功能貨幣升值5%，是年度稅前盈利將會增加/(減少)，反之亦然。有關分析乃按2015年的相同基準進行。

貨幣資產及貨幣負債：

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Increase/(decrease) in pre-tax profit for the year	是年度稅前盈利增加/(減少)		
USD against CAD	美元兌加元	2	1,308
RMB against HK\$	人民幣兌港元	3,990	5,319
CAD against HK\$	加元兌港元	1,078	345
		<b>5,070</b>	<b>6,972</b>

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**37. FINANCIAL INSTRUMENTS (Continued)**

(b) Financial risk management objectives and policies  
(Continued)

*Market risk (Continued)*

(ii) *Interest rate risk*

The Group is mainly exposed to cash flow interest rate risk primarily in relation to variable-rate bank balances and borrowings. It is the Group's policy to keep its bank borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's Hong Kong dollars denominated borrowings. In light of low interest rate expected to be maintained in long period of time, the Group shall monitor the interest rate fluctuation closely and arrange appropriate financial instruments to minimise the interest rate risk.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments (included variable-rate borrowings only as the directors consider the exposure on bank balances is not significant) at 31 December 2016 and 2015. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 (31 December 2015: 50) basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For non-derivative bank borrowings, if interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the year would increase/decrease by HK\$3,348,000 (31 December 2015: increase/decrease in pre-tax profit by HK\$2,392,000).

**37. 金融工具 (續)**

(b) 財務風險管理目標及政策 (續)

*市場風險 (續)*

(ii) *利率風險*

本集團的現金流量利率風險主要與浮息銀行結餘及借貸有關。本集團的政策是維持其銀行借貸於浮動利率以減低公平價值利率風險。本集團的現金流量利率風險主要集中於由本集團以港元計值的借貸產生之香港銀行同業拆息波動。由於低利率預料維持一段長時間，本集團會密切留意利率波動，並安排合適的金融工具降低利率風險。

敏感度分析

下列敏感度分析根據非衍生工具(包括浮息借貸，僅當董事認為就銀行結餘所承擔之風險並不重大)於2016年及2015年12月31日的利率風險釐定。有關分析乃基於報告期終尚未償還的負債數額在本年整個年度內均為未償還的假設而編製。向主要管理人員內部呈報利率風險乃採用50個(2015年12月31日：50個)基點的升降，代表管理層對利率可能合理變動的評估。

就非衍生銀行借貸而言，倘利率上升/下跌50個基點，而所有其他變數維持不變，則本集團的是年度稅前盈利將增加/減少3,348,000港元(2015年12月31日：稅前盈利增加/減少2,392,000港元)。

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### 37. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Credit risk*

As at 31 December 2016 and 2015, the maximum exposure to credit risk by the Group which will cause a financial loss due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the recognised financial assets as stated in the statements of financial position.

In order to manage the credit risk, 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. Credit sales of products are only made to customers with good credit quality and repayment history. In addition, the Group regularly reviews the recoverable amount of debt on both collective and individual basis to ensure that adequate impairment losses are made for irrecoverable amounts. During the year ended 31 December 2016, a net impairment loss of HK\$21,401,000 (31 December 2015: HK\$25,159,000) in respect of the trade and bills receivables was recognised.

Furthermore, the Company only provides financial guarantees to its subsidiaries after a careful consideration of its subsidiaries' financial conditions. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds of the Group is limited because the counterparties are banks with high credit ratings assigned by reputable credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group has no significant concentration of credit risk with exposure spread over a number of counterparties.

### 37. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### *信貸風險*

於2016年及2015年12月31日，本集團因對手方未能履行責任而導致財務損失的最高信貸風險為各項在財務狀況表所呈列已確認金融資產的賬面金額。

為管理信貸風險，本集團的管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進行動收回逾期債項。產品信貸銷售僅提供予具有良好信貸質素及還款記錄的客戶。此外，本集團會定期按集體及個別基準檢討債項的可收回款額，以確保就無法收回款額作出足夠的減值損失。於截至2016年12月31日止年度內，本集團已就營業及票據應收款項確認減值損失淨值21,401,000港元（2015年12月31日：25,159,000港元）。

此外，本公司僅於審慎考慮其附屬公司的財務狀況後方向其附屬公司提供財務擔保。就此而言，本公司董事認為本集團的信貸風險已大幅減低。

本集團的流動資金信貸風險有限，因對手方均為具信譽的信貸評級機構給予高信貸評級的銀行。

除有關存放於若干高信貸評級銀行的流動資金之信貸風險集中外，本集團並無面對重大集中信貸風險，因風險分散於多個對手方。



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**37. FINANCIAL INSTRUMENTS (Continued)**
**(b) Financial risk management objectives and policies**  
 (Continued)

**Liquidity risk**

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Other than equity, the Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2016, the available unutilised banking facilities of the Group are approximately HK\$3,037 million (31 December 2015: HK\$3,614 million).

The following tables detail the Group's remaining contractual maturity for their non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

**37. 金融工具 (續)**
**(b) 財務風險管理目標及政策 (續)**
**流動資金風險**

於管理流動資金風險時，本集團會監察及維持管理層視為足夠水平的現金及等同現金項目，以撥付本集團營運所需及減低現金流量波動的影響。管理層會監察銀行借貸的運用情況，並確保遵守相關貸款契約。

除權益外，本集團倚賴銀行借貸作為主要流動資金來源。於2016年12月31日，本集團的可動用但未運用銀行信貸額約為3,037,000,000港元（2015年12月31日：3,614,000,000港元）。

下表詳列根據議定償還條款本集團非衍生金融負債的餘下合同到期情況。該表乃按照本集團可能被要求付款的最早日期根據金融負債的未貼現現金流量編製。該表包括利息及本金現金流量。在利息採用浮動利率之限度內，未貼現金額乃由報告期終之利率得出。

	Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at
							31 December 2016
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	於2016年12月31日的賬面值
		千港元	千港元	千港元	千港元	千港元	千港元
<b>Non-derivative financial liabilities</b>							
Trade, bills and other payables		552,076	252,029	40,984	-	845,089	845,089
Amounts due to non-controlling shareholders		80,100	-	-	-	80,100	80,100
Amount due to an associate		5,499	-	-	-	5,499	5,499
Bank and other borrowings – variable rate	2.35	3,077	167,011	329,023	184,647	683,758	667,644
		<u>640,752</u>	<u>419,040</u>	<u>370,007</u>	<u>184,647</u>	<u>1,614,446</u>	<u>1,598,332</u>

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### 37. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

		Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at
								31 December 2015 於2015年 12月31日的
		加權平均 實際利率 %	少於1個月或 應要求 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	超過1年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	賬面值 HK\$'000 千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade, bills and other payables	營業、票據及其他應付款項	-	557,836	319,451	53,902	-	931,189	931,189
Amounts due to non-controlling shareholders	欠非控股股東款項	-	80,100	-	-	-	80,100	80,100
Amount due to an associate	欠一間聯營公司款項	-	7,080	-	-	-	7,080	7,080
Bank and other borrowings	銀行及其他借貸							
- fixed rate	- 定息	1.07	38,813	62,375	77,900	-	179,088	178,271
- variable rate	- 浮息	2.37	49,121	84,205	192,394	162,533	488,253	475,573
			732,950	466,031	324,196	162,533	1,685,710	1,672,213

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

#### (c) Fair value

##### (i) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and bills receivables, other receivables, trade and bills payables, other payables, amounts due to non-controlling shareholders, amount due to an associate, and bank and other borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and bills receivables, other receivables, trade and bills payables, other payables, amounts due to non-controlling shareholders and amount due to an associate approximates fair value.

### 37. 金融工具 (續)

#### (b) 財務風險管理目標及政策 (續)

##### 流動資金風險 (續)

		Weighted average effective interest rate	Less than 1 month or on demand	1-3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount at
								31 December 2015 於2015年 12月31日的
		加權平均 實際利率 %	少於1個月或 應要求 HK\$'000 千港元	1至3個月 HK\$'000 千港元	3個月至1年 HK\$'000 千港元	超過1年 HK\$'000 千港元	未貼現現金 流量總值 HK\$'000 千港元	賬面值 HK\$'000 千港元
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade, bills and other payables	營業、票據及其他應付款項	-	557,836	319,451	53,902	-	931,189	931,189
Amounts due to non-controlling shareholders	欠非控股股東款項	-	80,100	-	-	-	80,100	80,100
Amount due to an associate	欠一間聯營公司款項	-	7,080	-	-	-	7,080	7,080
Bank and other borrowings	銀行及其他借貸							
- fixed rate	- 定息	1.07	38,813	62,375	77,900	-	179,088	178,271
- variable rate	- 浮息	2.37	49,121	84,205	192,394	162,533	488,253	475,573
			732,950	466,031	324,196	162,533	1,685,710	1,672,213

倘浮動利率之變動有別於於報告期終所釐定之利率估計，則上述非衍生金融負債之浮息工具之金額可能有所改變。

#### (c) 公平價值

##### (i) 並非以公平價值計量之金融工具

並非以公平價值計量之金融工具包括現金及等同現金項目、營業及票據應收款項、其他應收款項、營業及票據應付款項、其他應付款項、欠非控股股東款項、欠一間聯營公司的款項以及銀行及其他借貸。

由於屬短期性質，現金及等同現金項目、營業及票據應收款項、其他應收款項、營業及票據應付款項、其他應付款項、欠非控股股東款項及欠一間聯營公司款項的賬面值與其公平價值相若。

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**37. FINANCIAL INSTRUMENTS (Continued)**

(c) Fair value (Continued)

*(i) Financial instruments not measured at fair value (Continued)*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016 and 31 December 2015 except for investment in life insurance policies.

*(ii) Financial instruments measured at fair value*

*Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified and is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At the end of the reporting period, all of the Group's investment in life insurance policies is grouped into Level 2 category.

There were no transfers between the three Levels during the year and prior year.

*Valuation techniques and inputs used in Level 2 fair value measurements*

The fair value of investment in life insurance policies is determined based on account value as stated in cash surrender value statement issued by insurers.

**37. 金融工具 (續)**

(c) 公平價值 (續)

*(i) 並非以公平價值計量之金融工具 (續)*

除人壽保險保單之投資外，本集團按成本或攤銷成本列值的金融工具的賬面值，與彼等於2016年12月31日及2015年12月31日的公平價值並無重大差異。

*(ii) 以公平價值計量之金融工具*

*公平價值架構*

下表呈列按經常性基準於報告期終計量的本集團金融工具的公平價值，並按香港財務報告準則第13號「公平價值計量」所界定的3級公平價值層級分類。公平價值計量層級的分類及釐定乃根據估值技術所使用輸入參數的可觀察性及重要性作出，載列如下：

- 第1級估值：公平價值僅使用第1級輸入參數計量，即相同資產或負債於計量日期在活躍市場中的未經調整報價。
- 第2級估值：公平價值乃使用第2級輸入參數計量，即不符合第1級標準的可觀察輸入參數，且不會使用不可觀察的重大輸入參數。不可觀察輸入參數為並無市場數據可作參考者。
- 第3級估值：公平價值乃使用重大不可觀察輸入參數計量。

於報告期終，本集團所有人壽保險保單之投資乃歸類為第2級別。

於年內及過往年度並無於3個級別之間作出轉撥。

*第2級公平價值計量所使用的估值技術及輸入參數*

於人壽保險保單之投資的公平價值乃根據保險公司所簽發的保單現金退保價值報告所列的賬戶價值計算。

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### 38. CAPITAL COMMITMENTS

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	與購買物業、機器及設備相關之已簽約但於綜合財務報表未有作出撥備之資本開支	116,959	43,437

### 38. 資本承擔

### 39. OPERATING LEASES

As lessee

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Minimum lease payments paid under operating lease during the year:	是年度就營運租賃而支付的最低租賃支出：		
Land and buildings	土地及建築物	34,370	34,483
Plant and machinery	廠房及機器	4,949	5,193
		<u>39,319</u>	<u>39,676</u>

### 39. 營運租賃

作為承租人

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:

於報告期終，本集團就不可取消營運租賃的未來最低租賃支出承擔於下列到期日支付：

		At 31 December 2016 於2016年12月31日		At 31 December 2015 於2015年12月31日	
		Land and buildings 土地及建築物 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Land and buildings 土地及建築物 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元
Within one year	1年內	35,219	1,300	22,487	1,925
In the second to fifth year inclusive	第2年至第5年內 (首尾兩年包括在內)	111,348	501	37,354	859
Over five years	5年以上	193,098	-	91,570	-
		<u>339,665</u>	<u>1,801</u>	<u>151,411</u>	<u>2,784</u>

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**39. OPERATING LEASES (Continued)**

As lessee (Continued)

Operating lease payments represent rentals payable by the Group for certain of its office premises, factories, and plant and machinery. Leases are negotiated for terms ranging from one to fifty years for land and buildings and from one to five years for plant and machinery. There is no contingent rental arrangement.

As lessor

Gross rental income earned from investment properties of the Group during the year was approximately HK\$10,756,000 (2015: HK\$9,919,000). The related outgoings amounted to HK\$600,000 (2015: HK\$588,000).

At the end of the reporting period, the Group had contracted with tenants, in respect of rented premises, for the following future minimum lease receipts.

**39. 營運租賃 (續)**

作為承租人 (續)

營運租賃支出乃本集團就其若干辦公室、工廠及廠房及機械的應付租金。經磋商的租賃年期就土地及建築物乃介乎1至50年之間，就廠房及機器則介乎1至5年之間。並未有或然租金安排。

作為出租人

於是年內，本集團就投資物業所賺得的租金收入總值約為10,756,000港元（2015年：9,919,000港元）。有關支出為600,000港元（2015年：588,000港元）。

於報告期終，本集團與租戶就租賃物業已訂約的未來最低租賃收入如下。

		At 31 December 2016 於2016年12月31日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Within one year	1年內	9,145	10,849
In the second to fifth year inclusive	第2年至第5年內 (首尾兩年包括在內)	5,278	17,760
		<b>14,423</b>	<b>28,609</b>

**40. RETIREMENT BENEFIT SCHEMES**

The Group operates a defined contribution scheme registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Scheme Ordinance for all the eligible employees of the Group in Hong Kong. The assets of both schemes are held separately from those of the Group in funds under the control of trustees. The retirement benefits cost charged to the profit or loss represents the contributions payable to the funds by the Group at rates specified in the rules of the schemes.

**40. 退休福利計劃**

本集團根據職業退休計劃條例註冊成立一項定額供款計劃（「職業退休計劃」）及根據強制性公積金計劃條例設立一項強制性公積金計劃（「強積金計劃」）予所有合資格的本集團香港僱員。這兩個計劃的資產乃獨立於本集團資產並由信託人管理。在損益賬內扣除的退休福利成本乃本集團根據計劃既定比率計算的應付基金供款。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 40. RETIREMENT BENEFIT SCHEMES (Continued)

Employees of the Group in other jurisdictions currently participate in state-sponsored pension scheme or defined contribution schemes operated by the Government of such jurisdictions. The Group is required to contribute a certain percentage of their payroll to the schemes to fund the benefits. The only obligation of the Group with respect to the schemes is to make the required contributions.

During both years, there was no significant forfeited contribution, which arose upon employees leaving the retirement benefits schemes, available to reduce the contribution payable in the future years.

The retirement benefits scheme contributions, amounting to HK\$56,270,000 (2015: HK\$55,862,000) have been charged to profit or loss for the year and included in employee costs as set out in note 9.

### 41. RELATED AND CONNECTED PARTIES DISCLOSURES

#### (a) Related party balances

Details of the Group's outstanding balances with related parties are set out in the consolidated statement of financial position and in note 27.

#### (b) Related party transactions

During the year, the Group entered into the following transactions with related parties:

### 40. 退休福利計劃 (續)

本集團其他司法地區的僱員現正參與該司法地區政府營運的國家退休福利計劃或定額供款計劃。本集團須將僱員薪酬的若干百分比供款予該等計劃作為福利基金。本集團對該等計劃的唯一責任是按規定作出供款。

於兩個年度，因僱員退出退休福利計劃而沒收的供款並不重大，此款項並可用作扣減未來年度的應付供款。

已於是年度在損益賬內扣除的退休福利計劃供款金額為56,270,000港元（2015年：55,862,000港元），並已計入附註9所載之僱員成本內。

### 41. 關聯及關連人士的披露

#### (a) 關聯人士的結餘

本集團與關聯人士的未償還結餘詳情載列於綜合財務狀況表及附註27內。

#### (b) 關聯人士交易

是年度本集團與關聯人士進行下列交易：

Name of related party 關聯人士名稱	Related party relationship 與關聯人士的關係	Nature of transaction 交易性質	2016 HK\$'000 千港元	2015 HK\$'000 千港元
東莞欣潤水務有限公司	Associate 聯營公司	Sewage expenses 污水處理費用	30,366	32,245

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**41. RELATED AND CONNECTED PARTIES**  
**DISCLOSURES (Continued)**
**41. 關聯及關連人士的披露 (續)**

## (c) Connected party transactions

## (c) 關連人士交易

Name of connected party 關連人士名稱	Nature of transactions 交易性質	2016 HK\$'000 千港元	2015 HK\$'000 千港元
The FM Group (note i) FM集團(附註i)	Sale of fabrics, yarns, fibers and garment parts 售賣布料、紗、纖維及成衣配件	<b>183,354</b>	211,783
The AH Group (note ii) AH集團(附註ii)	Sale of fabrics, yarns, fibers and garment parts 售賣布料、紗、纖維及成衣配件	<b>160,263</b>	167,163
The LFK Group (note iii) LFK集團(附註iii)	Sale of fabrics, yarns, fibers and garment parts 售賣布料、紗、纖維及成衣配件	<b>257,132</b>	206,186
Factory Co (note iv) 織廠公司(附註iv)	Provision of fabrics knitting services by Factory Co 織廠公司提供針織加工服務	<b>3,542</b>	22,053
Chinatex Group (notes v and vi) 中紡集團(附註v及vi)	Purchase of yarns, cotton, cooking oil and foodstuffs 採購紗、棉花及糧油食品	<b>29,130</b>	19,032
	Sale of fabrics, yarns and similar items 售賣布料、紗及類似產品	-	-

## Notes:

- (i) The Company and Mr. Feroz Omar ("Mr. Omar") entered into a master agreement (the "2015 FM Master Sales Agreement") and a renewed FM Master Sales Agreement (the "2018 FM Master Sales Agreement") respectively on 19 April 2013 and 18 November 2015 regarding the sales of fabrics, yarns, fibers and garment parts by the Group to the FM Group. Mr. Omar is a director and substantial shareholder of a non-wholly owned subsidiary of the Company and hence a connected person of the Company under the Listing Rules. The FM Group comprises companies which Mr. Omar and his associates and relatives individually or together exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors. Accordingly, members of the FM Group are associates of Mr. Omar and hence connected persons of the Company under the Listing Rules. The transactions contemplated under the 2015 FM Master Sales Agreement and the 2018 FM Master Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

## 附註:

- (i) 本公司與Feroz Omar先生(「Omar先生」)於2013年4月19日及2015年11月18日就本集團向FM集團出售布料、紗、纖維及成衣配件分別訂立總協議(「2015年FM總銷售協議」)及經更新的FM總銷售協議(「2018年FM總銷售協議」)。Omar先生為本公司1間非全資附屬公司之董事兼主要股東,根據上市規則,彼為本公司之關連人士。FM集團之成員公司包括由Omar先生及其聯繫人士及親屬可在該等公司的股東大會上個別地或共同地行使或控制行使過半數以上的表決權,或控制該等公司的董事會大部分成員的公司,因此FM集團之成員公司為Omar先生之聯繫人士,故而根據上市規則為本公司之關連人士。根據上市規則第14A章,2015年FM總銷售協議及2018年FM總銷售協議項下進行之交易構成本公司之持續關連交易。

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### 41. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

#### (c) Connected party transactions (Continued)

Notes: (Continued)

(i) (Continued)

The 2015 FM Master Sales Agreement is for a term commencing from 1 September 2013 to 31 December 2015 and the 2018 FM Master Sales Agreement is for a term commencing from 1 January 2016 to 31 December 2018.

The four-month cap amount for the period from 1 September 2013 to 31 December 2013 and annual cap amount for the two financial years ended 31 December 2015 for the 2015 FM Master Sales Agreement are HK\$77,000,000, HK\$230,000,000 and HK\$230,000,000 respectively as set out in the announcement of the Company dated 19 April 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$230,000,000 for the year ended 31 December 2015 as set out in the announcement of the Company dated 19 April 2013.

The annual cap amount for the three financial years ended 31 December 2018 for the 2018 FM Master Sales Agreement are HK\$230,000,000, HK\$230,000,000 and HK\$230,000,000 respectively as set out in the announcement of the Company dated 18 November 2015.

The revised FM annual cap amount for the two financial years ended 31 December 2018 for the 2018 FM Master Sale Agreement are HK\$300,000,000 and HK\$300,000,000 as set out in the announcement dated 26 January 2017.

Reference is made to the announcement of the Company dated 26 January 2017 in relation to, among other things, the revision of annual caps for continuing connected transactions and a circular released by the Company dated 8 March 2017.

- (ii) The Company and Mr. Anil Kumar Lalchand Hirdaramani (“Mr. Hirdaramani”) entered into a master agreement (the “2015 AH Master Sales Agreement”) and a renewed AH Master Sales Agreement (the “2018 AH Master Sales Agreement”) respectively on 19 April 2013 and 18 November 2015 regarding the sales of fabrics, yarns, fibers and garment parts by the Group to the AH Group. Mr. Hirdaramani is a director and substantial shareholder of a non-wholly owned subsidiary of the Company and hence a connected person of the Company under the Listing Rules. The AH Group comprises companies which Mr. Hirdaramani and his associates and relatives individually or together exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors. Accordingly, members of the AH Group are associates of Mr. Hirdaramani and hence connected persons of the Company under the Listing Rules. The transactions contemplated under the 2015 AH Master Sales Agreement and the 2018 AH Master Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

### 41. 關聯及關連人士的披露 (續)

#### (c) 關連人士交易 (續)

附註：(續)

(i) (續)

2015年FM總銷售協議之期限由2013年9月1日至2015年12月31日，而2018年FM總銷售協議之期限由2016年1月1日至2018年12月31日。

誠如本公司日期為2013年4月19日之公告所載，2015年FM總銷售協議由2013年9月1日至2013年12月31日止期間的4個月上限金額及截至2015年12月31日止兩年財政年度的年度上限金額分別為77,000,000港元、230,000,000港元及230,000,000港元。

該等關連交易並無超過本公司日期為2013年4月19日之公告所載截至2015年12月31日止年度之年度上限230,000,000港元。

誠如本公司日期為2015年11月18日之公告所載，2018年FM總銷售協議於截至2018年12月31日止三年財政年度的年度上限金額分別為230,000,000港元、230,000,000港元及230,000,000港元。

誠如本公司日期為2017年1月26日之公告所載，2018年FM總銷售協議於截至2018年12月31日止兩個財政年度的經修訂FM年度上限金額分別為300,000,000港元及300,000,000港元。

茲提述本公司日期為2017年1月26日內容有關(其中包括)修訂持續關連交易年度上限的公告以及本公司日期為2017年3月8日的通函。

- (ii) 本公司與Anil Kumar Lalchand Hirdaramani先生(「Hirdaramani先生」)於2013年4月19日及2015年11月18日就本集團向AH集團出售布料、紗、纖維及成衣配件分別訂立總協議(「2015年AH總銷售協議」)及經更新的AH總銷售協議(「2018年AH總銷售協議」)。Hirdaramani先生為本公司一間非全資附屬公司之董事兼主要股東，根據上市規則，彼為本公司之關連人士。AH集團之成員公司包括由Hirdaramani先生及其聯繫人士及親屬可在該等公司股東大會上個別地或共同地行使或控制行使過半數以上的表決權，或控制該等公司董事會大部分成員的公司，因此AH集團之成員公司為Hirdaramani先生之聯繫人士，故而根據上市規則為本公司之關連人士。根據上市規則第14A章，2015年AH總銷售協議及2018年AH總銷售協議項下進行之交易構成本公司之持續關連交易。



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**41. RELATED AND CONNECTED PARTIES**  
**DISCLOSURES (Continued)**

(c) Connected party transactions (Continued)

Notes: (Continued)

(ii) (Continued)

The 2015 AH Master Sales Agreement is for a term commencing from 1 September 2013 to 31 December 2015 and the 2018 AH Master Sales Agreement is for a term commencing from 1 January 2016 to 31 December 2018.

The four-month cap amount for the period from 1 September 2013 to 31 December 2013 and annual cap amount for the two financial years ended 31 December 2015 for the 2015 AH Master Sales Agreement are HK\$77,000,000, HK\$230,000,000 and HK\$230,000,000 as set out in the announcement of the Company dated 19 April 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$230,000,000 for the year ended 31 December 2015 as set out in the announcement of the Company dated 19 April 2013.

The annual cap amount for the three financial years ended 31 December 2018 for the 2018 AH Master Sales Agreement are HK\$150,000,000, HK\$150,000,000 and HK\$150,000,000 respectively as set out in the announcement of the Company dated 18 November 2015.

During the year ended 31 December 2016, the total connected transaction amount received by the Company was approximately HK\$160,260,000, which exceeded the 2016 AH annual cap of HK\$150,000,000.

The revised AH annual cap amount for the two financial years ended 31 December 2018 for the 2018 AH Master Sale Agreement are HK\$300,000,000 and HK\$300,000,000 respectively as set out in the announcement dated 26 January 2017.

Reference is made to the announcement of the Company dated 26 January 2017 in relation to, among other things, the exceeding of the 2016 AH Annual Cap and revision of annual caps for continuing connected transactions and a circular released by the Company dated 8 March 2017.

**41. 關聯及關連人士的披露 (續)**

(c) 關連人士交易 (續)

附註: (續)

(ii) (續)

2015年AH總銷售協議之期限由2013年9月1日至2015年12月31日，而2018年AH總銷售協議之期限由2016年1月1日至2018年12月31日。

誠如本公司日期為2013年4月19日之公告所載，2015年AH總銷售協議由2013年9月1日至2013年12月31日止期間的4個月上限金額及截至2015年12月31日止兩個財政年度的年度上限金額分別為77,000,000港元、230,000,000港元及230,000,000港元。

該等關連交易並無超過本公司日期為2013年4月19日之公告所載截至2015年12月31日止年度之年度上限230,000,000港元。

誠如本公司日期為2015年11月18日之公告所載，2018年AH總銷售協議於截至2018年12月31日止三年財政年度的年度上限金額分別為150,000,000港元、150,000,000港元及150,000,000港元。

截至2016年12月31日止年度，本公司收到的關連交易總額約為160,260,000港元，超過2016年為數150,000,000港元之AH年度上限。

誠如本公司日期為2017年1月26日之公告所載，2018年AH總銷售協議於截至2018年12月31日止兩個財政年度的經修訂AH年度上限金額分別為300,000,000港元及300,000,000港元。

茲提述本公司日期為2017年1月26日內容有關(其中包括)超過2016年AH年度上限及修訂持續關連交易年度上限的公告以及本公司日期為2017年3月8日的通函。

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### 41. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

#### (c) Connected party transactions (Continued)

Notes: (Continued)

(iii) The Company and LFK (Holdings) Limited (“LFK”) entered into a master agreement (the “2015 LFK Master Sales Agreement”) and a renewed LFK Master Sales Agreement (the “2018 LFK Master Sales Agreement”) respectively on 19 April 2013 and 18 November 2015 regarding the sale of fabrics, yarns, fibers and garment parts by the Group to members of the LFK Group (i.e. LFK and its subsidiaries). Mr. Ha Kam On, Victor (“Mr. Ha”) is a former executive Director and hence a connected person of the Company for 12 months from 19 May 2016, the date of resignation of Mr. Ha under the Listing Rules. LFK is 100% owned by a discretionary trust whose settlor and protectors include Mr. Ha’s relatives. Accordingly, members of the LFK Group are associates of Mr. Ha and hence connected persons of the Company for 12 months from 19 May 2016 under the Listing Rules. The transactions contemplated under the 2015 LFK Master Sales Agreement and the 2018 LFK Master Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The 2015 LFK Master Sales Agreement is for a term commencing from 1 September 2013 to 31 December 2015 and the 2018 LFK Master Sales Agreement is for a term commencing from 1 January 2016 to 31 December 2018.

The four-month cap amount for the period from 1 September 2013 to 31 December 2013 and annual cap amount for the two financial years ended 31 December 2015 for the 2015 LFK Master Sales Agreement are HK\$124,000,000, HK\$372,000,000 and HK\$372,000,000 respectively as set out in the announcement of the Company dated 19 April 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$372,000,000 for the year ended 31 December 2015 as set out in the announcement of the Company dated 19 April 2013.

The annual cap amount for the three financial years ended 31 December 2018 for the 2018 LFK Master Sales Agreement are HK\$300,000,000, HK\$340,000,000 and HK\$380,000,000 respectively as set out in the announcement of the Company dated 18 November 2015.

### 41. 關聯及關連人士的披露 (續)

#### (c) 關連人士交易 (續)

附註：(續)

(iii) 本公司與LFK (Holdings) Limited (“LFK”)於2013年4月19日及2015年11月18日就本集團向LFK集團成員公司(即LFK及其附屬公司)出售布料、紗、纖維及成衣配件分別訂立總協議(「2015年LFK總銷售協議」)及經更新的LFK總銷售協議(「2018年LFK總銷售協議」)。由於夏錦安先生(「夏先生」)為前執行董事，因此根據上市規則，彼於2016年5月19日(即夏先生辭任日期)內起12個月為本公司之關連人士。LFK由全權信託擁有100%權益，而全權信託的授予人及保護人包括夏先生的親屬。因此，根據上市規則，LFK集團之成員公司為夏先生之聯繫人，因而自2016年5月19日起12個月為本公司之關連人士。根據上市規則第14A章，2015年LFK總銷售協議及2018年LFK總銷售協議項下擬進行之交易構成本公司之持續關連交易。

2015年LFK總銷售協議之期限由2013年9月1日至2015年12月31日，而2018年LFK總銷售協議之期限由2016年1月1日至2018年12月31日。

誠如本公司日期為2013年4月19日之公告所載，2015年LFK總銷售協議由2013年9月1日至2013年12月31日止期間的4個月上限金額及截至2015年12月31日止兩個財政年度的年度上限金額分別為124,000,000港元、372,000,000港元及372,000,000港元。

該等關連交易並無超過本公司日期為2013年4月19日之公告所載截至2015年12月31日止年度之年度上限372,000,000港元。

誠如本公司日期為2015年11月18日之公告所載，2018年LFK總銷售協議於截至2018年12月31日止三年財政年度的年度上限金額分別為300,000,000港元、340,000,000港元及380,000,000港元。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**綜合財務報表附註**

31 DECEMBER 2016 2016年12月31日

**41. RELATED AND CONNECTED PARTIES**  
**DISCLOSURES (Continued)**

(c) Connected party transactions (Continued)

Notes: (Continued)

- (iv) The Company and 江陰匯堅針織有限公司 (“Factory Co”) entered into a master agreement (the “2015 Master Services Agreement”) and a renewed Master Services Agreement (the “2018 Master Services Agreement”) respectively on 19 April 2013 and 18 November 2015 regarding the provision of fabrics knitting services by Factory Co to the Group. Factory Co is owned as to 51% by the brother of a former director of certain subsidiaries in the Group, whom is a connected person under Chapter 14A of the Listing Rules. Thus Factory Co is an associate of a connected person and deemed to be a connected person of the Company under Chapter 14A of the Listing Rules. As at 31 March 2016, the former director and Factory Co have ceased to be connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the 2015 Master Services Agreement and the 2018 Master Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The 2015 Master Services Agreement is for a term commencing from 1 September 2013 to 31 December 2015 and the 2018 Master Services Agreement is for a term commencing from 1 January 2016 to 31 December 2018.

The four-month cap amount for the period from 1 September 2013 to 31 December 2013 and annual cap amount for the two financial years ended 31 December 2015 for the 2015 Master Services Agreement are HK\$16,000,000, HK\$49,000,000 and HK\$49,000,000 respectively as set out in the announcement of the Company dated 19 April 2013.

The extent of these connected transactions did not exceed the annual cap of HK\$49,000,000 for the year ended 31 December 2015 as set out in the announcement of the Company dated 19 April 2013.

The annual cap amount for the three financial years ended 31 December 2018 for the 2018 Master Services Agreement are HK\$27,000,000, HK\$21,000,000 and HK\$18,000,000 respectively as set out in the announcement of the Company dated 18 November 2015.

- (v) The Company and Chinatex Corporation (“Chinatex”) entered into a material purchase framework agreement (the “2015 Material Purchase Framework Agreement”) and a renewed Material Purchase Framework Agreement (the “2018 Material Purchase Framework Agreement”) respectively on 19 December 2012 and 18 November 2015 in relation to the purchase of yarn, cotton, other materials for the manufacture of fabric, garments, whereas cooking oil and foodstuffs for the provision of meals to the employees by the Group from the Chinatex Group (i.e. Chinatex and its subsidiaries). Chinatex is a controlling shareholder of the Company and hence a connected person of the Company under the Listing Rules. Accordingly, members of the Chinatex Group are associates of Chinatex and hence connected persons of the Company under the Listing Rules. The transactions contemplated under the 2015 Material Purchase Framework Agreement and the 2018 Material Purchase Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

**41. 關聯及關連人士的披露 (續)**

(c) 關連人士交易 (續)

附註: (續)

- (iv) 本公司與江陰匯堅針織有限公司(「織廠公司」)於2013年4月19日及2015年11月18日就織廠公司向本集團提供針織加工服務分別訂立總協議(「2015年總服務協議」)及經更新的總服務協議(「2018年總服務協議」)。由於織廠公司由本集團若干附屬公司之1名董事之弟弟擁有51%股權,因此根據上市規則第14A章,織廠公司被視作本公司之關連人士。於2016年3月31日,前任董事及織廠公司不再擔任上市規則第14A章項下的關連人士。根據上市規則第14A章,2015年總服務協議及2018年總服務協議項下進行之交易構成本公司之持續關連交易。

2015年總服務協議之期限由2013年9月1日至2015年12月31日,而2018年總服務協議之期限由2016年1月1日至2018年12月31日。

誠如本公司日期為2013年4月19日之公告所載,2015年總服務協議由2013年9月1日至2013年12月31日止期間的4個月上限金額及截至2015年12月31日止兩財政年度的年度上限金額分別為16,000,000港元、49,000,000港元及49,000,000港元。

該等關連交易並無超過本公司日期為2013年4月19日之公告所載截至2015年12月31日止年度之年度上限49,000,000港元。

誠如本公司日期為2015年11月18日之公告所載,2018年總服務協議於截至2018年12月31日止三年財政年度的年度上限金額分別為27,000,000港元、21,000,000港元及18,000,000港元。

- (v) 本公司與中國中紡集團公司(「中紡」)於2012年12月19日及2015年11月18日就本集團向中紡集團(即中紡及其附屬公司)採購棉紗、棉花、其他生產布料相關的原材料、成衣以及用於向本集團僱員提供膳食之糧油食品分別訂立物資採購框架協議(「2015年物資採購框架協議」)及經更新的物資採購框架協議(「2018年物資採購框架協議」)。中紡為本公司之控股股東,因此,根據上市規則,中紡為本公司之關連人士。相應地,根據上市規則,中紡集團之成員公司為中紡之聯繫人,因而成為本公司之關連人士。根據上市規則第14A章,2015年物資採購框架協議及2018年物資採購框架協議項下進行之交易構成本公司之持續關連交易。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 41. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

#### (c) Connected party transactions (Continued)

Notes: (Continued)

##### (v) (Continued)

The 2015 Material Purchase Framework Agreement is for a term commencing from 25 January 2013 to 31 December 2015 and the 2018 Material Purchase Framework Agreement is for a term commencing from 1 January 2016 to 31 December 2018.

The annual cap amounts for the three financial years ended 31 December 2015 for the 2015 Material Purchase Framework Agreement are HK\$310,000,000, HK\$411,000,000 and HK\$512,000,000 as set out in the announcement of the Company dated 19 December 2012.

The extent of these connected transactions did not exceed the annual cap of HK\$512,000,000 for the year ended 31 December 2015 as set out in the announcement of the Company dated 19 December 2012.

The annual cap amount for the three financial years ended 31 December 2018 for the 2018 Material Purchase Framework Agreement are HK\$100,000,000, HK\$200,000,000 and HK\$300,000,000 respectively as set out in the announcement of the Company dated 18 November 2015.

- (vi) The Company and Chinatex entered into a product and service supply framework agreement (the "Product and Service Supply Framework Agreement") on 19 December 2012 regarding the supply of textiles products such as fabric and garments and dyeing service by the Group to the Chinatex Group (i.e. Chinatex and its subsidiaries) commencing from 25 January 2013 to 31 December 2015.

Chinatex is a controlling shareholder of the Company and hence a connected person of the Company under the Listing Rules. Accordingly, members of the Chinatex Group are associates of Chinatex and hence connected persons of the Company under the Listing Rules. The transactions contemplated under the Product and Service Supply Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The annual cap amounts for the three financial years ended 31 December 2015 for the Product and Service Supply Framework Agreement are HK\$150,000,000, HK\$170,000,000 and HK\$190,000,000 as set out in the announcement of the Company dated 19 December 2012.

The extent of these connected transactions did not exceed the annual cap of HK\$190,000,000 for the year ended 31 December 2015 as set out in the announcement of the Company dated 19 December 2012.

There is no renewal of Product and Service Supply Framework Agreement after its expiration.

### 41. 關聯及關連人士的披露 (續)

#### (c) 關連人士交易 (續)

附註: (續)

##### (v) (續)

2015年物資採購框架協議之期限由2013年1月25日至2015年12月31日，而2018年物資採購框架協議之期限由2016年1月1日至2018年12月31日。

誠如本公司日期為2012年12月19日之公告所載，2015年物資採購框架協議於截至2015年12月31日止三個財政年度之年度上限金額分別為310,000,000港元、411,000,000港元及512,000,000港元。

該等關連交易並無超過本公司日期為2012年12月19日之公告所載截至2015年12月31日止年度之年度上限512,000,000港元。

誠如本公司日期為2015年11月18日之公告所載，2018年物資採購框架協議於截至2018年12月31日止三年財政年度之年度上限金額分別為100,000,000港元、200,000,000港元及300,000,000港元。

- (vi) 本公司與中紡於2012年12月19日訂立貨物及服務供應框架協議（「貨物及服務供應框架協議」），內容有關本集團向中紡集團（即中紡及其附屬公司）供應布料及成衣等紡織產品及印染加工服務，由2013年1月25日起至2015年12月31日止。

中紡為本公司之控股股東，因此，根據上市規則，中紡為本公司之關連人士。相應地，根據上市規則，中紡集團之成員公司為中紡之聯繫人，因而成為本公司之關連人士。根據上市規則第14A章，物資採購框架協議項下進行之交易構成本公司之持續關連交易。

誠如本公司日期為2012年12月19日之公告所載，貨物及服務供應框架協議於截至2015年12月31日止三個財政年度之年度上限金額分別為150,000,000港元、170,000,000港元及190,000,000港元。

該等關連交易並無超過本公司日期為2012年12月19日之公告所載截至2015年12月31日止年度之年度上限190,000,000港元。

貨物及服務供應框架協議屆滿後概無更新。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 41. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

#### (d) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Fees	袍金	1,229	1,250
Short-term benefits	短期福利	4,174	3,972
Post-employment benefits	離職後福利	36	32
Discretionary bonuses	酌情獎金	1,525	1,217
Equity-settled share-based payments	以權益結算以股份為基礎之付款	51	578
		<b>7,015</b>	<b>7,049</b>

The remunerations of directors and key management are decided by the board of directors and reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

#### (e) Transactions with other state-owned entities in the PRC

The Group operates in an economic environment currently predominated by enterprises directly or indirectly owned, jointly controlled or significantly influenced by the PRC government (collectively the "state-owned entities"). The Company's directors consider that state-owned entities are independent third parties so far as the Group's business transactions with them are concerned.

### 41. 關聯及關連人士的披露 (續)

#### (d) 主要管理人員的薪酬

是年度董事及其他主要管理人員的薪酬如下：

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Fees	袍金	1,229	1,250
Short-term benefits	短期福利	4,174	3,972
Post-employment benefits	離職後福利	36	32
Discretionary bonuses	酌情獎金	1,525	1,217
Equity-settled share-based payments	以權益結算以股份為基礎之付款	51	578
		<b>7,015</b>	<b>7,049</b>

董事及主要管理人員之酬金由董事會參照本公司之營運業績、個別表現及可比較市場統計數字而釐定，並由薪酬委員會審閱。

#### (e) 與其他中國國有實體進行的交易

本集團經營所在的經濟環境現時主要由中國政府直接或間接擁有、共同控制或可對其行使重大影響力的實體（統稱「國有實體」）主導。本公司董事認為，至今曾與本集團進行商業交易的國有實體均為獨立第三方。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

31 DECEMBER 2016 2016年12月31日

### 41. RELATED AND CONNECTED PARTIES DISCLOSURES (Continued)

#### (e) Transactions with other state-owned entities in the PRC (Continued)

During the year, the Group had transactions with other state-owned entities including, but not limited to, the sales of finished goods, purchases of raw materials/utilities and transactions with state-owned banks.

The sales of finished goods and purchase of raw materials/utilities to these state-owned entities are individually not significant. In addition, the Group's bank balances (including short-term bank deposits and restricted bank deposits) and bank borrowings of HK\$468,746,000 and HK\$273,071,000 (31 December 2015: HK\$331,877,000 and HK\$277,024,000) respectively are placed/arranged with state-owned banks as at 31 December 2016.

### 42. EVENTS AFTER THE REPORTING DATE

The Company published an announcement on 26 January 2017 in relation to the exceeding of the annual cap for the sale of fabrics, yarns, fibers and garment parts by members of the Group to members of the companies which a director and substantial shareholder of a non-wholly-owned subsidiary of the Company and his associates control, under a master sales agreement dated 18 November 2015 and entered into between the Company and that individual (the "2016 AH Annual Cap") and the revision of annual caps for continuing connected transactions. A circular containing, amongst other matters, (i) a letter from the Board; (ii) a letter from the independent Board committee containing its recommendations to the independent Shareholders; (iii) a letter from the independent financial adviser containing its advice to the independent Board committee and the independent Shareholders; and (iv) a notice of the extraordinary general meeting ("EGM") was dispatched to the Shareholders on 8 March 2017. An EGM was held on 23 March 2017 to resolve the matters concerning the exceeding of the 2016 AH Annual Cap and the revision of annual caps for continuing connected transactions. Details of the exceeding of the 2016 AH Annual Cap and the revision of annual caps for continuing connected transactions are set out in annual report note 41(c) "Connected party transactions" of the consolidated financial statements and in the Company's announcement dated 26 January 2017 and circular dated 8 March 2017.

### 41. 關聯及關連人士的披露 (續)

#### (e) 與其他中國國有實體進行的交易 (續)

於年內，本集團曾與其他國有實體進行交易，包括但不限於銷售製成品、購買原料／水電，以及與國有銀行間的交易。

向該等國有實體銷售製成品及購買原料／水電的個別交易並非重大。此外，於2016年12月31日，本集團的銀行結餘（包括短期銀行存款及受限制銀行存款）及銀行借款中分別有468,746,000港元及273,071,000港元（2015年12月31日：分別為331,877,000港元及277,024,000港元）為存放於國有銀行／由國有銀行安排。

### 42. 報告期後事項

本公司於2017年1月26日刊發之公告，內容有關超出本公司與個人於2015年11月18日訂立的總銷售協議（有關本集團成員公司向本公司非全資附屬公司董事兼主要股東及其聯繫人所控制成員組成的公司銷售布料、棉紗、纖維及成衣部件）項下的年度上限（「2016年AH年度上限」）及修訂持續關連交易的年度上限。一份載有（其中包括）(i)董事會函件；(ii)獨立董事委員會函件，其中載有其向獨立股東提呈之建議；(iii)獨立財務顧問函件，其中載有其向獨立董事委員會及獨立股東提呈之意見；及(iv)股東特別大會（「股東特別大會」）通告之通函已於2017年3月8日寄發予股東。本公司已於2017年3月23日舉行股東特別大會，以表決關於超出2016年AH年度上限及修訂持續關連交易的年度上限之事宜。有關超出2016年AH年度上限及修訂持續關連交易的年度上限之詳情載於年報內綜合財務報表附註41(c)「關連人士交易」及於本公司日期為2017年1月26日之公告及日期為2017年3月8日之通函。

# SHAREHOLDER INFORMATION

## 股東資料

**Listing** : Listed on the Main Board of  
The Stock Exchange of Hong Kong Limited  
since 20 April 1988

**Stock Code** : 420

**Board Lot** : 2,000

**Shares Issued** : 1,205,026,960

**上市** : 自1988年4月20日起  
於香港聯合交易所有限公司  
主板上市

**股份代號** : 420

**買賣單位** : 2,000

**已發行股份** : 1,205,026,960

### Financial Calendar 2016

Financial year ended	31 December 2016
Interim results announced	18 August 2016
Annual results announced	23 March 2017
Register of members closed for determining the right to attend and vote at Annual General Meeting	19 – 22 June 2017
Annual General Meeting	22 June 2017
Register of members closed for determining the entitlement to the proposed final dividend	5 – 7 July 2017
Distribution of dividend	21 July 2017
2017 interim results to be announced	End of August 2017

### 2016年財務日誌

財政年度結算	2016年12月31日
中期業績公佈	2016年8月18日
年度業績公佈	2017年3月23日
股份暫停登記以釐定 出席股東週年大會 及於會上投票資格	2017年6月19至22日
股東週年大會	2017年6月22日
股份暫停登記以釐定 享有擬派末期股息 資格	2017年7月5至7日
股息派發	2017年7月21日
2017中期業績公佈	2017年8月下旬

### Shareholder Services

For enquiries about share transfer and registration,  
please contact the Company's share registrar:

#### Tricor Secretaries Limited

Level 22, Hopewell Centre,  
183 Queen's Road East  
Hong Kong  
Tel +852 2980 1766  
Fax +852 2861 1465

### 股東服務

任何有關股份過戶及登記的查詢，  
請聯絡本公司股份過戶登記處：

#### 卓佳秘書商務有限公司

香港皇后大道東183號  
合和中心22樓  
電話+852 2980 1766  
傳真+852 2861 1465

### Investor Relations

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Deputy General Manager,  
Corporate Governance Department  
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### 投資者關係

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## Global Network • 環球網絡

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Fountain Set has overseas marketing/representative offices in the following locations. Addresses, phone numbers and fax numbers are listed at [www.fshl.com](http://www.fshl.com)

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