



CHIHO-TIANDE GROUP LIMITED  
齊合天地集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立的有限公司)*

Stock Code 股份代號:976

2016

ANNUAL REPORT 年報



## GREATER CHINA 大中華

Chiho-Tiande's four major facilities in Greater China located in Hong Kong, Taizhou, Yantai and Dalian

### Hong Kong:

- The global headquarter of Chiho-Tiande
- The powerhouse of our metals and electronic waste trading activities
- Purchases ferrous, non-ferrous metal scrap and e-waste from local traders and suppliers for pro-processes and further recycling

### Taizhou:

- Main processing center for non-ferrous metals
- Specializes in mixed motor recycling in addition to operation of a foundry, producing high quality aluminum alloy ingots

齊合天地在大中華地區的四個主要基地分別位於香港、台州、煙台及大連

### 香港：

齊合天地總部 主要進行金屬及電子廢件貿易 從香港貿易商及供應商處採購黑色金屬、有色金屬及電子廢件，並對該等材料進行預加工以做進一步回收

### 台州：

主要的有色金屬加工中心 除混合電機回收外，該基地也專注於鑄造業，旨在生產出高質量鋁合金錠

## EUROPE 歐洲

In Europe, our 314 site plants locate in Germany (105), The Balkans (73), Czech (55), Romania (55), Austria (16) and Poland (10).

Chiho-Tiande Group Scholz Company has the state-of-the-art technology which helps to increase the recycling rate for end-of-life vehicle materials into 96.96%.

Processing Volume of dismantling vehicles comes near to 200,000 annually.

在歐洲，我們的314個料場分部於德國（105個）、巴爾幹半島（73個）、捷克（55個）、羅馬尼亞（55個）、奧地利（16個）及波蘭（10個）。

齊合天地集團舒爾茨公司利用全球最先進技術，報廢汽車材料平均回收率高達96.96%。

年汽車拆解量接近20萬輛。

## NORTH AMERICA 北美洲

Chiho-Tiande has an operation in North America including the United States and Mexico.

26 site plants in the USA, mainly located in New York and Arizona.

齊合天地於北美的營運基地分佈於美國及墨西哥。

其在美國擁有26個料場，主要位於紐約及亞利桑那。

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Tu Jianhua (*Chairman*)  
Mr. Qin Yongming (*Chief Executive Officer*)  
Mr. Zhu Patrick Xiangdong

#### Independent Non-Executive Directors

Dr. Loke Yu  
Mr. Zhu Dajian  
Ms. Qian Liping

### EXECUTIVE COMMITTEE

Mr. Tu Jianhua (*Chairman*)  
Mr. Qin Yongming  
Mr. Zhu Patrick Xiangdong

### AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)  
Mr. Zhu Dajian  
Ms. Qian Liping

### REMUNERATION COMMITTEE

Mr. Zhu Dajian (*Chairman*)  
Dr. Loke Yu  
Ms. Qian Liping

### NOMINATION COMMITTEE

Mr. Tu Jianhua (*Chairman*)  
Dr. Loke Yu  
Mr. Zhu Dajian  
Ms. Qian Liping

### PRICING COMMITTEE

Mr. Zhu Patrick Xiangdong (*Chairman*)  
Mr. Qin Yongming  
Mr. Koon Wai Hung  
Mr. Goh Kian Guan

### STRATEGY AND INVESTMENT COMMITTEE

Mr. Tu Jianhua (*Chairman*)  
Mr. Qin Yongming  
Mr. Zhu Patrick Xiangdong  
Mr. Goh Kian Guan

### 董事會

#### 執行董事

涂建華先生(主席)  
秦永明先生(行政總裁)  
朱向東先生

#### 獨立非執行董事

陸海林博士  
諸大建先生  
錢麗萍女士

### 執行委員會

涂建華先生(主席)  
秦永明先生  
朱向東先生

### 審核委員會

陸海林博士(主席)  
諸大建先生  
錢麗萍女士

### 薪酬委員會

諸大建先生(主席)  
陸海林博士  
錢麗萍女士

### 提名委員會

涂建華先生(主席)  
陸海林博士  
諸大建先生  
錢麗萍女士

### 定價委員會

朱向東先生(主席)  
秦永明先生  
官偉雄先生  
吳健源先生

### 戰略與投資委員會

涂建華先生(主席)  
秦永明先生  
朱向東先生  
吳健源先生

### AUTHORISED REPRESENTATIVES

Mr. Tu Jianhua  
Mr. Koon Wai Hung

### 授權代表

涂建華先生  
官偉雄先生

### CHIEF FINANCIAL OFFICER

Mr. Koon Wai Hung

### 首席財務官

官偉雄先生

### JOINT COMPANY SECRETARIES

Mr. Koon Wai Hung  
Ms. So Lai Shan

### 聯席公司秘書

官偉雄先生  
蘇麗珊女士

### AUDITOR

PricewaterhouseCoopers

### 核數師

羅兵咸永道會計師事務所

### LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)  
DLA Piper Hong Kong (Hong Kong)  
Van den Boomen Advocaten B.V. (Netherlands)

### 法律顧問

Conyers Dill & Pearman (開曼群島)  
歐華律師事務所 (香港)  
Van den Boomen Advocaten B.V. (荷蘭)

### PRINCIPAL BANKERS

Agriculture Bank of China  
Bank of China  
DBS Bank (Hong Kong) Limited  
Standard Chartered Bank (Hong Kong) Limited  
Shanghai Pudong Development Bank  
The Hongkong and Shanghai Banking Corporation Limited  
OCBC Wing Hang Bank Limited

### 主要往來銀行

中國農業銀行  
中國銀行  
星展銀行(香港)有限公司  
渣打銀行(香港)有限公司  
上海浦東發展銀行  
香港上海滙豐銀行有限公司  
華僑永亨銀行有限公司

### REGISTERED OFFICE

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

### 註冊辦事處

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

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street  
Yuen Long Industrial Estate  
Hong Kong

### 香港總公司及主要營業地點

香港  
元朗工業邨  
宏樂街48號

## Corporate Information (continued)

### 公司資料 (續)

#### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8, Baijin Road  
Taizhou Renewable Metal Resources Industry Base  
Luqiao, Taizhou  
Zhejiang  
The PRC

#### HEADQUARTERS IN GERMANY

Berndt-Ulrich-Scholz-Str. 1  
73457 Essingen  
Germany

#### HEADQUARTERS IN USA

2144 W. McDowell Road,  
Phoenix, Arizona,  
USA 85009

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

#### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

#### WEBSITE

[www.chiho-tiande.com](http://www.chiho-tiande.com)

#### STOCK CODE

Hong Kong Stock Exchange 976

#### 中國總公司及主要營業地點

中國  
浙江省  
台州市路橋區  
台州金屬資源再生產業基地  
白金路8號

#### 德國總部

Berndt-Ulrich-Scholz-Str. 1  
73457 Essingen  
Germany

#### 美國總部

2144 W. McDowell Road,  
Phoenix, Arizona,  
USA 85009

#### 香港股份登記及過戶分處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心17樓  
1712-1716 號舖

#### 開曼群島主要股份登記及過戶處

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

#### 公司網站

[www.chiho-tiande.com](http://www.chiho-tiande.com)

#### 股份代號

香港聯交所976

On behalf of the board (the "Board") of Directors (the "Directors") of Chiho-Tiande Group Limited (齊合天地集團有限公司) (the "Company"), I present the audited results of the Company and its subsidiaries (the "Group", "We" or "Our") for the year ended 31 December 2016.

For the year ended 31 December 2016, revenue amounted to approximately HK\$3,211,431,000 (2015: HK\$3,136,633,000), representing a year-on-year increase of approximately 2.4%. Loss before tax amounted to HK\$443,568,000 (2015: HK\$1,143,684,000), representing a year-on-year decrease of approximately 61.2%.

This is largely attributed to sudden volatility in the currency markets with the EUR and RMB depreciating against USD during the year due to Brexit and devaluation of the RMB respectively, and the transaction and advisory costs associated with the acquisitions as mentioned below. Excluding one-off items, the operations have already turnaround.

## REVIEW OF OPERATION RESULTS OF 2016

2016 financial year was an extraordinary and fruitful year for the Group.

In March 2016, we acquired the entire equity interest in Dalian New Green Recycle & Resources Corporation\* (大連新綠再生資源加工有限公司) by way of the allotment and issuance of 31,037,585 consideration shares of the Company to Suzuki Shokai Co., Ltd., the largest metal recycler of Hokkaido, and ITOCHU Corporation, a Fortune 500 enterprise, became our strategic investors. Meanwhile, we have set up a subsidiary with the

本人謹代表齊合天地集團有限公司(「本公司」)董事(「董事」)會(「董事會」)，提呈本公司及其附屬公司(「本集團」或「我們」)截至二零一六年十二月三十一日止年度的經審核全年業績。

截至二零一六年十二月三十一日止年度實現營業收入約為3,211,431,000港元(二零一五：3,136,633,000港元)，同比增加約2.4%，除稅前虧損約443,568,000港元(二零一五：1,143,684,000港元)，同比減少約61.2%。

此乃主要由於年內因英國脫歐而導致貨幣市場突然波動，歐元兌美元貶值，以及人民幣貶值引發人民幣兌美元下跌，以及與下文所述之收購有關的交易及諮詢成本所致。剔除一次性項目後，營運已開始好轉。

## 二零一六年經營業績回顧

二零一六年財政年度為本集團極不平凡且收穫豐碩的一年。

於二零一六年三月，我們向日本北海道最大金屬回收商鈴木商會株式會社及財富世界500強公司伊藤忠商事株式會社，配發及發行31,037,585股本公司代價股份，收購大連新綠再生資源加工有限公司的全部股權，且鈴木商會株式會社及伊藤忠商事株式會社成



two aforementioned enterprises to cooperate in the development of metal recycle business in Japan, with a view to further expand the trading business and procurement network in Asia and explore opportunities for strategic cooperation.

In December 2016, we completed the acquisition of the entire equity interest in Scholz Holding GmbH ("Scholz Holding" and together with its subsidiaries, "Scholz Group"), a world's leading metal recycler in Germany. The move marked a milestone in the global strategy of Chih-Tiande. Founded in 1872, the Scholz Group is one of the largest European-based global network of companies and affiliates active in the field of treating and processing scrap metal through its business activities in Europe, Northern and Central America. It provides all steps in recycling metal and scrap metal and is a one-stop shop, from collecting, gathering, sorting, and processing the material to its sale, utilisation, and recirculation.

The Company initially acquired Scholz Group's liability of EUR524,000,000 (equivalent to approximately HK\$4,660,000,000) with EUR236,000,000 (equivalent to approximately HK\$2,100,000,000) to become its largest debt holder. Subsequently, the Group acquired the entire interest of the Scholz Group during December 2016. Prior to the acquisition of the Scholz Group, we throughout the Scholz Group, indirectly acquired Liberty Iron & Metal Holding, Inc. ("Liberty"), a leading processor and agency of ferrous metal and non-ferrous metal in North America. The acquisition provided the Group with access to upstream raw material supply in the United States and served as a quality platform for us to further expand and develop our business in North America.

## MARKET OUTLOOK IN 2017

In 2017, various uncertainties continue to loom over the general economy. Since the financial crisis, uncertainties in the recovery of the global economy have been a major concern. In the past decade, the global economy has been dependent on the rapid development of the PRC. The development of PRC economy pulling up to the economy recovery in Europe and America that becomes obviously and effectively. The United States is deleveraging that may cause a relatively stable commodity prices. It helps the Group's business recovery and development.

Thanks to an economic development model with an emphasis on resources recirculation to reduce impact on the environment, resource recycling is increasingly popular in the world. Sustainable development strategies meet the demands of modern lifestyle without compromising the ability of future generation to maintain sufficiency, with a major goal of utilising resources in a sustainable manner and conserving the environment.

為我們的戰略投資者，同時，我們亦與上述兩家公司會成立附屬公司以共同發展日本的再生金屬業務、進一步擴大亞洲的貿易業務及採購網絡並發掘戰略合作機會。

二零一六年十二月，我們完成收購全球金屬再生回收商巨頭德國順爾茨控股有限公司（「順爾茨控股」，連同其附屬公司統稱為「順爾茨集團」）的全部股本，此舉標誌著齊合天地在全球戰略中邁出了關鍵的一步。順爾茨集團成立於1872年，為其中一家以歐洲為基地的最大全球性公司和分支機構網絡，透過其於歐洲、北美及中美洲的業務活動活躍於廢金屬處理及加工領域，並主要提供再生金屬及廢金屬所有工序，包括從物料收集、集中、分類以至加工銷售、使用及回流的一站式服務。

本公司先以2.36億歐元（約合21億港元）買入順爾茨集團的5.24億歐元（約合46.6億港元）債務，成為其最大債務持有人。其後，本集團於二零一六年十二月期間收購順爾茨集團之全部權益。收購順爾茨集團前，我們再通過順爾茨集團間接收購了處於北美行業領先地位的黑色金屬及有色金屬加工商和經紀商 Liberty Iron & Metal Holding, Inc.（「Liberty」），這令本集團取得美國地區的上游原料供應，並為我們繼續鞏固和發展北美業務提供優越的平台。

## 二零一七年市場展望

二零一七年，整體經濟仍籠罩著許多不明朗因素。後金融危機以來，全球經濟在復蘇道路上的各類不確定性值得關注，過去十年間全球經濟越趨倚賴中國經濟的高速發展，中國的經濟發展拉動歐美經濟復甦越見明顯和有效果。美國正開始去桿杆化引致商品價格相對平穩，有助本集團的業務復甦和發展。

為減少對環境的影響，再生資源回收目前正以資源不斷循環利用的經濟發展模式已逐漸成為全球潮流。可持續發展的戰略，既符合當代人類的需求，又不損害後代滿足其需求能力的發展，其主要標誌是永續利用資源以保持良好的生態環境。



2017 will be an important year for the resource recycling industry. The PRC government has passed many important regulations to improve environmental protection and reduce on poor trade practices that are causing secondary pollution. As a result, some illegal operators have been removed from the market and the competitiveness of large regulated operators such as the Company have been improved. According to the estimation of Ministry of Commerce of the PRC, sales income of the waste resources integrated utilisation industry in the PRC will reach RMB424.7 billion in 2017 and grow at a compound annual growth rate of 7.02% in the coming five years. Sales income of the waste resources integrated utilisation industry in the PRC will reach RMB557.2 billion in 2021.

Resource recycling plays an important role in the development of economy, security and society. As the PRC is a developing country with relatively insufficient resources, it is the most effective way to support sustainable development by enhancing the efficiency of natural resource utilization. Given the pressing needs of the PRC and our access to abundant recycling resources in the world, especially in Europe and North America, we can import various metals for further utilisation and recycling to boost productivity and revenue.

As the only metal recycling corporation with significant operation bases across three continents (Asia, Europe and North and Central Americas) in the globe, we will fully capitalise on the advantage of being a Hong Kong listed company in the capital market. With the unique global layout of our operation, we will optimize our global deployment by utilising Scholz and Liberty established brand effect, purchasing net works and advanced technology and equipment accumulated in the overseas market in order to generate synergy for the Group to maximise its advantages.

I strongly believe that, progressive implementation of the Company's strategy could raise shareholders' value in anticipation that the Group will share more development achievements with all shareholders in the future. Last but not least, I, on behalf of the Board, would like to extend my gratitude to all shareholders and every dedicated staff for their continuous support to the Group. I, on behalf of the Group, would also like to extend my sincere thanks to customers, suppliers and other business partners for their trust and faith in our Group.

**Tu Jianhua**  
Chairman

Hong Kong  
23 March 2017

二零一七年將會是再生資源回收行業的關鍵一年。中國政府已通過多項改善環境監控及打擊導致二次污染的差劣貿易手法的重要規例。因此，市場減少非法經營活動，並加強了本公司等大型合規企業的競爭力。根據中國商務部估計，業內預計二零一七年中國廢棄資源綜合利用行業銷售收入將達到人民幣4,247億元，未來五年均複合增長率為7.02%，2021年中國廢棄資源綜合利用行業銷售收入將達到人民幣5,572億元。

再生資源在經濟建設、國防建設和社會發展中發揮著重要作用。中國是資源相對不足的發展中國家，因此提高自然資源利用效率最能有效地持續發展。面對中國的迫切需要，加上我們擁有來自世界各地，尤其是歐洲及北美的大量可再生資源，我們可進口各類型金屬並加以回收利用，將有望提高生產力及高收益。

作為全球唯一一家主要營運基地遍佈亞、歐及中北美三大洲的再生金屬企業，我們將充分發揮作為香港上市公司在資本市場上的優勢，結合獨一無二的全球營運佈局，利用順爾茨和Liberty於海外市場上長期積累的品牌效應、採購網絡和頂尖技術及設備，完善全球部署，形成協同效應，發揮本集團優勢。

本人深信，公司戰略的穩步實施可帶來更高的股東價值，希望本集團未來能與各位股東分享更多的發展效益。最後本人謹代表董事會向一直支持本集團的所有股東及忠誠勤奮之員工致謝！本人謹此代表本集團向客戶、供應商及其他合作夥伴為各位對本集團的信任和信心致以衷心的感謝！

**涂建華**  
主席

香港  
二零一七年三月二十三日

# Profile of Directors and Senior Management

## 董事及高級管理人員履歷

### EXECUTIVE DIRECTORS 執行董事

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**Mr. Tu Jianhua (涂建華)**, aged 54, is an executive Director and chairman of the Company. He was appointed as an executive Director on 29 April 2015. Mr. Tu serves as the chairman of executive committee, nomination committee and strategy and investment committee of the Company and he is also a director of certain subsidiaries of the Group. He has been the chairman of USUM Investment Group Limited since April 2014. He has been the director of Loncin Group Co., Ltd. (隆鑫集團有限公司) since January 1996 and the director of Loncin Holdings Co., Ltd (隆鑫控股有限公司) since January 2003. USUM Investment Group Limited, Loncin Group Co., Ltd. (隆鑫集團有限公司) and Loncin Holdings Co., Ltd. (隆鑫控股有限公司) are controlling shareholders of the Company.

He served as the chairman of the board of Loncin Holdings Co., Ltd. (隆鑫控股有限公司) in the period from January 2003 to July 2010 and from February 2013 to December 2013, the executive director of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1996 to January 1997, and the chairman of the board of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1997 to December 2013. He served as the general manager of Chongqing Loncin Gasoline Engine Company (SinoAmerican Joint Venture) (中美合資重慶隆鑫汽油機公司), a company that used to be controlled by Mr. Tu during its existence, from 1995 to 1996, and served as the chairman of Chongqing Loncin Transportation and Machinery Factory (重慶隆鑫交通機械廠), a company that used to be controlled by Mr. Tu during its existence, from 1993 to 1995. He served as the chairman of Chongqing City Jiulongpo District Loncin Metal Factory (重慶市九龍坡區隆鑫金屬廠), a company that used to be controlled by Mr. Tu during its existence, from 1991 to 1993 and the factory director of Chongqing Cinhua Metals Factory (重慶鑫華金屬製品廠), from 1983 to 1990.

Mr. Tu graduated from the Economic Management (經濟管理專業) of the Open College in Chongqing City Municipal Party School (重慶市委黨校函授學院) in December 1998. Mr. Tu previously acted as the deputy to the 11th National People's Congress, the deputy to the Second and Third Chongqing Municipal People's Congress. He currently serves as the deputy to the 12th National People's Congress and to the Fourth Chongqing Municipal People's Congress, and the member of the Finance Committee of the Fourth Chongqing City Municipal People's Congress, the Executive Committee Member of All-China Federation of Industry & Commerce (全國工商聯), the vice president of Chongqing City Industry and Commerce Federation (重慶市工商聯), the vice president of Chongqing City Charity Federation (重慶市慈善總會) and the vice president of Chongqing City Enterprises Confederation (重慶市企業聯合會).

Mr. Tu is a non-executive director of Hanhua Financial Holding Co., Ltd.\*(瀚華金控股份有限公司), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 3903), and a director of Loncin Motor Co., Ltd., a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603766).

涂建華先生，54歲，本公司執行董事、主席。彼於二零一五年四月二十九日獲委任為執行董事。涂先生為本公司執行委員會、提名委員會及戰略與投資委員會主席，彼亦為本集團若干附屬公司之董事。彼自二零一四年四月起擔任渝商投資集團股份有限公司董事長。彼自一九九六年一月至今任隆鑫集團有限公司董事，自二零零三年一月至今任隆鑫控股有限公司董事。渝商投資集團股份有限公司、隆鑫集團有限公司及隆鑫控股有限公司為本公司控股股東。

彼於二零零三年一月至二零一零年七月期間及自二零一三年二月至二零一三年十二月期間擔任隆鑫控股有限公司董事長，於一九九六年一月至一九九七年一月期間任隆鑫集團有限公司執行董事，於一九九七年一月至二零一三年十二月期間擔任隆鑫集團有限公司董事長。彼於一九九五年至一九九六年擔任中美合資重慶隆鑫汽油機公司(存在時由涂先生控制的公司)總經理，於一九九三年至一九九五年擔任重慶隆鑫交通機械廠(存在時由涂先生控制的公司)董事長，於一九九一年至一九九三年擔任重慶市九龍坡區隆鑫金屬廠(存在時由涂先生控制的公司)董事長，以及於一九八三年至一九九零年擔任重慶鑫華金屬製品廠廠長。

涂先生於一九九八年十二月畢業於重慶市委黨校函授學院經濟管理專業。涂先生曾擔任第十一屆全國人民代表大會代表、第二屆及第三屆重慶市人民代表大會代表。彼目前擔任第十二屆全國人民代表大會代表和第四屆重慶市人民代表大會代表及財經委委員、全國工商聯執行委員、重慶市工商聯副主席、重慶市慈善總會副會長及重慶市企業聯合會副會長。

涂先生為瀚華金控股份有限公司非執行董事(該公司股份於香港聯合交易所有限公司(「聯交所」)主板上市(股份代號：3903))，以及隆鑫通用動力股份有限公司董事(該公司股份於上海證券交易所上市(股份代號：603766))。

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**Mr. Qin Yongming (秦永明)**, aged 53, is the chief executive officer of the Company and an executive Director. He joined the Group on 1 June 2016 as executive vice president, and was appointed as an executive Director on 30 June 2016. He was re-designated to chief executive officer of the Company on 24 October 2016. Mr. Qin is a member of the executive committee and strategy and investment committee of the Company. From 2004 to 2016, Mr. Qin worked with LafargeHolcim group and his last position with LafargeHolcim group was the purchasing director of the China region, with a particular focus on raw materials and cementitious materials. Mr. Qin served as the head of the purchasing department of Tianjin Henkel Detergent Co. Ltd. from 1996 to 1999 and the finance director of Tianjin Philips Sy Catering and Entertainment Co., Ltd. from 1994 to 1996. Mr. Qin has extensive experience in corporate operation management, process and budget control, strategic materials procurement and supplier management.

Mr. Qin holds a bachelor degree of Finance and Accounting from Renmin University of China and a Master of Business Administration from the University of Southampton.

秦永明先生，53歲，本公司行政總裁兼執行董事。彼於二零一六年六月一日加入本集團並擔任本公司常務副總裁，於二零一六年六月三十日獲委任為執行董事。彼於二零一六年十月二十四日調任本公司行政總裁。秦先生為本公司執行委員會及戰略與投資委員會成員。二零零四年至二零一六年，秦先生任職於拉法基豪瑞集團，彼於該集團之最後職位為中國區原材料及膠凝材料採購總監。秦先生於一九九六年至一九九九年擔任天津漢高洗滌劑有限公司採購部部長，一九九四年至一九九六年擔任天津大施餐飲娛樂有限公司首席財務官。秦先生在企業營運管理、流程與預算控制、戰略物資採購和供貨商管理等方面有豐富的經驗。

秦先生持有中國人民大學財務會計學士學位和南安普頓大學工商管理碩士學位。

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## Profile of Directors and Senior Management (continued)

### 董事及高級管理人員履歷（續）

**Mr. Zhu Patrick Xiangdong (朱向東)**, aged 50, is an executive Director, vice president and chief operation officer of the Group. He joined the Group on 1 June 2015. Mr. Zhu also serves as the chairman of the pricing committee of the Company and a director of certain subsidiaries of the Group.

Mr. Zhu has over 28 years of extensive experience in the field of international trading such as renewable resources and commodities. Before joining the Company, he was manager of Hong Kong Gang Ao International (Holdings) Company Limited, general manager of Ningbo Tianshun Metal Processing Co., Ltd., and general manager of Ningbo Three Sources Trade Development Co., Ltd.

Mr. Zhu graduated from University of International Business and Economics in Beijing in 1989, and obtained a Bachelor degree in Economics, majoring in International Trade. He also graduated from The University of Auckland in New Zealand and Institute of Studies in St Helens New Zealand and obtained Master of Commerce in May 2001 and Master of Business Administration in August 2001, respectively.

朱向東先生，50歲，執行董事及本集團副總裁兼首席營運官。彼於二零一五年六月一日加入本集團。朱先生亦為本公司定價委員會主席，以及本集團若干附屬公司之董事。

朱先生在再生資源與大宗商品等國際貿易領域擁有二十八年以上的豐富實戰經歷與管理經驗。加入本公司前，分別擔任香港港澳國際集團有限公司分公司經理、寧波天舜金屬加工有限公司總經理以及寧波三源貿易發展有限公司總經理等職務。

朱先生在一九八九年畢業於北京對外經濟貿易大學，取得經濟學學士學位，主修國際貿易，並畢業於紐西蘭的奧克蘭大學與位於紐西蘭聖海倫斯的奧克蘭商學院，分別於二零零一年五月取得國際商業碩士學位及於二零零一年八月工商管理碩士學位。

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## NON-EXECUTIVE DIRECTORS 獨立非執行董事

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**Dr. Loke Yu alias Loke Hoi Lam (陸海林)**, aged 67, is an independent non-executive Director. He was appointed as an independent non-executive Director on 23 June 2010. Dr. Loke serves as the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Company. Dr. Loke has over 41 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; The Hong Kong Institute of Directors; and The Hong Kong Institute of Chartered Secretaries.

He is currently the company secretary of Minth Group Limited and serves as an independent non-executive director of the following companies whose shares are listed on the Hong Kong Stock Exchange: V1 Group Limited (Stock Code: 82), Matrix Holdings Limited (Stock Code: 1005), China Beidahuang Industry Group Holdings Limited (Stock Code: 39), China Fire Safety Enterprise Group Limited (Stock Code: 445), Winfair Investment Company Limited (Stock Code: 287), SCUD Group Limited (Stock Code: 1399), Zhong An Real Estate Limited (Stock Code: 672), Tianjin Development Holdings Limited (Stock Code: 882), China Household Holdings Limited (Stock Code: 692), Tianhe Chemicals Group Limited (Stock Code: 1619), Lamtex Holdings Limited (Stock Code: 1041), Forebase International Holdings Limited (Stock Code: 2310) and Hang Sang (Siu Po) International Holding Company Limited (Stock Code: 3626).

**陸海林博士**，67歲，獨立非執行董事。彼於二零一零年六月二十三日獲委任為獨立非執行董事。陸博士為本公司審核委員會主席、薪酬委員會及提名委員會成員。陸博士於私人及上市公司之會計及審計工作、財務顧問及企業管理等方面擁有逾四十一年經驗，持有馬來西亞科技大學工商管理碩士學位和南澳大學工商管理博士學位。彼為英格蘭與威爾斯特許會計師學會、香港會計師公會、香港董事學會及香港特許秘書公會之資深會員。

彼現為敏實集團有限公司之公司秘書，亦為股份於香港聯交所上市之下列多家公司之獨立非執行董事：第一視頻集團有限公司(股份代號：82)、美力時集團有限公司(股份代號：1005)、中國北大荒業產集團控股有限公司(股份代號：39)、中國消防企業集團有限公司(股份代號：445)、永發置業有限公司(股份代號：287)、飛毛腿集團有限公司(股份代號：1399)、眾安房產有限公司(股份代號：672)、天津發展控股有限公司(股份代號：882)、中國家居控股有限公司(股份代號：692)、天合化工集團有限公司(股份代號：1619)、申基國際有限公司(股份代號：2310)及Hang Sang (Siu Po) International Holding Company Limited(股份代號：3626)。

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## Profile of Directors and Senior Management (continued)

### 董事及高級管理人員履歷（續）

**Mr. Zhu Dajian (諸大建)**, aged 63, is an independent non-executive Director. He joined the Group on 17 December 2014. Mr. Zhu serves as the chairman of the remuneration committee and a member of the audit committee and nomination committee of the Company. He is a distinguished professor of the School of Economics & Management, a director of the Institute of Governance for Sustainable Development (可持續發展與管理研究所), the head of the Department of Public Management and Policy (公共管理系), and the vice chairman of the Tongji University Academic Committee (同濟大學學術委員會), at Tongji University in Shanghai (上海同濟大學), the People's Republic of China. He was awarded the special allowance by the China's State Council in 2000. He was also a senior research scholar at Harvard University in 2005 and a senior visiting fellow at Melbourne University in Australia from 1994 to 1995. Moreover, he is appointed as a member of The State Foundation for Social Sciences, a member of the Social Science Commission under the Chinese Education Ministry, a member of the Experts Commission on Sustainable Development & Resource and Environment (可持續發展及資源及環境之專家委員會) under the Chinese Construction Ministry, and a special policy advisor (決策諮詢特聘專家) for the Shanghai Municipal Government. He is also a member of the International Expert Committee of Enel Foundation in Italy, the Ellen MacArthur Foundation in the United Kingdom and Firmenich in Switzerland, respectively. Mr. Zhu was appointed as an independent non-executive director of China Taiping Insurance Holdings Company Limited on 21 August 2014, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 966).

諸大建先生，63歲，獨立非執行董事。彼於二零一四年十二月十七日加入本集團。諸先生為本公司薪酬委員會主席、審核委員會及提名委員會成員。彼為中華人民共和國上海同濟大學經濟及管理學院特聘教授、可持續發展與管理研究所所長、公共管理系主任及同濟大學學術委員會副主任。彼於二零零零年享受中國國務院特殊津貼。於二零零五年，彼於哈佛大學出任高級研究學者，及於一九九四年至一九九五年，彼於澳洲墨爾本大學出任高級訪問學者。此外，彼亦委任為國家哲學社會科學規劃專家、中國教育部社會科學委員會成員、中國建設部可持續發展及資源及環境之專家委員會成員以及上海市政府之決策諮詢特聘專家。彼亦分別為意大利Enel Foundation、英國Ellen MacArthur Foundation及瑞士Firmenich之國際專家委員會成員。諸先生於二零一四年八月二十一日獲委任為中國太平保險控股有限公司的獨立非執行董事，該公司於香港聯合交易所有限公司主板上市（股份代號：966）。

**Ms. Qian Liping (錢麗萍)**, aged 39, is an independent non-executive Director. She joined the Group on 24 October 2016. Ms. Qian is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Ms. Qian is currently a professor at the School of Economics and Business Administration in Chongqing University and a managing director of Marketing Committee, Chinese Research Council of Modern Management. She was also a visiting scholar of the Chinese University of Hong Kong from 2010 to 2011. Ms. Qian has been appointed as an external review expert of several journals including "Management World", "Journal of Marketing Science" and "Nankai Business Review", and was awarded "2015 Annual Excellent Review Expert" by "Journal of Marketing Science". She has more than 16 years of research experience in B2B Marketing and Marketing Channel Management and has intimate knowledge of the marketing environment and management mechanism in mainland China.

Ms. Qian holds a doctoral degree in Management from School of Management of Xi'an Jiaotong University.

錢麗萍女士，39歲，獨立非執行董事。彼於二零一六年十月二十四日加入本集團。錢女士為本公司審核委員會、薪酬委員會及提名委員會成員。錢女士為重慶大學經濟與工商管理學院教授及中國管理現代化研究會營銷專業委員會常務理事。彼自二零一零年至二零一一年間亦為香港中文大學訪問學者。錢女士被《管理世界》、《營銷科學學報》及《南開管理評論》等多家期刊聘為外審專家，並榮獲二零一五年度《營銷科學學報》優秀評審專家稱號。彼於研究B2B市場營銷及營銷渠道管理方面有著超過十六年的經驗，且十分熟悉中國大陸的營銷環境及管理機制。

錢女士持有西安交通大學管理學院管理學博士學位。

## SENIOR MANAGEMENT 高級管理人員

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**Mr. Goh Kian Guan (吳健源)**, vice president, chief investment officer of the Group and general manager of the investment & development department of the Company. Mr. Goh also serves as a member of the strategy and investment committee and pricing committee of the company and he is a director of certain subsidiaries of the Group. He joined the Group since 1 January 2016. Before joining the Group, Mr. Goh was the managing director for investments at USUM Investment Group Limited ("USUM Group"). Prior to USUM Group, Mr. Goh was the head of international Merger & Acquisition at an investment firm in Shanghai. Before that, Mr. Goh served in Standard Chartered Corporate Advisory and BNP Paribas Investment Banking Energy & Commodities team. Prior to banking, Mr. Goh was with the strategic investment team for Singapore Telecom working on Merger & Acquisition. Mr. Goh has many years of experiences with both buy-side and sell-side, covering energy, commodities, transportation, telecom-media-technology (TMT) and high end manufacturing. Prior to that, Mr. Goh served 6 years as an engineer, working on various projects, including oil fields, refineries, petrochemical plants, pharmaceutical plants, power plants, oil rigs, real estates and advance equipment manufacturing, covering technical, commercial and financial management.

Mr. Goh graduated with a Master of Finance degree from the Royal Melbourne Institute of Technology of Australia, and a Bachelor of Engineering in Civil from the Nanyang Technological University of Singapore.

**吳健源先生**，本集團副總裁、本公司首席投資官兼投資發展部總經理。彼於二零一六年一月一日加入本集團。吳先生亦為本公司戰略與投資委員會及定價委員會成員，以及本集團若干附屬公司之董事。吳先生此前就職於渝商投資集團股份有限公司「渝商集團」，擔任投資管理部董事總經理。在加入渝商集團之前，吳先生就職於上海一家投資公司，任國際併購部負責人。在此之前，吳先生就職於渣打銀行和法國巴黎銀行投行部。吳先生在加入投行前任職於新加坡電信有限公司戰略投資部，從事投資和併購工作。吳先生在買方和賣方都擁有多年的經驗，涉及能源、大宗商品、運輸業、電信／媒體／科技和高端製造。吳先生還擁有六年的工程師經歷，參與過多項工業項目，涉及油田、煉化廠、製藥廠、發電廠、海上鑽井平台、房地產、高端設備製造的技術、商務、財務管理。

吳先生擁有澳大利亞皇家墨爾本理工大學金融碩士學位和新加坡南洋理工大學工程學士學位。

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## Profile of Directors and Senior Management (continued)

### 董事及高級管理人員履歷（續）

**Mr. Koon Wai Hung (官偉雄)**, is the joint company secretary and chief financial officer of the Group. He joined the Group on 20 February 2016. He is also a member of the pricing committee of the Company and serves as a director of other subsidiaries of the Group.

Mr. Koon has approximately 21 years of extensive experience in accounting, financial management and auditing. Prior to joining the Company, he had worked for Deloitte Touche Tohmatsu since January 2008 and his last held position was senior manager. Mr. Koon was mainly involved in audit of Hong Kong listed companies that engaged in manufacturing and real estate industries, and developed audit training materials for the Deloitte Global worldwide network. He had previously also worked in PricewaterhouseCoopers and Ernst & Young for a cumulative period of approximately 8 years. Mr. Koon had also served as the finance and administration manager of a Hong Kong listed company for more than 4 years.

Mr. Koon obtained a Bachelor of Commerce degree, majoring in Accounting in 1992 and a Bachelor of Information Technology degree, majoring in Business Information and MRP System in 1993, both from Bond University in Australia. He is an associate of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.

**官偉雄先生**，本集團聯席公司秘書及首席財務官。彼於二零一六年二月二十日加入本集團。彼亦為本公司定價委員會成員，並在本集團其他附屬公司出任董事職位。

官先生於會計、財務管理及審計方面擁有約二十一年豐富的經驗。於加入本公司前，他曾自二零零八年一月起於德勤•關黃陳方會計師行任職，最後職位是高級經理。官先生主要為從事製造及房地產業的香港上市公司進行審計工作，以及參與編制德勤全球網絡的審計培訓教材。彼亦曾於羅兵咸永道會計師事務所及安永會計師事務所任職，為期合計約八年。官先生亦於一家香港上市公司擔任財務及行政經理超過四年。

官先生於一九九二年取得商業學士學位，主修會計以及於一九九三年取得資訊科技學士學位，主修商業資訊及物料需求計劃系統，學位均由澳大利亞的邦德大學頒發。彼為澳洲會計師公會及香港會計師公會會員。

**Ms. So Lai Shan**, is the joint company secretary of the Group. She was appointed on 7 April 2017. Ms. So has more than 7 years of experience in company secretarial field. Ms. So holds a Master's degree in Corporate Governance and is an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. So is now working in TMF Hong Kong Limited, a leading global professional firm.

**蘇麗珊女士**，本集團聯席公司秘書。彼於二零一七年四月七日獲委任。蘇女士擁有逾七年的公司秘書工作經驗。蘇女士持有企業管治碩士學位，並為香港特許秘書公會及英國特許秘書及行政人員公會會員。蘇女士目前任職於達盟香港有限公司（一間全球領先專業公司）。

\* For identification purpose only



### BUSINESS REVIEW

The year of 2016 was tumultuous for the global metal market. With the prolonged downward trend in the global metal market seen in the last six years, the metal prices in the first half of 2016 reached their lowest levels since the financial crisis in 2008 with major metal prices rebounded in the fourth quarter of 2016. Copper price in London Metal Exchange (“LME”) grew steadily from approximately US\$4,700 per tonnes to approximately US\$4,840 per tonnes between January 2016 and October 2016, and recorded a significant growth to approximately US\$5,470 per tonnes in December 2016. LME metal index increased approximately 23.7% from approximately 2,150 in January 2016 to 2,660 in December 2016. In 2016, against the backdrop of significant fluctuation of major currencies and metal prices due to various political changes of some leading countries (including Brexit and United States (“U.S.”) presidential election), coupled with continuous depreciation of Renminbi, the Group faced great opportunities and challenges for its operation and development during the year. New management team was progressing to optimise our operation by endeavoring in overcoming all these challenges, which was reflected in the significant improvement of gross profit and operating results in 2016. The overall performance of the Group generally saw an improvement in 2016 when compared to the last two years.

With the expected U.S. interest rate upcycle, political uncertainty of Brexit in the European Union (“EU”), anti-dumping of steel stemmed from the rise of protectionism in Europe and the U.S., and de-capacity of ferrous and non-ferrous metals, it is expected that a number of uncertainties over the global economy and metal market in the coming year, the management still believes that the Group will have a promising prospect in 2017 by capitalising on the synergies created from the merger and acquisition and the integration of newly-acquired business.

With the global metal prices bottomed out in 2016, the Group’s revenue continued to increase from approximately HK\$3,136,633,000 in 2015 to approximately HK\$3,211,431,000 in 2016, up by 2.4%. During the year, write back of provision for inventory of approximately HK\$75,982,000 resulted in a gross profit of approximately HK\$218,582,000 in 2016, when compared to a gross loss of HK\$45,276,000 in 2015. During the year, the Group continued to record a net loss attributable to the owners of the Company of approximately HK\$439,893,000, as compared to that of approximately HK\$1,138,804,000 in 2015. Due to the merger and acquisition in 2016, legal and professional expenses increased from approximately HK\$10,430,000 in 2015 to approximately HK\$106,580,000 in 2016. In addition, net foreign exchange losses increased from approximately HK\$112,012,000 in 2015 to approximately HK\$298,192,000 in 2016, due to the political changes that caused the significant fluctuation of major currencies during the year.

### 業務回顧

二零一六年對於全球金屬市場而言是比較波動的一年。伴隨過去六年全球金屬市場長期的反復下滑，二零一六年上半年金屬價格到達二零零八年金融危機以來最低水平，主要的金屬價格在二零一六年第四季反彈回升。倫敦金屬交易所（「LME」）銅價從二零一六年一月至二零一六年十月穩定上漲，從每噸約4,700美元上升至每噸約4,840美元，並於二零一六年十二月大幅反彈至每噸約5,470美元。LME金屬指數從二零一六年一月的約2,150點上升至二零一六年十二月的2,660點，上升約23.7%。二零一六年世界大國的政治變動（包括英國脫歐、美利堅合眾國（「美國」）總統大選）引發的主要貨幣和金屬價格大幅波動，加上人民幣持續貶值，本集團的經營與發展面臨了巨大的機遇及挑戰。新管理團隊正逐步優化經營，努力克服這些挑戰，二零一六年毛利和經營業績已有顯著改善。本集團於二零一六年的總體表現大致上比過去兩年有所改善。

美國預期正進入加息週期，英國脫歐的政治不確定性籠罩歐洲聯盟（「歐盟」），保護主義在歐洲和美國的崛起逐漸形成了對鋼鐵的反傾銷，加上黑色金屬和有色金屬去產能化，預計未來一年的全球經濟和金屬市場存在多種不明朗因素，管理層相信，透過併購與整合新收購的業務引發的協同效應，本集團於二零一七年的表現仍具長遠展望。

隨著二零一六年全球金屬價格從底部反彈，本集團的收益繼續錄得增長，由二零一五年約3,136,633,000港元增至二零一六年約3,211,431,000港元，增幅為2.4%；而年內撥回存貨回撥約75,982,000港元，導致於二零一六年的毛利約為218,582,000港元，二零一五年則為毛損45,276,000港元。年內，本集團繼續錄得本公司擁有人應佔淨虧損約439,893,000港元，二零一五年則錄得約1,138,804,000港元。由於在二零一六年的併購，法律及專業費用開支由二零一五年的約10,430,000港元增至二零一六年的約106,580,000港元；此外，由於政治變動導致主要貨幣在年內大幅波動，匯兌損失由二零一五年約112,012,000港元增至二零一六年約298,192,000港元。



Workshop (2) Shovel loader shovels motors into hopper  
工作間(2)鏟車將電機鏟入料斗



Workshop (2) Shovel loader shovels motors  
工作間(2)鏟車將電機鏟入料斗

## BUSINESS REVIEW (continued)

With a number of unforeseeable circumstances impacting the global metal scrap market, mixed metal scrap purchase by the Group remained at a relatively low level during the year, which was comparable to that recorded in 2015. The Group sold in aggregate over 469,900 tonnes of processed products within its three business segments throughout the year. This represents a slight increase of 0.97% when compared to the 465,400 tonnes sold in 2015.

During the year, the Group continued to follow its usual practices of consistently buying mixed metal scrap and selling its recycled products in accordance with its processing ability so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

Basic loss per share attributable to owners of the Company amounted to HK\$0.27 in 2016 (2015: Basic loss per share HK\$0.82).

## 業務回顧(續)

隨著若干不可預見情況影響全球廢金屬供應，於年內，本集團購得的混合廢金屬的採購量仍較低，與二零一五年所錄得的低水平相約。本集團在整個年度合共售出旗下三個業務分部的加工產品超過469,900噸，較二零一五年所售出的465,400噸稍增0.97%。

年內，本集團繼續秉承一貫做法，根據自身的加工能力，持續買入混合廢金屬並出售其再生產品，以減低價格波動對本集團整體表現的短期影響。

於二零一六年，本公司擁有人應佔每股基本虧損為0.27港元(二零一五年：每股基本虧損0.82港元)。

## BUSINESS REVIEW (continued)

### Our Procurement Network

The Group is still one of major importers of mixed metal scrap used for recycling, reuse and processing in terms of the total import volume as approved by the Ministry of Environmental Protection in the People's Republic of China (the "PRC"). The Group developed a strong international procurement network with established and developed suppliers, covering Europe, North America, Oceania and the Middle East, which were the key to our past success. Currently, we are expanding our procurement network in East Asia for the purposes of expanding the purchase volume of mixed metal and developing new varieties of renewable resources recycling process. Looking forward, upon the completion of acquisition of the entire share capital of Scholz Holding GmbH ("Scholz Holding" and together with its subsidiaries, "Scholz Group") in Germany, the sales and operation network of the Group will cover China, Hong Kong, Germany, Poland, Austria, Czech Republic, Romania, the Balkans and North America (including Mexico). We believe this will largely reduce the transportation costs and time, diversify the supply of mixed metal scrap, as well as lower the impact of the volatility of global commodity price on the Group's profitability.

### Our sales

In 2016, a majority of our sales were made to customers located and based in the PRC. As our recycled metals products are raw materials by nature for which there is a ready market, as long as our selling price is in line with the market price, our customers select us mainly for our good credibility and steady supply of quality recycled metal products.

### Corporate and Business Development

With a strong presence in our Hong Kong operation since 2012, the Company believes that the Group is now in a well-placed position to establish a more diversified scrap metal and electronic waste processing platform in Hong Kong.

With regard to the Group's investment in establishing new processing facilities in the Development Zone in Yantai City, the PRC, we acquired a piece of land near our existing processing facilities in the Development Zone in Yantai City in preparation of expanding our production capacity of recycled metals in the future.

## 業務回顧(續)

### 本集團的採購網絡

按中華人民共和國(「中國」)環境保護部核定的進口總量計算，本集團仍是將混合廢金屬進口作回收、循環再用及加工用途的主要進口商之一。本集團與歐洲、北美、大洋洲及中東地區各地發展成熟的供應商建立強大的國際採購網絡，這是我們以往成功的關鍵。目前，我們正在拓展我們的採購網絡至東亞地區，旨在擴大混合金屬的採購總量及開發新的再生資源的回收加工品種。展望未來，完成收購德國的Scholz Holding GmbH順爾茨控股有限公司\*(「順爾茨控股」，連同其子公司統稱「順爾茨集團」)的全部股本，本集團的銷售和運營網絡將覆蓋中國、香港、德國、波蘭、奧地利、捷克共和國、羅馬尼亞、巴爾幹半島國家、以及北美洲(包括墨西哥)。我們相信此舉有望大幅降低運輸成本及時間，開拓混合廢金屬供應，亦有助於減少全球商品價格波動對本集團盈利能力的影響。

### 我們的銷售

於二零一六年，我們大部分的銷售乃出售予位於並以中國為基地的客戶。由於我們的再生金屬產品屬原材料性質並且已具備市場(只要我們的售價與市場價格一致)，客戶選擇我們的主要原因乃基於我們的良好信譽，及穩定供應具高質素的再生金屬產品。

### 企業及業務發展

自二零一二年起本公司於香港奠定強大業務實力，本公司相信本集團現已準備就緒，務求在香港成立一個更多元化的廢金屬及電子廢物加工平台。

有關本集團於中國煙台市開發區投資建立新加工設施，我們收購了一幅鄰近煙台市開發區現有加工設施的地塊，以籌備擴大日後再生金屬的產能。

### BUSINESS REVIEW (continued)

#### Corporate and Business Development (continued)

In January 2016, our acquisition of 60% effective equity interest in Yantai Liheng Environmental Protection Technology Co., Ltd.\* (煙台立衡環保科技有限公司) was completed. It is intended to obtain the production permit and other necessary permits to start renewable oil operations progressively in 2017. For details, please refer to the announcement of the Company dated 1 December 2014, 29 May 2015 and 27 January 2016, respectively.

In March 2016, our acquisition of 100% equity interest in Dalian New Green Recycle & Resources Corporation\* (大連新綠再生資源加工有限公司) by way of the allotment and issue of 31,037,585 consideration shares to Suzuki Shokai Co., Ltd. and ITOCHU Corporation, a company listed on Tokyo stock exchange, was completed. ITOCHU Corporation holds approximately 1.77% in the issued share capital of the Company through its wholly-owned subsidiary, TCI Ltd., and has become a strategic investor that provides the Group with additional sourcing capabilities in East Asia, especially in Japan. The Group has launched trade business with ITOCHU Corporation and explored opportunities for strategic partnership or cooperation. For details, please refer to the announcement of the Company dated 19 June 2015, 21 August 2015, 30 December 2015 and 21 March 2016, respectively.

Starting from April 2016, the Group had taken a series of actions in respect of the acquisition of the entire share capital of Scholz Holding and its reorganisation, which included the acquisition of the German debt of Scholz Group and the provision of bridging loans to Scholz Group. In June 2016, the Company completed the assumption of lenders' rights and obligations under the Credit Agreement (as defined in the announcement of the Company dated 2 June 2016) in respect of the U.S. revolving credit facilities of Scholz Group at a consideration of US\$16,760,000 (equivalent to approximately HK\$130,230,000), bought the German debt of Scholz Group with a face value of approximately EUR524,000,000 (equivalent to approximately HK\$4,660,000,000) at an initial purchase price of approximately EUR236,000,000 (equivalent to approximately HK\$2,100,000,000); further, the Group also set aside EUR20,000,000 (equivalent to approximately HK\$178,000,000) as an assistance for Scholz Holding to repay the 8.5% coupon bond, initially issued by Scholz Holding on 8 March 2012 and governed by the laws of Austria, with a value of EUR150,000,000 (equivalent to approximately HK\$1,335,000,000) and subsequently increased to EUR182,500,000 (equivalent to approximately HK\$1,624,250,000).

#### 業務回顧(續)

##### 企業及業務發展(續)

於二零一六年一月，我們透過一家非全資擁有子公司，已完成收購煙台立衡環保科技有限公司60%實際股權。我們有意在二零一七年取得生產許可證及其他必須許可，逐步開展再生油經營。詳情請參閱本公司日期分別為二零一四年十二月一日、二零一五年五月二十九日及二零一六年一月二十七日之公告。

於二零一六年三月，我們已完成透過向鈴木商會株式會社及伊藤忠商事株式會社(東京證券交易所上市公司)配發及發行31,037,585股代價股份收購大連新綠再生資源加工有限公司100%股權。伊藤忠商事株式會社透過其全資子公司TCI Ltd.持有本公司已發行股本約1.77%，並成為我們的戰略投資者，為本集團提供於東亞(尤其是日本)的額外採購能力。本集團已開展與伊藤忠商事株式會社的貿易業務，發掘戰略合夥或合作的機會。詳情請參閱本公司日期分別為二零一五年六月十九日、二零一五年八月二十一日、二零一五年十二月三十日及二零一六年三月二十一日之公告。

自二零一六年四月以來，本集團對順爾茨控股的全部股本收購和重組採取一系列步驟，包括收購順爾茨集團的德國債務及為其提供過渡貸款。於二零一六年六月，本公司完成自貸款人處承接順爾茨集團的有關美國循環信貸融資的信貸協議下的權利和義務(定義見本公司日期為二零一六年六月二日之公告)，代價為16,760,000美元(約等於130,230,000港元)；按初始購買價約236,000,000歐元(約等於2,100,000,000港元)購買面額約524,000,000歐元(約等於4,660,000,000港元)順爾茨集團的德國債務；此外，本集團亦撥出20,000,000歐元(約等於178,000,000港元)，以協助順爾茨控股償還最初由順爾茨控股於二零一二年三月八日發行及受奧地利法律管治的150,000,000歐元(約等於1,335,000,000港元)及隨後增至182,500,000歐元(約等於1,624,250,000港元)的8.5%債券。

## BUSINESS REVIEW (continued)

### Corporate and Business Development (continued)

The Group became the largest debtholder of Scholz Group in July 2016. In the same month, the Company approved the provision of a bridging loan of up to EUR80,000,000 (equivalent to approximately HK\$712,000,000) to Scholz Recycling GmbH & Co. KG, a member of Scholz Group, the amendment and extension of the maturity of the German debt and partial discharge of such debt.

In August 2016, the maturity dates of German debt were amended together with a partial release of approximately EUR224,000,000 (equivalent to approximately HK\$2,000,000,000) of German debt plus interest. In the same month, the Group acquired a loan of EUR60,000,000 (equivalent to approximately HK\$534,000,000) from Scholz Beteiligungsgesellschaft at a nominal consideration of EUR1 (equivalent to approximately HK\$8.9) and immediately waived such loan.

Upon completion of above procedures, the unaudited pro forma consolidated net liabilities position and gearing ratio of Scholz Group as at 30 June 2016 were significantly improved from EUR630,500,000 (equivalent to approximately HK\$5,600,000,000) to EUR143,000,000 (equivalent to approximately HK\$1,300,000,000) and from 142.8% to 65.3%, respectively.

In December 2016, the Group completed the acquisition of the entire share capital of Scholz Holding at a cash consideration of EUR1 (equivalent to approximately HK\$8.9).

## 業務回顧(續)

### 企業及業務發展(續)

於二零一六年七月，本集團成為順爾茨集團的最大債務持有人。同月，本公司落實提供最多80,000,000歐元(約等於712,000,000港元)的過渡貸款給予順爾茨集團的成員公司 Scholz Recycling GmbH Co., KG，修訂及延長順爾茨控股的德國債務到期日及部分用於解除該項債務。

於二零一六年八月，德國債務之到期日已予修訂，連同解除部分約224,000,000歐元(相當於約2,000,000,000港元)之德國債務加利息。於同月，本集團按象徵式代價1歐元(約等於8.9港元)向 Scholz Beteiligungsgesellschaft 收購及即時豁免一筆60,000,000歐元(約等於534,000,000港元)之貸款。

完成上述程序後，順爾茨集團於二零一六年六月三十日之未經審核備考綜合負債淨額狀況及資本負債比率大幅改善，分別由630,500,000歐元(約等於5,600,000,000港元)改善至143,000,000歐元(約等於1,300,000,000港元)及由142.8%改善至65.3%。

於二零一六年十二月，本集團完成以現金代價為1歐元(約等於8.9港元)收購順爾茨控股的全部股本。

#### BUSINESS REVIEW (continued)

##### Corporate and Business Development (continued)

Scholz Holding is the holding company of a global network of companies and affiliates in the business of treating and processing scrap metals, and is one of the largest European-based global network of companies and affiliates active in this industry. Founded in 1872, Scholz Group provides all steps in recycling metal and scrap metals and is a one-stop shop, from collecting, gathering, sorting, and processing the material to its sale, utilisation, and recirculation. Scholz Group is among one of the process and technology leaders in recycling of ferrous and non-ferrous metals. In 2016, Scholz Group sold around 4 million tonnes of ferrous and non-ferrous scrap through its business activities in Europe, North- and Central-America. Scholz Group has an international network of over 200 collecting and processing yards. Upon completion, utilising the strong international network and advanced technological competence from Scholz Group, the Group can reduce its operation costs with stable and economical upstream raw material supplies from European and American markets, gain access to world leading end-of-life vehicle dismantling and processing technologies and further expand its customer base by tapping into the international customer network of Scholz Group. The resultant synergy for the business of the Group should help the Group develop into a leading mixed metal recycler in the world. For further details, please refer to the announcements of the Company dated 2 May 2016, 13 May 2016, 2 June 2016, 3 June 2016, 24 June 2016, 28 June 2006, 20 July 2016, 22 July 2016, 25 July 2016, 27 July 2016, 3 August 2016, 5 August 2016, 12 August 2016, 30 August 2016, 31 August 2016, 8 November 2016, 15 December 2016 and 16 December 2016, respectively, and the circulars of the Company dated 22 August 2016 and 22 November 2016, respectively.

Looking forward, the Group will adhere to the promise of further expanding the processing capacity of metal recycler facilities to strengthen its major operation of green recycled metal. The Company believes that recycled metal is an industry encouraged by the Chinese Government. The Group will continue to utilise the existing production facilities in Taizhou, Yantai and Hong Kong and generate business synergy for the Group with the acquisition of Scholz Holding.

#### 業務回顧(續)

##### 企業及業務發展(續)

順爾茨控股是一間從事廢金屬處理及加工業務的全球公司及分支機構網絡的控股公司，且為業內以歐洲為基地的全球最大公司和分支機構網絡之一。順爾茨集團成立於一八七二年，提供再生金屬及廢金屬的所有工序，形成從物料收集、集中、分類及加工至銷售、使用及再循環的一站式體系。順爾茨集團為回收黑色及有色金屬的加工及技術領先企業之一。於二零一六年，順爾茨集團透過其於歐洲、北美洲及中美洲的業務活動銷售約4,000,000噸黑色及有色廢金屬。順爾茨集團擁有超過200個收集及加工廠的全球網絡。收購完成後，通過順爾茨集團的強大國際網絡及先進技術能力，本集團不僅能獲得來自歐美市場穩定、廉價的上游原材料供應以降低其業務成本，亦可獲得全球領先的廢舊汽車拆解及加工技術，並利用順爾茨集團國際客戶網絡進一步擴大其自身客戶群體。為本集團帶來業務協同效應，有助於將本集團躋身為全球領先的混合金屬再生企業。更多詳情請參閱本公司日期分別為二零一六年五月二日、二零一六年五月十三日、二零一六年六月二日、二零一六年六月三日、二零一六年六月二十四日、二零一六年六月二十八日、二零一六年七月二十日、二零一六年七月二十二日、二零一六年七月二十五日、二零一六年七月二十七日、二零一六年八月三日、二零一六年八月五日、二零一六年八月十二日、二零一六年八月三十日、二零一六年八月三十一日、二零一六年十一月八日、二零一六年十二月十五日及二零一六年十二月十六日之公告及本公司日期分別為二零一六年八月二十二日及二零一六年十一月二十二日之通函。

展望將來，本集團保持承諾進一步擴大金屬再生設施的加工能力，以進一步加強其環保再生金屬的主要業務，本公司相信再生金屬亦為中國政府鼓勵發展的行業。本集團將繼續利用於台州、煙台及香港的現有生產設施，並通過收購順爾茨控股將為本集團帶來業務協同效應。

## BUSINESS REVIEW (continued)

### Prospect

With the acquisition of Scholz Holding, the Group extended its business footprint worldwide. Given access to the strong global network and technological expertise of Scholz Group, the Group will be able to secure stable upstream material supplies from Europe and the United States and access to one of the world's best end-of-life vehicle dismantling and processing technologies. The Group will leverage the expanded clientele in Europe and the United States to cement its market position as one of the global leaders in metals recycling.

The Group is also focusing on the development of urban mining in China. Metal recycling is fundamental in reducing society's dependency of the mining of primary resources from the earth, which not only bring environmental concern but also pollution. The Group aims to deploy its knowhow into the sustainable development of global economy.

The Group will continue to explore new business and investment opportunities globally, including, without limitation, investments in electronic waste recycling, scraped cars disassembling and auto parts re-manufacturing, as well as to expand its current business in the metal recycling industry in order to achieve satisfactory returns to the shareholders of the Company.

The Group considers it has good prospects of developing its business with careful execution of its business plans. The management team will continue to place its efforts on the global business development of the Group with stronghold in markets around the world.

### 業務回顧(續)

#### 展望

收購順爾茨控股後，本集團的業務足跡得以擴張至全球。得力於順爾茨集團覆蓋全球的網絡及技術專長，本集團將可得到來自歐洲及美國的穩定上游原材料供應，並獲取世上其中一項最頂尖的廢舊汽車拆卸及處理技術。本集團將把握歐美客戶基礎有所擴闊的優勢，進一步確立其作為全球主要金屬再生業者之一的市場地位。

本集團的另一重點發展為中國城市採礦項目。金屬再生是減少社會依賴開發地球天然資源的基礎，開發天然資源不僅造成環境問題，亦帶來污染。本集團致力運用其技術知識促進全球經濟可持續發展。

本集團將繼續在全世界探索新的商業及投資機遇，包括但不限於投資電子廢物循環再造、廢舊汽車拆解及汽車零件再生產，以及拓闊其現有金屬再生業務，力求為本公司股東帶來滿意的回報。

憑藉謹慎細心地執行業務計劃，本集團認為其發展前景良好。管理團隊將繼續盡心竭力推進本集團的全球業務發展，力爭在世界各地市場立下穩固基礎。

## BUSINESS REVIEW (continued)

## Subsequent Events

On 1 March 2017, the Company redeemed all outstanding five-year 4% coupon convertible bonds (the “Convertible Bonds”) due 2017 in the aggregate initial principal amount of HK\$815,800,000 and the aggregate amount paid by the Company for the redemption of all of the remaining outstanding Convertible Bonds is approximately HK\$115,000,000. All the certificates of the Convertible Bonds have been cancelled immediately upon the redemption. For further details, please refer to the announcements of the Company dated 17 January 2012, 1 March 2012, 5 March 2012, 18 March 2012 and 1 March 2017, respectively and the circulars of the Company dated 8 February 2012 and 11 April 2015, respectively.

The Company repurchased a total of 8,970,000 Shares on the Stock Exchange at a total consideration of HK\$42,710,707.2 in April 2017 (up to the Latest Practicable Date). All the repurchased shares have not yet been cancelled as at the Latest Practicable Date. Particulars of the repurchases are as follows:

Date of repurchase 購回日期	Number of ordinary shares repurchased 已購回普通股股數目	Repurchasing price for each share 每股購回價		Total consideration paid 已付總代價 HK\$ 港元
		Highest 最高價 HK\$ 港元	Lowest 最低價 HK\$ 港元	
12 April 2017 二零一七年四月十二日	2,830,000	4.53	3.91	11,876,480.80
13 April 2017 二零一七年四月十三日	1,384,000	4.80	4.30	6,395,500.20
18 April 2017 二零一七年四月十八日	846,000	5.10	4.75	4,134,802.60
19 April 2017 二零一七年四月十九日	3,910,000	5.27	4.82	19,763,923.60
Total: 總計：	8,970,000			42,710,707.20

## 業務回顧(續)

## 結算日後事項

於二零一七年三月一日，本公司贖回所有餘下的4%票息五年期可換股債券(「可換股債券」)，可換股債券於二零一七年到期，初始本金總額為815,800,000港元。本公司就贖回所有餘下的可換股債券所支付的總金額約為115,000,000港元。所有可換股債券證書於贖回後均已即時被註銷。有關贖回的其他詳情，請參閱本公司日期為二零一二年一月十七日、二零一二年三月一日、二零一二年三月五日、二零一二年三月十八日及二零一七年三月一日之各份公告，以及二零一二年二月八日及二零一五年四月十一日之本公司通函。

本公司於二零一七年四月(直至最後可行日期)在聯交所購回合共8,970,000股股份，總代價為42,710,707.2港元。於最後可行日期，所有已購回股份尚未註銷。購回的詳情載列如下：



## FINANCIAL REVIEW

### Revenue

The Group recorded revenue of approximately HK\$3,211,431,000 for the year ended 31 December 2016, compared to approximately HK\$3,136,633,000 in 2015, representing an increase by approximately HK\$74,798,000, or 2.4%. The slight increase was mainly attributable to the average selling prices of our recycled metal products bounced from bottom since the fourth quarter of 2016.

### Cost of sales

For the year ended 31 December 2016, the cost of sales amounted to approximately HK\$2,992,849,000, representing a decrease of approximately HK\$189,060,000, or 5.9%, from approximately HK\$3,181,909,000 in 2015. The decrease was contributed by the global commodity prices at the relatively low price in the first to third quarter of 2016.

### Gross profit

Gross profit for the year ended 31 December 2016 was approximately HK\$218,582,000 when compared to that of gross loss of approximately HK\$45,276,000 recorded in 2015. The turnaround was contributed by the increase in average selling prices which was offset by the decrease in the cost of raw materials (mainly cost of recycled metals) for the year ended 31 December 2016.

### Distribution and selling expenses

Distribution and selling expenses for the year ended 31 December 2016 amounted to approximately HK\$15,166,000 (2015: approximately HK\$9,785,000), representing an increase of approximately 55.0%. This was mainly due to an increase in selling activities in Hong Kong and the PRC during the year.

### Administrative expenses

Administrative expenses increased by approximately HK\$150,917,000, or 105.8%, from approximately HK\$142,604,000 in 2015 to approximately HK\$293,521,000 for the year ended 31 December 2016. This was mainly due to the increase in legal and professional expenses mainly for the merger and acquisition, and re-engineering of existing operations, staff costs, and rental expenses as well as operating related contributions.

## 財務回顧

### 收益

本集團截至二零一六年十二月三十一日止年度錄得收益約3,211,431,000港元，而二零一五年則約為3,136,633,000港元。增幅約為74,798,000港元，或2.4%。輕微增長主要是由於再生金屬產品的平均售價於二零一六年第四季度從低位反彈所致。

### 銷售成本

截至二零一六年十二月三十一日止年度，銷售成本為約2,992,849,000港元，較二零一五年約3,181,909,000港元減少約189,060,000港元或5.9%。該減幅是由於二零一六年第一至第三季度的全球商品價格均維持於較低水平。

### 毛利

截至二零一六年十二月三十一日止年度的毛利約為218,582,000港元，二零一五年則錄得毛損約45,276,000港元。截至二零一六年十二月三十一日止年度轉虧為盈乃由於平均售價增加，惟已被原料成本(主要為再生金屬成本)減少所抵銷。

### 分銷及銷售開支

截至二零一六年十二月三十一日止年度，分銷及銷售開支約為15,166,000港元(二零一五年：約9,785,000港元)，增加約55.0%。主要由於年內香港及中國的銷售活動增加所致。

### 行政開支

行政開支增加約150,917,000港元或105.8%，由二零一五年約142,604,000港元增至截至二零一六年十二月三十一日止年度約293,521,000港元，此乃主要由於主要為併購及重組現有業務之法律及專業費用開支、員工成本及租金開支以及經營相關貢獻增加所致。

### FINANCIAL REVIEW (continued)

#### Other income

Other income increased by approximately HK\$6,544,000, or 75.2%, from approximately HK\$8,697,000 in the year 2015 to approximately HK\$15,241,000 for the year ended 31 December 2016. This was mainly because the dividend income received from the held for trading investments on the listed equity securities during the year.

#### Other losses, net

Other losses decreased significantly by approximately HK\$515,619,000, or 60.6% from approximately HK\$850,678,000 in 2015 to approximately HK\$335,059,000 for the year ended 31 December 2016. During the year, other losses were mainly derived from a loss on fair value changes of financial assets at fair value through profit or loss of approximately HK\$105,279,000 and net foreign exchange losses of approximately HK\$298,192,000, mainly arising from the depreciation of Euro against the Hong Kong Dollar and Renminbi against the U.S. Dollar, which partially overcome the loss by a gain on bargain purchase on acquisition of a subsidiary of approximately HK\$88,940,000 was recorded. In the last financial year, other losses were mainly derived from a fair value changes of derivative financial instruments relating to various metals futures contracts of approximately HK\$387,257,000, the net foreign exchange loss of approximately HK\$112,012,000 mainly arising from the depreciation of Renminbi against the U.S. Dollar and an accounting loss of approximately HK\$305,463,000 derived from the loss on fair value change of embedded derivative components of the convertible bonds of the Company arose from a non-cash accounting treatment solely for the purpose of complying with HKFRS.

#### Finance income

Finance income increased by approximately HK\$34,028,000, or 245.0%, from approximately HK\$13,890,000 in 2015 to approximately HK\$47,918,000 for the year ended 31 December 2016. This was mainly because the interest income received from the loan to Scholz Group in pre-acquisition and from the fixed return investment carries fixed interest at 7% per annum.

#### Finance costs

Finance costs decreased by approximately HK\$35,377,000, or 30.1%, from approximately HK\$117,383,000 in 2015 to HK\$82,006,000 for the year ended 31 December 2016. This was mainly due to a decrease in effective interest expenses on a convertible bond due to the conversion of a convertible bond during 2016.

### 財務回顧(續)

#### 其他收入

其他收入增加約6,544,000港元或75.2%，由二零一五年約8,697,000港元增至截至二零一六年十二月三十一日止年度約15,241,000港元，此乃主要由於年內收到持作買賣之投資上市股本證券的股息收入。

#### 其他虧損淨額

其他虧損由二零一五年約850,678,000港元大幅減少約515,619,000港元或60.6%至截至二零一六年十二月三十一日止年度約335,059,000港元。年內，其他虧損主要源於透過損益按公平值計入財務資產之公平值變動虧損約105,279,000港元及外幣匯兌虧損淨額約298,192,000港元，主要由於歐羅兌港元及人民幣兌美元匯率下降所致，部分已被收購子公司錄得之議價購買收益約88,940,000港元抵銷。於上一財政年度，其他虧損主要源於與不同金屬期貨合約有關的衍生金融工具之公平值變動約387,257,000港元，外匯虧損淨額約112,012,000港元，乃主要由於人民幣兌美元貶值，以及僅為符合香港財務報告準則作出的非現金會計處理導致本公司可換股債券嵌入式衍生部分公平值虧損出現會計虧損約305,463,000港元。

#### 財務收入

財務收入由二零一五年約13,890,000港元增加約34,028,000港元或245.0%至截至二零一六年十二月三十一日止年度約47,918,000港元，此乃主要由於向順爾茨集團(收購前)貸款所收之利息收入及來自按固定年利率7%計息的固定回報投資。

#### 財務成本

財務成本減少約35,377,000港元或30.1%，由二零一五年約117,383,000港元減至截至二零一六年十二月三十一日止年度的82,006,000港元，此乃主要由於二零一六年兌換可換股債券導致可換股債券的實際利息開支減少所致。

## FINANCIAL REVIEW (continued)

## Loss for the year

As a result of the factors discussed above, the Company incurred a net loss for the year ended 31 December 2016 of approximately HK\$443,184,000, as compared to a net loss of approximately HK\$1,144,021,000 in 2015. The overall decrease in net loss was mainly due to the turnaround of gross profits, significant drop of the loss on fair value change of embedded derivative components of Convertible Bonds of the Company arising from a non-cash accounting treatment solely for the purpose of complying with HKFRS; and reduce in net finance costs.

## Key Financial Ratios

The following table sets forth certain of our financial ratios as of the date for the periods indicated:

Liquidity Ratios	流動資金比率	At	At
		31 December 2016 於二零一六年 十二月三十一日	31 December 2015 於二零一五年 十二月三十一日
Current ratio	流動比率	1.22	3.32
Quick ratio	速動比率	0.87	2.66
Gearing ratio (%)	資產負債比率(%)	44.15	22.53
		Year ended 31 December 2016 截至二零一六年 十二月三十一日 止年度	Year ended 31 December 2015 截至二零一五年 十二月三十一日 止年度
Inventory turnover days <sup>#</sup>	存貨周轉日數 <sup>#</sup>	132	120
Debtor's turnover days <sup>#</sup>	應收賬周轉日數 <sup>#</sup>	4	11
Creditor's turnover days <sup>#</sup>	應付賬周轉日數 <sup>#</sup>	19	13

<sup>#</sup> These financial ratio were normalised to exclude the impacts from the very substantial acquisition in December 2016.

## 財務回顧(續)

## 年內虧損

由於上文所討論的因素，本公司截至二零一六年十二月三十一日止年度產生淨虧損約443,184,000港元，二零一五年的淨虧損則約為1,144,021,000港元。淨虧損的整體減少主要由於毛利轉虧為盈，僅為符合香港財務報告準則作出的非現金會計處理導致本公司可換股債券嵌入式衍生部分的公平值變動出現的虧損大幅減少，以及財務成本淨額減少所致。

## 關鍵財務比率

下表載列於所示日期及期間本公司的若干財務比率：

<sup>#</sup> 該等財務比率已撇除二零一六年十二月本集團非常重大收購事項之影響以取得正常數值。

### FINANCIAL REVIEW (continued)

#### Liquidity and Financial Resources and Capital Structure

The net current assets which included cash and various bank balances and margin deposits amounted to approximately HK\$2,079.4 million as at 31 December 2016 (31 December 2015: approximately HK\$3,717.7 million). The decrease was mainly due to the proceeds paid for the equity acquisition of Scholz Holding, also including the acquisition of the German Debt and US Debt of and provision of Bridging Loan to Scholz Group, certain restructuring steps and related costs incurred, which aggregated to approximately HK\$3,031.1 million. Total borrowings (including amounts due to the immediate holding company and an intermediate holding company) were approximately HK\$5,241.4 million as at 31 December 2016 (31 December 2015: approximately HK\$1,360.3 million), and those were mainly utilised for the purchase of mixed recycle metal from overseas. Such borrowings were mainly denominated in Euro, U.S. Dollar and Renminbi. Approximately HK\$638.1 million (31 December 2015: approximately HK\$762.1 million) of bank borrowings are at fixed interest rates.

The gearing ratio of the Group as at 31 December 2016 was 44.1% (31 December 2015: 22.5%) which is calculated based on the total borrowings over total assets. The increase was mainly due to note payable from holding company of approximately HK\$1,465 million and the increase in bank and other external borrowings.

Debtor's turnover days decreased from 11 days for the year ended 31 December 2015 to 4 days for the year ended 31 December 2016 and the creditor's turnover increased from 13 days for the year ended 31 December 2015 to 19 days for the year ended 31 December 2016.

Inventory turnover days increased from 120 days for the year ended 31 December 2015 to 132 days for the year ended 31 December 2016.

#### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2016, we had pledged certain plant and buildings, land use rights, bank deposits, inventories and trade receivables with an aggregate carrying value of approximately HK\$3,446.2 million (31 December 2015: approximately HK\$445.8 million) to secure bank borrowings.

### 財務回顧(續)

#### 流動資金及財務資源及資本架構

淨流動資產包括現金及多項銀行結餘及保證金，於二零一六年十二月三十一日為數約2,079,400,000港元(二零一五年十二月三十一日：約3,717,700,000港元)。有關跌幅乃主要由於就收購順爾茨控股股本所支付的款項，亦包括收購順爾茨集團的德國債務及美國債務以及為其提供過渡貸款、若干重組步驟及所產生相關成本，合共約為3,031,100,000港元。借貸總額(包括結欠直接控股公司及中間控股公司款項)於二零一六年十二月三十一日約為5,241,400,000港元(二零一五年十二月三十一日：約1,360,300,000港元)，該等金額主要用於購買海外混合再生金屬。有關借款主要以歐元、美元及人民幣計值。約638,100,000港元(二零一五年十二月三十一日：約762,100,000港元)之銀行借貸按固定利率計息。

本集團於二零一六年十二月三十一日的資產負債比率為44.1%(二零一五年十二月三十一日：22.5%)(根據借款總額除以資產總值計算)。有關增幅主要由於來自控股公司的應付票據約1,465,000,000港元及銀行及其他外部借貸增加所致。

應收賬周轉日數由截至二零一五年十二月三十一日止年度的11日減少至截至二零一六年十二月三十一日止年度的4日，而應付賬周轉日數由截至二零一五年十二月三十一日止年度的13日增加至截至二零一六年十二月三十一日止年度的19日。

存貨周轉日數由截至二零一五年十二月三十一日止年度的120日增加至截至二零一六年十二月三十一日止年度的132日。

#### 資本承擔及或然負債

於二零一六年十二月三十一日，我們抵押賬面總值約3,446,200,000港元的若干廠房及樓宇、土地使用權、銀行存款、存貨及貿易應收款項(二零一五年十二月三十一日：約445,800,000港元)，以為銀行借貸作擔保。

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

As at 31 December 2016, we had capital commitments in respect of acquisition of a subsidiary, property, plant and equipment, prepaid lease payments, additions in construction in progress and formation of subsidiaries but not provided for in the consolidated financial statements amounted to approximately HK\$129.9 million (31 December 2015: approximately HK\$519.0 million).

Save as disclosed below, the Board is not aware of any material contingent liabilities.

The Group has contingent liabilities of approximately HK\$27,460,000 which consist of non-financial guarantee in favour of investee entities.

A writ of summons was issued by Delco Participation B.V. ("Delco"), as plaintiff on 21 December 2015 in the High Court of Hong Kong (High Court Action No. 3040 of 2015, "HCA 3040/2015") against the Company as defendant for a sum of HK\$57,827,118 together with interest and costs. The claim relates to an alleged non-payment of a portion of the loans advanced by Delco Asia Company Limited ("Delco Asia") to subsidiaries of the Company in accordance with the terms of a shareholders loan assignment and capitalisation agreement dated 24 June 2010 between, amongst others, Delco Asia and the Company. Delco alleged that it acquired all the assets and receivables of Delco Asia pursuant to an assets & liabilities transfer agreement dated 3 October 2011 between itself and Delco Asia. The Company gave notice of intention to contest the proceedings on 4 January 2016. The Company filed its defence on 23 September 2016 and further filed its amended defence on 13 December 2016 after Delco added Mr. Fang Ankong ("Mr. Fang") as a defendant to the proceedings. The case is still in progress.

Each of Mr. Fang, a former director of the Company, and HWH Holdings Limited ("HWH"), undertook to the Company to indemnify and hold harmless on demand (on an after-tax basis) the Company against all losses arising out of, inter alia, HCA 3040/2015 in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015. Further, HWH has also agreed that a sum including the amount of HK\$57,827,118 be held in escrow as security for any liability of the Company in respect of, inter alia, HCA 3040/2015.

Whilst the Board does not consider HCA 3040/2015 to be a claim of material importance for the reasons set out above, details of HCA 3040/2015 are disclosed herein for the sake of completeness.

## 資本承擔及或然負債(續)

於二零一六年十二月三十一日，我們就有關子公司、收購物業、廠房及設備以、預付租金、添置在建工程及成立子公司已訂約但未於綜合財務報表計提撥備的資本開支約為129,900,000港元(二零一五年十二月三十一日：約519,000,000港元)。

除下文披露者外，就董事會所知，概無任何重大或然負債。

本集團的或然負債包括被投資實體為受益人的非金融擔保為約27,460,000港元。

Delco Participation B.V. (「Delco」) 作為原告於二零一五年十二月二十一日有關本公司作為被告索償57,827,118港元連同利息及成本向香港高等法院提交訴狀(高院案例2015年第3040號，「HCA3040/2015」)。該索償是聲稱未根據(其中包括)Delco Asia Company Limited (「Delco Asia」) 與本公司於二零一零年六月二十四日訂立的股東貸款轉讓及資本化條款支付Delco Asia向本公司子公司墊付貸款的部分款項有關。Delco稱其已根據其與Delco Asia於二零一一年十月三日的資產及負債轉讓協議收購Delco Asia的全部資產及應收款項。本公司於二零一六年一月四日發出有意質疑訴訟的通知。本公司於二零一六年九月二十三日提出抗辯，再於二零一六年十二月十三日在Delco將方安空先生(「方先生」)加為法律程序的被告後提出經修訂抗辯。案件仍在進行中。

方先生(本公司前任董事)及HWH Holdings Limited (「HWH」) 各自向本公司承諾，根據方先生與HWH以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款，彌償本公司因其中包括HCA 3040/2015產生的所有損失及使本公司不受到損失(按除稅後基準)。此外，HWH亦同意，信託持有的包括57,827,118港元的款項金額作為本公司有關(其中包括)HCA 3040/2015的任何責任的擔保。

而董事會因上文所載理由認為HCA 3040/2015並非重大申索，於文件中披露HCA3040/2015的詳情僅為保持完整。

#### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

A writ of summons was issued by Delco as plaintiff on 10 November 2016 in the High Court of Hong Kong (High Court Action No. 2939 of 2016, "HCA 2939/2016") against the Company as the 1st defendant, Chihot-Tiande (HK) Limited ("CTHK"), a wholly-owned subsidiary of the Company, as the 2nd defendant, HWH as the 3rd defendant and Mr. Fang as the 4th Defendant. So far as the Company and its subsidiaries are concerned, Delco claimed against the Company for damages for an alleged breach of a letter of undertaking dated 3 March 2015 in relation to a convertible bond issued by the Company and subscribed for by Delco on 1 March 2012. Delco further claimed against CTHK for a sum of US\$1,000,000, allegedly advanced by Delco Asia to CTHK on or around 16 April 2009. Delco further claims interests, costs and further or other relief. The Company and CTHK gave notice of the intention to contest the proceedings on 23 December 2016. The case is still in progress.

Whilst the Board does not consider HCA 2939/2016 to be a claim of material importance for the reason set out above, details of HCA 2939/2016 are disclosed herein for the sake of completeness.

With regard to the legal proceedings in the PRC between Shanghai Chihot-Tiande Resource Recycling Co., Ltd.\* (上海齊合天地再生資源有限公司) ("Shanghai JV"), an indirect 51%-owned subsidiary of the Company, and Shanghai Science and Technology Co., Ltd.\* (上海民營科技實業發展公司) in relation to certain housing and land lease contracts, disclosures have been made by the Company in its announcements dated 14 December 2012, 15 January 2014, 22 January 2014 as well as its interim reports for the six months ended 30 June 2014, 2015 and 2016 and its annual report for the year ended 31 December 2014 and 2015. On 18 December 2015, Shanghai JV applied to Shanghai High People's Court for re-trial and sought for further legal relief. On the same date, Shanghai High People's Court accepted the re-trial application. Shanghai JV received the decision from Shanghai High People's Court on 16 Feb 2017 that the re-trial has been revoked. The Company may still apply to the People's Procuratorate for advice or make a complaint to relevant authorities according to the relevant laws of the PRC. The case is still in progress.

The Board takes the view that these legal proceedings will not have any material adverse effect on the business, operations or financial results of the Group.

#### 資本承擔及或然負債(續)

Delco作為原告於二零一六年十一月十日以本公司作為第一被告；齊合天地(香港)有限公司(「齊合天地香港」，本公司全資子公司)作為第二被告；HWH作為第三被告；及方先生作為第四被告向香港高等法院提交訴狀(高院案例2016年第2939號，「HCA 2939/2016」)。據本公司及其子公司所知，Delco就指稱違反日期為二零一五年三月三日的承諾函的損害向本公司索償，內容關於二零一二年三月一日本公司發行及Delco認購可換股債券。Delco亦向齊合天地香港索償1,000,000美元，其指稱由Delco Asia於二零零九年四月十六日或前後向齊合天地香港墊付。Delco亦索償利息、費用及更多或其他濟助。本公司及齊合天地香港於二零一六年十二月二十三日發出有意質疑訴訟的通知。案件仍在進行中。

董事會因上文所載理由認為HCA 2939/2016並非重大申索，於文件中披露HCA 2939/2016的詳情僅為保持完整。

就本公司間接擁有51%的子公司上海齊合天地再生資源有限公司(「上海合營公司」)與上海民營科技實業發展公司有關若干住房及租賃合約的中國法律訴訟而言，本公司已於其日期為二零一二年十二月十四日、二零一四年一月十五日、二零一四年一月二十二日的公告及截至二零一四年、二零一五年及二零一六年六月三十日止六個月的中期報告及截至二零一四年及二零一五年十二月三十一日止年度年報中作出披露。於二零一五年十二月十八日，上海合營公司向上海高等人民法院申請複審及尋求進一步法律救濟。於同日，上海高等人民法院接受再審申請。上海合營公司於二零一七年二月十六日接獲上海高等人民法院的裁決，指再審申請被駁回。根據中國相關法例，本公司仍可向人民檢察院申請獲得意見或向相關當局投訴。案件仍在進行中。

董事會認為法律訴訟不會對本集團的業務、營運或財務業績造成任何重大不利影響。

## RISK MANAGEMENT

The Group in its ordinary course of business is exposed to market risks such as commodities price risk, foreign currencies risk, interest rate risk, credit risk and liquidity risk. The Group's risk management strategy aims to minimise the adverse effects of these risks on its financial performance.

On 29 July 2016, the Board adopted a revised version of the policy regarding dealings in metal futures contracts (the "Revised Policy") which the Board believes is more suitable for the current operating conditions of the Group. Details of which were disclosed in the Company's announcement made on the same date and the Revised Policy is available on the Company's website, [www.chiho-tiande.com](http://www.chiho-tiande.com).

As part of its foreign currency hedging strategy, the Board will closely monitor the Group's foreign currency borrowings in the view of the volatile exchange rate for Renminbi to U.S. Dollars and other currencies as a result of the reform of the Renminbi middle exchange rate quotation regime, and consider various measures to minimise the foreign currency risk.

With the relatively low interest rates in 2016, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instruments. However, the Group continues to monitor its related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

As for credit risk management, the Group continues to follow the trade practices of cash on collection from sales of most of its metal recycling products in order to minimise the carrying amounts of the financial assets in the Group's financial statements. Upon completion of the acquisition of Scholz Holding, the Group will align its credit risk management with the newly acquired group and will continue to monitor closely its trade debtors to minimise potential impairment losses.

With regard to the liquidity risk, the Group will continue to maintain a balance between the continuity of funding and flexibility through the use of bank borrowings.

## 風險管理

在日常業務過程中，本集團面對的市場風險包括商品價格風險、外匯風險、利率風險、信貸風險及流動資金風險等。我們的風險管理策略旨在減低該等風險對本集團財務表現的不利影響。

於二零一六年七月二十九日，董事會採納有關買賣金屬期貨合約的政策之修訂本（「經修訂政策」），董事會認為其較適合本集團的現行營運狀況。有關詳情載於本公司於同日刊發的公告及經修訂政策全文可於本公司網站 [www.chiho-tiande.com](http://www.chiho-tiande.com) 查閱。

根據本集團的外幣對沖策略，鑒於人民幣中間匯率報價形成機制改革，以致人民幣兌美元及其他貨幣匯率波動，因此董事會將密切監察本集團的外幣借貸，其考慮多個措施以減少外匯風險。

由於二零一六年的利率相對較低，故本集團並無訂立任何利率對沖合約或任何其他利率相關衍生金融工具。然而，本集團繼續密切監察其所面對的相關利率風險，有需要時將會考慮對沖重大利率風險。

在管理信貸風險方面，本集團大部份金屬再生產品的銷售交易一直奉行款到付貨的貿易慣例，旨在減低本集團財務報表中的金融資產賬面值。在完成收購順爾茨控股後，本集團將其信貸風險管理與新收購集團保持一致及將繼續密切監察鑄造業務的應收賬情況，以減低潛在減值虧損。

至於流動資金風險，本集團將繼續透過利用銀行借貸，在持續獲取資金與保持靈活程度之間維持平衡。

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2016, the Group had a workforce of 516 employees. In addition, we engaged approximately 1,942 separation and selection workers through local recognised contractors. We have not experienced any strikes, work stoppages or significant labor disputes which have affected its operations in the past. We have not experienced any significant difficulties in recruiting and retaining qualified staff. We continue to maintain good relationships with our employees.

The Group's total staff costs for the year was approximately HK\$185,520,000. The remuneration package of staff consists of basic salary, mandatory provident fund, insurances and other benefits as considered appropriate. Remuneration of the employees of the Group is determined by reference to the market, individual performance and their respective contribution to the Group.

The emoluments of the Directors are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonuses, are determined by the Board with reference to the Directors' duties, abilities, reputation and performance.

### INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

The Group considers that investor relations are important to a listed company. The Board believes that maintaining a good relationship with investors and keeping them up-to-date on the latest corporate communications and business development in a timely fashion would enhance transparency and strengthen corporate governance of the Group. With the support of the Board, Mr. Goh Kiah Guan, the chief investment officer of the Company, has been assigned to take responsibility for all matters relating to investor relations of the Group.

Going forward, the Company will continue to make effort to keep our investors abreast of the corporate and business developments, and to introduce the Group's strengths and strategies in order to gain support and recognition from them and also the market in general.

### 僱員及薪酬政策

於二零一六年十二月三十一日，我們共有516名僱員。此外，我們透過當地認可工頭僱用約1,942名拆解及選料工人。我們過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛。我們在招聘及挽留合資格僱員方面亦無遇到重大困難。我們與僱員一直維持良好的關係。

本集團的年內員工成本總額為約185,520,000港元。員工薪酬組合包括基本薪金、強制性公積金、保險及其他合適福利。本集團僱員的薪酬乃參考市場、個人表現及其各自對本集團貢獻而定。

董事酬金由本公司薪酬委員會推薦建議及須經董事會批准。其他酬金(包括酌情花紅)由董事會參考董事的職務、能力、名聲及表現釐定。

### 投資者關係及與股東的溝通

本集團認為，投資者關係對上市公司十分重要。董事會相信，與投資者建立良好的關係，並適時為投資者更新企業資訊及業務發展，將能提高本集團的透明度及加強企業管治。在董事會的支持下，本公司首席投資官吳健源先生已獲委派專責處理本集團的所有投資者關係相關事宜。

展望將來，本公司將繼續努力，讓我們的投資者了解企業及業務發展情況，並向投資者講解本集團的實力及策略，藉以贏取投資者及整體市場的支持及認同。



The directors of the Company (the "Director(s)") have the pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 43 to the consolidated financial statement.

An analysis of the Group's performance by operating segments for the year ended 31 December 2016 is set out in Note 5 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income of the Group on pages 92 to 93 of this Annual Report.

The Board of Directors did not recommend the payment of final dividend for the year ended 31 December 2016.

### BUSINESS REVIEW

The review of the business of the Group for the year ended 31 December 2016 is set out in sections headed "Chairman's Statement", "Management Discussion and Analysis" from pages 5 to 7 and pages 15 to 30 respectively of this Annual Report which also form part of this Directors' Report.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has implemented a number of resource conservation initiatives in its operations and workplaces. It is our strategy to gradually embed sustainability into our daily management, thus, we will continue to improve environmental sustainability measures in all our facilities. In 2016, we complied with all relevant environmental regulations in Hong Kong and the PRC that have a significant impact on the Group's business. There were no significant fines and no non-monetary sanctions for non-compliance with environmental laws and regulations during the year. Details of the above information will be set out in our environmental, social and governance report which is scheduled to be published within three months after the issuance of this annual report.

本公司董事(「董事」)欣然提呈彼等的報告及本集團截至二零一六年十二月三十一日止年度的經審核綜合財務報表。

### 主要業務及地區之營運分析

本公司為一間投資控股公司。主要附屬公司的主要業務載於綜合財務報表附註43。

以經營分部分分析本集團截至二零一六年十二月三十一日止年度的表現載於綜合財務報表附註5。

### 業績及溢利分配

本公司截至二零一六年十二月三十一日止年度業績載於本年報第92至93頁的本集團綜合損益表及綜合全面收益表。

董事會不建議派發截至二零一六年十二月三十一日止年度末期股息。

### 業務回顧

有關本集團截至二零一六年十二月三十一日止年度的業務回顧分別載於本年報(亦構成董事會報告之一部分)第5至7頁及第15至30頁「主席報告」及「管理層討論及分析」內。

### 環境政策及績效

本集團已在營運及工作場所實施多項資源節約項目。我們的策略是逐步在日常管理中注入可持續發展元素。據此，我們將繼續提升在所有設施內的環境可持續發展措施。於二零一六年，我們已遵守香港和中國所有與環境有關並且對本集團業務重大影響的法規。年內，並無因違反環境法律及法規而招致的大額罰款及非金錢性質的制裁。上述資料的詳情將載於我們的環境、社會及管治報告，該報告預定於本年報刊發後三個月內刊發。

## COMPLIANCE WITH LAWS AND REGULATIONS

During the year, as far as the Directors are aware, the Group has complied with all relevant laws and regulations that have significant impact on the Group.

## RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Maintaining and consolidating its relationship with customers is crucial to increasing the profits of the Company. When carrying out business with customers, the Group has adopted various methods to collect and report their needs and expectations and taken corresponding measures for improvement. The results of such measures were reviewed and feedbacks were provided to the customers. The main duties include conducting Customer satisfaction survey by sending out questionnaires to have their feedbacks, opinions, suggestions, complaints or praises to ensure the service quality and to make improvement.

The Group's raw materials are required to be purchased in both overseas and domestic markets. Maintaining a good relationship with our scrap metal suppliers is one of the most important task in scrap metal procurement. In addition, the Group continues to secure a group of quality scrap suppliers by conducting regular evaluations, so as to lay a solid foundation for the recycling and dismantling production of the Group.

The Group has committed to providing equal employment opportunities without regard to sex, age or national origin, and are in accordance with anti-discrimination laws. We endeavor to ensure employees are treated equally within our welfare system and are provided with effective channels to freely express and communicate their opinions.

Our group is committed to maintaining the highest standard of ethical and responsible conduct when doing business. A group-level Whistle-blowing Policy is in place to deter corruption or any possible violation of law or company policy and to promote standards of good corporate practices. In 2016, our Hong Kong and Taizhou operations had a total workforce of 2,272 employees, 96% of whom were based at the Taizhou site, and 4% at the Hong Kong office.

## 遵守法律及法規

於本年度，就董事所知，本集團已遵守對本集團影響重大的所有相關法律及法規。

## 與客戶、供應商及僱員的關係

維持及鞏固與客戶的關係，對增加本公司利潤相當重要。於本集團與客戶進行業務往來時，已採納多種辦法以收集及報告彼等之需要及期望，並已採取相應措施加以改善。已就有關措施的結果作出檢討，並向客戶作出反饋。主要工作包括進行客戶滿意度調查，透過發出問卷以徵集反饋、意見、提議、投訴或讚譽，以確保服務質素並加以改良。

本集團原材料須從海外及本地市場購買。與廢金屬供應商維持良好關係是廢金屬採購的重要一環。此外，本集團藉進行定期評估，以獲得一群優質廢金屬供應商，進而令本集團的再生及回收拆解生產打下穩固的基礎。

本集團致力在僱傭上提供平等就業機會，不論其性別、年齡或國籍，並根據反歧視法例施行。我們竭力確保僱員在福利制度下獲公平對待，且設立有效途徑，彼等可自由發表意見。

本集團在經營業務時，致力維持最高標準的道德操守及負責任的行為。我們已在集團層面設立告密政策，防止貪污或任何可能違反法例或公司政策的事宜，以及提倡良好的企業管治標準。在二零一六年，香港及台州的營運地方合共有2,272名僱員，當中96%工作人員位於台州，而4%則在香港辦公室。

## SHARE ISSUED IN THE YEAR

Details of the shares issued in the year ended of 31 December 2016 are set out in note 27 in the consolidated financial statements.

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There were no contract of significance with any member of the Group as the contracting party and in which any of the Controlling Shareholders possessed direct or indirect substantial interests, and which was still valid on 31 December 2016 or any time during such year and related to the business of the Group.

## DISCLOSURE UNDER RULE 13.21 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE "LISTING RULES")

On 19 December 2016, the Company as issuer entered into a subscriptions agreement ("Subscriptions Agreement") with an independent third party institution (the "Subscriber") pursuant to which the Company agrees to issue and the Subscriber agrees to subscribe for certain notes ("Notes") in the principal amount of US\$200,000,000 due 2018.

Pursuant to the Subscriptions Agreement, Mr. Tu and USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司("USUMHK") shall also provide a personal guarantee and a corporate guarantee, respectively, in favour of the Subscriber to secure, among others, the due and punctual observance and performance by the Company under the Subscriptions Agreement and other documents.

Pursuant to the terms of the Notes, it will be an event of default if, among others, (i) USUMHK ceases to beneficially own (directly or indirectly) at all times a shareholding in the Company representing the single largest shareholding in the Company, or (ii) USUMHK ceases at all times to be controlled by Mr. Tu and Mr. Tu ceases to be the single largest shareholder of USUMHK. For the purposes of this clause, "control" of each person means (whether by way of ownership of shares, proxy, contract, agency or otherwise): (a) having the power to cast, or control the casting of 40% of the votes that might be cast at a general meeting of such person; or (b) having the power to appoint a majority of the board of directors or remove any director of such person; or (c) having the power or ability to influence the management and financial policies of such person. If any event of default occurs, the Subscriber may require the Notes to be repaid immediately. As at the date of this report, USUMHK owns 62.29% of the total issued share capital of the Company and Mr. Tu indirectly owns 42.10% of the total issued share capital of USUMHK.

## 年內發行股份

截至二零一六年十二月三十一日止年度發行股份之詳情載於綜合財務報表附註27。

## 控權股東於合約之權益

本集團任何成員公司並無訂立任何與控股股東直接或間接擁有重大權益，且於二零一六年十二月三十一日或於年內任何時間仍屬有效及與本集團業務有關的重大合約。

## 根據聯交所證券上市規則(「上市規則」)第13.21條之披露

於二零一六年十二月十九日，本公司(作為發行人)與一名獨立第三方機構(「認購人」)訂立一份認購協議(「認購協議」)，據此，本公司同意發行且認購人同意認購於二零一八年到期之本金額為200,000,000美元之若干票據(「票據」)。

根據認購協議，涂建華先生(「涂先生」)及渝商投資集團(香港)有限公司(「渝商香港」)亦須以認購人為受益人分別提供個人擔保及公司擔保，以確保(其中包括)本公司切實及準時遵守及履行認購協議及其他文件。

根據票據之條款，倘(其中包括)(i)渝商香港終止(直接或間接)實益擁有本公司股權，即本公司之單一最大股權，或(ii)渝商香港終止由涂先生控制，而涂先生不再為渝商香港之單一最大股東，即構成違約事項。就該條款而言，個人「控制」指(不論以股份擁有權、委任代表、合約、代理或其他方式)：(a)該人士有權投票或於股東大會上控制40%的投票權；或(b)該人士有權委任或罷免大部份董事；或(c)該人士有權或有能力影響管理及財務政策。倘出現任何違約事項，則認購人可即時要求償還票據。於本報告日期，渝商香港擁有本公司全部已發行股本62.29%，而涂先生間接擁有渝商香港全部已發行股本42.10%。

## DIRECTORS

The Directors who held office during the year and up to the date of this report are:

### Executive Directors

Mr. Tu Jianhua (*Chairman*)

Mr. Qin Yongming (*Chief Executive Officer*)  
(appointed on 30 June 2016)

Mr. Liu Huaiyu\*  
(appointed on 24 October 2016)

Mr. Fang Ankong (*resigned on 16 February 2016*)

Mr. Meng Yi (*resigned on 1 April 2016*)

Mr. Zhang Mingjie (*resigned on 30 June 2016*)

Mr. Zhang Jun (*appointed on 1 April 2016 and resigned on 24 October 2016*)

### Independent Non-Executive Directors

Dr. Loke Yu

Mr. Zhu Dajian

Ms. Qian Liping (*appointed on 24 October 2016*)

Ms. Zhang Jingdong (*resigned on 24 October 2016*)

In accordance with the articles of association of the Company:

- (i) Dr. Loke Yu shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company; and
- (ii) Mr. Qin Yongming, Mr. Liu Huaiyu\* and Ms. Qian Liping, who were appointed under article 83(3) as an addition to the Board, shall hold office until the forthcoming annual general meeting of the Company and then being eligible, offer themselves for re-election as well.

\* Mr. Liu Huaiyu resigned on 7 April 2017 and Mr. Zhu Patrick Xiangdong was appointed on 7 April 2017. Mr. Zhu Patrick Xiangdong (instead of Mr. Liu Huaiyu) shall hold office until the forthcoming annual general meeting of the Company and then being eligible, offer himself for re-election.

## 董事

年內及截至本年報任職之董事包括：

### 執行董事

涂建華先生(主席)

秦永明先生(行政總裁)  
(於二零一六年六月三十日獲委任)

劉懷宇先生\*  
(於二零一六年十月二十四日獲委任)

方安空先生(於二零一六年二月十六日辭任)

孟怡先生(於二零一六年四月一日辭任)

張明杰先生(於二零一六年六月三十日辭任)

張軍先生(於二零一六年四月一日獲委任及於二零一六年十月二十四日辭任)

### 獨立非執行董事

陸海林博士

諸大建先生

錢麗萍女士  
(於二零一六年十月二十四日獲委任)

章敬東女士(於二零一六年十月二十四日辭任)

根據本公司組織章程細則：

- (i) 陸海林博士須告退，惟彼等合資格並願意於本公司應屆股東週年大會上膺選連任；及
- (ii) 秦永明先生、劉懷宇先生\*及錢麗萍女士乃根據細則第83(3)條委任為董事會增添人選，彼等須擔任董事直至本公司應屆股東週年大會，並符合資格膺選連任。

\* 劉懷宇先生於二零一七年四月七日辭任及朱向東先生於同日獲委任。朱向東先生(而非劉懷宇先生)在本公司應屆股東週年大會前擔任董事一職，並符合資格膺選連任。

DIRECTORS' SERVICE CONTRACTS

董事服務合約

		Start 開始	Expire 到期	Duration of contract 合約年期
Executive Director 執行董事	Tu Jianhua 涂建華	29 April 2015 二零一五年 四月二十九日	28 April 2018 二零一八年 四月二十八日	3 years 三年
	Qin Yongming 秦永明	30 June 2016 二零一六年 六月三十日	NA (open contract) 不適用(待 定條款合約)	NA (open contract) 不適用(待 定條款合約)
	Liu Huaiyu* 劉懷宇*	24 October 2016 二零一六年 十月二十四日	NA (open contract) 不適用(待 定條款合約)	NA (open contract) 不適用(待 定條款合約)
Independent Non- Executive Directors 獨立非執行董事	Loke Yu 陸海林	24 June 2016 二零一六年 六月二十四日	23 June 2019 二零一九年 六月二十三日	3 years 三年
	Zhu Dajian 諸大建	17 December 2014 二零一四年 十二月十七日	16 December 2017 二零一七年 十二月十六日	3 years 三年
	Qian Liping 錢麗萍	24 October 2016 二零一六年 十月二十四日	23 October 2019 二零一九年 十月二十三日	3 years 三年

None of the Directors proposed for re-election at the forthcoming annual general meeting has any services contract with the Company and/or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

擬於應屆股東週年大會上膺選連任的本公司董事概無與本公司及／或其任何附屬公司訂有不可於一年內不付補償(法定補償除外)而終止的任何服務合約。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Brief biographical details of directors and senior management are set out on pages 8 to 14.

董事及高級管理層的簡歷詳載於第8至14頁。

Except as disclosed in the section headed "Profile of Directors and Senior Management" in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the publication of the 2016 Interim Report of the Company.

除於本年報「董事及高級管理人員履歷」所披露外，自二零一六年本公司中期報告刊發以來，概無任何有關董事的資料變更而須根據上市規則第13.51(2)條(a)至(e)及(g)段予以披露。

\* Mr. Liu Huaiyu resigned on 7 April 2017 and Mr. Zhu Patrick Xiangdong was appointed on same date. The duration of Mr. Zhu Patrick Xiangdong's service contract is 3 years, which commenced on 7 April 2017 and will expire on 6 April 2020.

\* 劉懷宇先生於二零一七年四月七日辭任及朱向東先生於同日被委任。朱向東先生的服務合約為期三年，於二零一七年四月七日生效及將於二零二零年四月六日到期。

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

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

### PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provide that every Director shall be indemnified out of the assets and profits of the Company against liabilities (to the extent permitted by the Companies Ordinance (Cap 622)) incurred by him as such Director in the execution of his duties or otherwise in relation thereto, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any such director.

The Company has taken out insurance against the liabilities and costs associated with defending any proceeding which may be brought against the Directors of the Company.

### EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" on pages 40 to 43 and note 42 to the consolidated financial statements of the Group in this Annual Report, no equity-linked agreements were entered into during the year or which subsisted at the end of the year.

### 董事於交易、安排或合約及控股股東的重要合約之重大權益

本公司的附屬公司、同系附屬公司或其母公司概無訂立本公司之董事於當中直接或間接擁有重大權益，且於年末或年內任何時間存續且與本集團的業務有關之重大交易、安排及合約。

### 獲准許的彌償條文

本公司組織章程細則規定，每位董事有權就因執行其董事職務或相關的其他事宜而可能發生與此相關之一切的債務（按公司條例（第622章）容許的最大程度），將獲本公司從其資產及利潤中賠償，惟本彌償保證不延伸至任何與該董事欺詐或不忠誠有關之事宜。

本公司就可能對本公司董事提起的任何法律訴訟相關的負債及成本投保。

### 股權掛鈎協議

除本年報第40頁至43頁「購股權計劃」一節以及本集團綜合財務報表附註42披露者外，於本年度概無訂立股權掛鈎協議或於年底仍然生效。

## DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme" on pages 40 to 43 of this Annual Report, during the year, none of the Company, its parent company, or any of its subsidiaries or fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment during the year are set out in note 14 to the consolidated financial statements of the Group.

## BORROWINGS

Details of the borrowings are set out in note 29 to the consolidated financial statements of the Group.

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

During the financial year ended 31 December 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## PRE-EMPTIVE RIGHTS

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

## RESERVES

Details of the movement in the reserves of the Group during the year are set out in the consolidated statement of changes in equity. As at 31 December 2016, the distributable reserves of the Company amounted to approximately HK\$4,564,892,000.

## DONATIONS

The Group did not make any donations during the year.

## 董事購買股份或債券之權利

除本年報第40至43頁「購股權計劃」一節所披露者外，於本年度，概無本公司、其母公司或其任何附屬公司或同系附屬公司訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

## 物業、廠房及設備

有關本集團物業、廠房及設備的變動詳情載於本集團綜合財務報表附註14。

## 借款

有關本集團借款的詳情載於本集團綜合財務報表附註29。

## 購買、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止財政年度內，本公司或其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

## 優先購買權

本公司組織章程細則或開曼群島(即本公司註冊成立所在司法權區)法律並無有關優先購買權的任何條文，規限本公司須向其現有股東按持股比例發售新股。

## 儲備

年內本集團儲備變動詳情載於綜合權益變動表。於二零一六年十二月三十一日，本公司的可分派儲備約為4,564,892,000港元。

## 捐贈

本集團於年內並無作出任何捐贈。

## MAJOR CUSTOMERS AND SUPPLIERS

In 2016, the Group's largest supplier accounted for 8.66% (2015: 10.85%) of the total purchases. The five largest suppliers comprised 31.80% (2015: 38.41%) of the total purchases.

Aggregate sales attributable to the Group's five largest customers were less than 30% of total revenue in 2016 and 2015.

None of the Directors of the Company or any of their respective associates or any shareholder of the Company (which, to the knowledge of the Directors, owns more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest suppliers or five largest customers during the year.

## MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or subsisted during the year.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 37 to the consolidated financial statements also do not constitute connected transactions or continuing connected transactions of the Company and are not required to be disclosed in accordance with Chapter 14A of the Listing Rules and are set out in this section. After the reporting period, the Company has complied with all the applicable requirements in accordance with Chapter 14A of the Listing Rules in respect of the following transactions:

Mr. Tu Jianhua, the Chairman and executive Director of the Company, is indirectly interested in and has control over USUM Investment Group Hong Kong limited ("USUMHK"). Mr. Tu holds 98% equity interests in Loncin Group Limited, which in turn holds 98% equity interests in Loncin Holdings Limited ("Loncin Holdings"). Loncin International Limited ("Loncin International") is wholly-owned by Loncin Holdings. Details of Mr. Tu's interest is stated under Note 2 in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated Corporation", i.e. page 45 of this report.

## 主要客戶及供應商

於二零一六年，本集團的最大供應商佔總採購額8.66% (二零一五年：10.85%)。五大供應商佔總採購額31.80% (二零一五年：38.41%)。

於二零一六年及二零一五年，本集團的五大客戶銷售總額佔總收益少於30%。

本公司董事或彼等各自之任何聯繫人或本公司任何股東 (就董事所知擁有本公司超過5%股本) 年內概無於本集團五大供應商或五大客戶擁有任何實益權益。

## 管理合約

除僱用合約外，年內概無訂立或存續有關本公司業務整體或任何重要部分的管理及行政合約。

## 關連交易及持續關連交易

於綜合財務報表附註37披露的若干關連方交易亦不構成本公司的關連交易或持續關連交易，並不需按照上市規則第14A章的規定予以披露及載於本節。在報告期後，本公司已就以下交易遵從上市規則第14A章的所有適用規定：

本公司主席及執行董事涂建華先生於渝商投資集團(香港)有限公司(「渝商香港」)間接持有權益及對渝商香港的控制權。涂先生持有隆鑫集團有限公司98%股權，而隆鑫集團持有隆鑫控股有限公司(「隆鑫控股」)98%股權。隆鑫國際有限公司(「隆鑫國際」)由隆鑫控股全資擁有。有關涂先生權益的詳情載列於「董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉」一節附註2 (即本年報第45頁)。



## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

On 11 January 2017, the Company and Loncin International entered into the sales framework agreement (the "Sales Framework Agreement"), pursuant to which Loncin International shall purchase and the Company shall supply, or shall procure relevant member(s) of the Group to supply, certain products to Loncin International for a term commencing from 11 January 2017 and ending on 31 December 2019.

The proposed annual caps in respect of the transactions contemplated under the Sales Framework Agreement are US\$150,000,000 for the year ending 31 December 2017, US\$250,000,000 for the year ending 31 December 2018 and US\$350,000,000 for the year ending 31 December 2019.

Accordingly, the Sales Framework Agreement constituted a continuing connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 17 February 2017, an extraordinary general meeting of the Company was convened and the Sales Framework Agreement was duly approved.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2016, none of the Directors (except Mr. Tu Jianhua, details as set out below) has interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules:

Name of Director 董事姓名	Name of entity which businesses are considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成競爭或可能構成競爭的業務實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成競爭或可能構成競爭的實體從事的業務	Nature of interest of the Director in the entity 董事於實體的權益性質
Mr. Tu Jianhua 涂建華先生	Chongqing USUM Recycling Resources Development Co., Ltd. ("Chongqing USUM") 重慶渝商(「重慶渝商」) 再生資源開發有限公司	According to the business scope as registered with the State Administration For Industry & Commerce of the PRC, this entity may engage in, inter alia, recycling, processing, marketing and sale of recycling resources, scrap metal related businesses. 根據於中國國家工商行政管理局登記的經營範圍，此實體可能從事(其中包括)再生資源、廢舊金屬回收、加工、銷售之相關業務。	Substantial Shareholder 主要股東

## 關連交易及持續關連交易(續)

於二零一七年一月十一日，本公司與隆鑫國際訂立銷售框架協議(「銷售框架協議」)，據此隆鑫國際將購買而本公司將供應或促使本集團相關成員公司向隆鑫國際供應若干該等產品，期限為自二零一七年一月十一日起至二零一九年十二月三十一日止。

截至二零一七年十二月三十一日止年度、截至二零一八年十二月三十一日止年度及截至二零一九年十二月三十一日止年度，有關銷售框架協議項下擬進行之交易之建議年度上限分別為150,000,000美元、250,000,000美元及350,000,000美元。

因此，銷售框架協議構成本公司的一項持續關連交易，並須遵守上市規則第14A章項下申報、公佈及獨立股東批准之規定。於二零一七年二月十七日，本公司已召開股東特別大會，而銷售框架協議獲正式批准。

## 董事於競爭業務中的權益

於截至二零一六年十二月三十一日止年度，根據上市規則，概無董事(涂建華先生除外，詳情載列如下)於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益：

## DIRECTORS' INTEREST IN COMPETING BUSINESS (continued)

Although the scope of business of Chongqing USUM allows it to engage in businesses that are considered likely to compete with the business of the Group, Mr. Tu Jianhua reported to the Board that Chongqing USUM is currently only engaged in the disintegration of automobile and trading of steel scrap in the PRC, which are not the same as nor compete with the businesses of the Group. Further, Chongqing USUM has no intention to engage in businesses that compete with or are likely to compete with the Group's businesses.

The Board and management team of the Company and the above entity do not overlap with each other and are independent of each other. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of Chongqing USUM in which Mr. Tu Jianhua has declared interests.

## SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was adopted by the Company on 23 June 2010 (the "Post-IPO Share Option Scheme"). The Post-IPO Share Option Scheme was approved by written resolutions of the shareholders of the Company and as approved by the listing Committee of the Stock Exchange is valid and effective for a period of 10 years commencing on 23 June 2010. It is a share incentive scheme established to recognize and acknowledge the contributions that the eligible participants have or may have made to the Group. Pursuant to the Post-IPO Share Option Scheme, the Board may, as its discretion, offer to grant an option to any Director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

When the Post-IPO Share Option Scheme was adopted on 23 June 2010, the original scheme mandate limit in respect of which share options could be granted under the Post-IPO Share Option Scheme was 100,000,000 Shares and it was refreshed during the 2013 extraordinary general meeting of the Company.

## 董事於競爭業務中的權益(續)

儘管重慶渝商的業務範圍容許其從事被視為可能與本集團構成競爭的業務，涂建華先生向董事會報告，重慶渝商現時在中國僅從事汽車解體及廢鋼貿易業務，與本集團的業務不同，亦不構成競爭。再者，重慶渝商無意從事與本集團業務構成競爭或可能構成競爭的業務。

本公司董事會及管理團隊與上述實體並不重疊且互相獨立於對方。因此，本集團有能力獨立於涂建華先生已宣佈於其中擁有利益之重慶渝商之業務公正地經營其業務。

## 購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售後購股權計劃(「首次公開發售後購股權計劃」)。首次公開發售後購股權計劃經本公司股東書面決議案批准以及經聯交所上市委員會批准，有效期為二零一零年六月二十三日起計10年。該購股權計劃是一項股份獎勵計劃，旨在肯定及認可合資格參與人士曾經或可能對本集團作出的貢獻。根據首次公開發售後購股權計劃，董事會可酌情向本集團任何成員公司的任何董事、僱員、顧問、專家顧問、批發商、承包商、供應商、客戶、代理、業務夥伴、合營企業合作夥伴、創辦人、服務供應商授出購股權。

首次公開發售後購股權計劃於二零一零年六月二十三日獲採納，原有的計劃授權限額(可根據首次公開發售後購股權計劃授出的購股權)為100,000,000股股份，並於二零一三年的本公司股東特別大會上更新。

## SHARE OPTION SCHEME (continued)

Pursuant to the terms of the Post-IPO Share Option Scheme and in compliance with the provisions in Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme and all other share option schemes of the Company shall not exceed 161,973,829 Shares, being 10% of the Shares in issue as at 17 February 2017, being the date of the 2017 extraordinary general meeting ("2017 EGM"), when the scheme mandate limit was last refreshed.

During the period from the date of the listing of the Company on 12 July 2010 to 31 December 2016, the total number of the share options exercised, lapsed and cancelled under the Post-IPO Share Option Scheme is 85,315,000 Shares. Among such Share Options granted, as at the date of this report, Share Options to subscribe for 11,719,500 Shares have been exercised, Share Options to subscribe for 73,595,500 Shares have been cancelled or lapsed and no Share Options to subscribe for Shares remains outstanding.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant, any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading dates immediately preceding the date of grant; or (iii) the nominal value of a Share.

The total number of securities available for issue under the Post-IPO Share Option Scheme under the refreshed Scheme mandate limit, and all other share option schemes of the Company must not exceed 161,973,829 shares, representing 10% of the total number of Shares of the Company as at the date of this report.

## 購股權計劃(續)

根據首次公開發售後購股權計劃的條款及遵守上市規則第17章的條文，於行使首次公開發售後購股權計劃及本公司所有其他購股權計劃下授出的所有購股權時可予發行的最高股份數目不得超過161,973,829股，即於二零一七年二月十七日(即二零一七年股東特別大會(「二零一七年股東特別大會」)日期，會上計劃授權限額獲更新)已發行股份的10%。

由本公司於二零一零年七月十二日上市至二零一六年十二月三十一日的期間內，於首次公開發售後購股權計劃下已行使、失效及註銷的購股權總數為85,315,000股股份。於已授出的購股權中，截至本報告日期，可認購11,719,500股股份的購股權已獲行使，而可認購73,595,500股股份的購股權已註銷或失效，概無可認購股份的購股權尚未行使。

截至授出日期止十二個月內因行使有關資格參與人士根據首次公開發售後購股權計劃所獲授購股權而發行及可發行的股份總數不得超過授出日期已發行股份的1%，額外授出超過該1%上限的購股權須經股東於股東大會批准。

根據首次公開發售後購股權計劃所授出的任何個別購股權的相關股份認購價，不得少於下列三者之最高者：(i)在授出日期股份於聯交所每日報價表所報收市價；(ii)股份在緊接授出日期前五個交易日於聯交所每日報價表所報收市價的平均價；或(iii)股份面值。

根據已更新計劃授權上限，因應首次公開發售後購股權可供發行的證券總數及本公司所有其他購股權計劃不得超出161,973,829股，相當於本公司於最後可行日期股份總數10%。

## SHARE OPTION SCHEME (continued)

As at 31 December 2016, details of the share options granted under the Post-IPO Share Option Scheme are as follows:

## 購股權計劃(續)

於二零一六年十二月三十一日，根據首次公開發售後購股權計劃所授出的購股權詳情如下：

Grantees 承授人	Date of Grant (dd/mm/yyyy) (Note 1) 授出日期 (日/月/年) (附註1)	Exercise price per Share (HK\$) 每股行使價 (港元)	Exercisable period (dd/mm/yyyy) 行使期 (日/月/年)	Number of Shares subject to outstanding options as at 1 January 2016 於二零一六年一月一日 尚未行使之購股權涉及之股份數目	Number of options granted during the period 期內授出購股權數目	Number of options exercised during the period 期內行使購股權數目	Number of options cancelled during the period 期內注銷之購股權數目	Number of options lapsed during the period 期內失效購股權數目	Number of Shares subject to outstanding options as at 31 December 2016 於二零一六年十二月三十一日 尚未行使之購股權涉及之股份數目	Approximate percentage of shareholding in the Company (Note 2) 佔本公司之股權概約百分比 (附註2)
Employees and other participants 僱員及其他參與者	28/03/2012 二零一二年三月二十八日	4.186	28/03/2013 – 27/03/2016 二零一三年三月二十八日至二零一六年三月二十七日	80,000	-	(60,000)	-	(20,000)	0	-
			28/03/2014 – 27/03/2016 二零一四年三月二十八日至二零一六年三月二十七日	516,000	-	(106,000)	-	(410,000)	0	-
			28/03/2015 – 27/03/2016 二零一五年三月二十八日至二零一六年三月二十七日 (Note 3) (附註3)	1,592,000	-	(20,000)	-	(1,572,000)	0	-
<b>Total 合計</b>				<b>2,188,000</b>	<b>-</b>	<b>(186,000)</b>	<b>-</b>	<b>(2,002,000)</b>	<b>0</b>	<b>-</b>

## SHARE OPTION SCHEME (continued)

### Notes:

- (1) The date on which the Company offered to the grantees the share options under the Post-IPO Share Option Scheme (the "Date of Grant").
- (2) As at 31 December 2016, the total number of issued Shares of the Company was 1,619,738,291 Shares.
- (3) Each of the grantees to whom share options have been conditionally granted under the Post-IPO Share Option Scheme will be entitled to exercise:
  - (i) as to 30% of the total number of share options granted at any time during the period commencing from the first anniversary of the Date of Grant, i.e. 28 March 2013, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive);
  - (ii) as to 30%, from the second anniversary of the Date of Grant, i.e. 28 March 2014, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive); and
  - (iii) as to 40%, from the third anniversary of the Date of Grant, i.e. 28 March 2015, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive).
- (4) The weighted average closing price of the Company's Shares immediately before the dates on which the share options were exercised was HK\$4.45 for the exercise price of HK\$4.186.

Save as disclosed above, no Share Options have been granted under the Post-IPO Share Option Scheme since the refreshment of the Scheme Mandate Limit on 17 February 2017. An offer of the grant of a share option shall be accepted by the eligible participants within a period of 28 days from the date of grant of share option. The consideration paid by each grantee for the acceptance and grant of each share option is HK\$1.00, which has to be paid within 28 days.

## 購股權計劃(續)

### 附註：

- (1) 此為本公司根據首次公開發售後購股權計劃向承授人授出購股權的日期(「授出日期」)。
- (2) 於二零一六年十二月三十一日，本公司的已發行股份總數為1,619,738,291股股份。
- (3) 根據首次公開發售後購股權計劃有條件獲授購股權的各承授人，將有權：
  - (i) 自授出日期後第一週年(即二零一三年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止之期間內(包括首尾兩天在內)，最多行使獲授購股權總數30%；
  - (ii) 自授出日期後第二週年(即二零一四年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止(包括首尾兩天在內)，最多行使30%；及
  - (iii) 自授出日期後第三週年(即二零一五年三月二十八日)起至緊接授出日期後第四週年當日前之日(即二零一六年三月二十七日)止(包括首尾兩天在內)，最多行使40%。
- (4) 於緊接購股權行使日期前本公司股份的加權平均收市價是4.45港元(就行使價4.186港元而言)。

除上文披露外，自二零一七年二月十七日更新計劃授權限額起，概無根據首次公開發售後購股權計劃授出任何購股權。授出購股權之要約可由合資格參與人士於自授出購股權要約日期起28日內接受。各承授人每次接納及授出購股權時所付代價為1.00港元並須於28日內繳付。

## DISCLOSURE OF INTERESTS

**Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any specified undertaking of the Company and Its Associated Corporations**

As at 31 December 2016, the interests or short positions of the Directors and chief executives 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 (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

*Long positions in Shares:*

Name of Director 董事名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.29%
Mr. Zhang Mingjie (resigned on 30 June 2016) 張明杰先生	Interest in controlled corporations 於受控制法團之權益	175,197,990 (Note 3) (附註3)	10.82%
(於二零一六年六月三十日辭任)			

## 權益披露

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券或本公司的任何特定承擔中的權益及淡倉

於二零一六年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有本公司須根據證券及期貨條例第352條須予存置的登記冊中所記錄或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益或淡倉如下：

*股份的好倉：*

## DISCLOSURE OF INTERESTS (continued)

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any specified undertaking of the Company and Its Associated Corporations (continued)

Notes:

- (1) As at 31 December 2016, the total number of issued Shares of the Company was 1,619,738,291 Shares.
- (2) The 1,008,885,181 Shares were held by USUM Investment Group Hong Kong Limited ("USUMHK"), a company in which Mr. Tu Jianhua ("Mr. Tu") was indirectly interested. USUMHK is directly wholly owned by USUM Investment Group Limited ("USUM Group"), a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings Co., Ltd. ("Loncin Holdings"), with an equity interest in USUM Group of approximately 42%. The remaining equity interests in USUM Group are held by 21 individuals and 31 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.32% to 8.12% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group Co., Ltd. ("Loncin Group") and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 31 December 2016. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (3) Of the 175,197,990 Shares, 110,197,990 Shares and 65,000,000 Shares were directly held by Tai Security Holding Limited ("Tai Security") and Good Union Hong Kong Investment Limited ("Good Union") respectively, as beneficial owners. Tai Security and Good Union are companies directly wholly-owned by Mr. Zhang Mingjie ("Mr. Zhang") and Mr. Zhang was therefore deemed to be interested in the same number of Shares held by each of Tai Security and Good Union pursuant to the SFO. Please refer to Notes 3 and 4 in the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares in the Company" below.

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## 權益披露 (續)

### 董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券或本公司的任何特定承擔中的權益及淡倉 (續)

附註：

- (1) 於二零一六年十二月三十一日，本公司已發行股份的總數為1,619,738,291股股份。
- (2) 1,008,885,181股股份乃由渝商投資集團(香港)有限公司(「渝商香港」)持有，渝商香港為一間涂建華先生(「涂先生」)間接擁有權益的公司。渝商香港由渝商投資集團股份有限公司(「渝商集團」)直接全資擁有，渝商集團為一間於中國註冊成立之公司。渝商集團的最大單一股東為隆鑫控股有限公司(「隆鑫控股」)，其於渝商集團的股本權益為約42%。渝商集團的餘下權益由21名個人及31間公司(均為獨立於隆鑫控股及涂先生的第三方)持有。該等個人及公司分別持有渝商集團0.32%至8.12%之股權。隆鑫控股分別由隆鑫集團有限公司(「隆鑫集團」)擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士(均為涂先生的姊妹)分別擁有1%。截至二零一六年十二月三十一日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。
- (3) 於175,197,990股股份中，110,197,990股股份及65,000,000股股份分別由Tai Security Holding Limited(「Tai Security」)及星滙香港投資有限公司(「星滙」)作為實益擁有人直接持有。Tai Security及星滙均由張明杰先生(「張先生」)直接全資擁有。因此，根據證券及期貨條例，張先生被視為與Tai Security及星滙持有的相同數目股份中擁有權益。有關詳情請參閱下文「主要股東於本公司的股份及相關股份的權益及淡倉」一節附註3及4。

除上文所披露外，於二零一六年十二月三十一日，本公司董事及主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第XV部第7及8分部須予知會本公司及聯交所(包括根據證券及期貨條例有關條文規定，彼等被當作或視作擁有之權益或淡倉)；或本公司根據證券及期貨條例第352條所存置之登記冊中所記錄；或根據標準守則須予知會本公司及聯交所之任何權益或淡倉。

## DISCLOSURE OF INTERESTS (continued)

## Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2016, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

## Long positions in Shares:

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權概約百分比 (附註 1)
USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司	Beneficial owner 實益擁有人	1,008,885,181 (Note 2) (附註 2)	62.29%
USUM Investment Group Limited 渝商投資集團股份有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註 2)	62.29%
Loncin Holdings Co., Ltd. 隆鑫控股有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註 2)	62.29%
Loncin Group Co., Ltd. 隆鑫集團有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註 2)	62.29%
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註 2)	62.29%
Tai Security Holding Limited Tai Security Holding Limited	Beneficial owner 實益擁有人	110,197,990 (Note 3) (附註 3)	6.80%
Good Union Hong Kong Investment Limited 星滙香港投資有限公司	Beneficial owner 實益擁有人	65,000,000 (Note 4) (附註 4)	4.01%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	175,197,990 (Notes 3 and 4) (附註 3 及 4)	10.82%

## 權益披露(續)

## 主要股東於本公司的股份及相關股份的權益及淡倉

於二零一六年十二月三十一日，除本公司董事及主要行政人員外，以下人士於本公司股份及相關股份中擁有須根據證券及期貨條例第336條須予存置之登記冊中所記錄的權益及淡倉如下：

## 股份的好倉：



DISCLOSURE OF INTERESTS (continued)

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉(續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份/權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage shareholding in the Company (Note 1) 於本公司股權的概約百分比 (附註1)
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Person having a security interest in shares 擁有股份抵押權益之人士	100,000,000	6.17%
China Construction Bank Corporation 中國建設銀行股份有限公司	Person having a security interest in shares 擁有股份抵押權益之人士	100,000,000	6.17%
Pengda Value Fund SPC (acting for and on behalf of DTC SP) Pengda Value Fund SPC (代Pengda SP行事)	Beneficial owner 實益擁有人	97,250,000 (Note 5) (附註5)	6.00%
Cinda Asset Management (Cayman) Limited Cinda Asset Management (Cayman) Limited	Interest in controlled corporations 於受控制法團之權益	97,250,000 (Note 5) (附註5)	6.00%
Cinda (BVI) Limited Cinda (BVI) Limited	Interest in controlled corporations 於受控制法團之權益	97,250,000	6.00%
Cinda International Holdings Limited 信達國際控股有限公司	Interest in controlled corporations 於受控制法團之權益	97,250,000 (Note 5) (附註5)	6.00%
Sinoday Limited Sinoday Limited	Interest in controlled corporations 於受控制法團之權益	97,250,000 (Note 5) (附註5)	6.00%
China Cinda (HK) Holdings Company Limited 中國信達(香港)控股有限公司	Interest in controlled corporations 於受控制法團之權益	97,250,000 (Note 5) (附註5)	6.00%
China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司) 中國信達資產管理股份有限公司	Interest in controlled corporations 於受控制法團之權益	97,250,000 (Note 5) (附註5)	6.00%

\* For identification purpose only

## DISCLOSURE OF INTERESTS (continued)

## Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

Notes:

- (1) As at 31 December 2016, the total number of issued Shares of the Company was 1,619,738,291 Shares.
- (2) The 1,008,885,181 Shares were held by USUMHK, a company in which Mr. Tu was indirectly interested in. USUMHK is directly wholly owned by USUM Group, a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings, with an equity interest in USUM Group of 42%. The remaining equity interests in USUM Group are held by 21 individuals and 31 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.32% to 8.12% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 31 December 2016. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (3) The 110,197,990 Shares were held by Tai Security Holding Limited ("Tai Security") as beneficial owner and Tai Security was wholly-owned by Mr. Zhang Mingjie ("Mr. Zhang") as at 31 December 2016. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Tai Security pursuant to the SFO.
- (4) The 65,000,000 Shares were held by Good Union Hong Kong Investment Limited ("Good Union") as beneficial owner and Good Union was wholly-owned by Mr. Zhang as at 31 December 2016. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Good Union pursuant to the SFO.
- (5) The 97,250,000 Shares were held by Pengda Value Fund SPC (acting for and on behalf of DTC SP) ("Pengda") as beneficial owner and Pengda was wholly-owned by Cinda Asset Management (Cayman) Limited ("Cinda Asset Management"). Cinda Asset Management was wholly-owned by Cinda (BVI) Limited which was in turn wholly-owned by Cinda International Holdings Limited ("Cinda International"). Cinda International was held as to 63% by Sinoday Limited which was wholly-owned by China Cinda (HK) Holdings Company Limited, which was in turn wholly-owned by China Cinda Asset Management Co., Ltd. Therefore, China Cinda Asset Management Co., Ltd, Cinda International and Cinda Asset Management were deemed to be interested in the same number of Shares as held by Pengda pursuant to the SFO.

Save as disclosed above, as at 31 December 2016, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## 權益披露 (續)

## 主要股東於本公司的股份及相關股份的權益及淡倉 (續)

附註：

- (1) 於二零一六年十二月三十一日，本公司已發行股份的總數為1,619,738,291股股份。
- (2) 1,008,885,181股股份乃由渝商香港持有，渝商香港為一間由涂先生間接擁有權益的公司。渝商香港由渝商集團直接全資擁有，渝商集團為一間於中國註冊成立之公司。渝商集團的最大單一股東為隆鑫控股，其於渝商集團的股本權益為42%。渝商集團的餘下權益由21名個人及31間公司(均為獨立於隆鑫控股及涂先生的第三方)持有。該等個人及公司分別持有渝商集團0.32%至8.12%之股權。隆鑫控股分別由隆鑫集團擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士(均為涂先生的姊妹)分別擁有1%。截至二零一六年十二月三十一日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。
- (3) 110,197,990股股份由Tai Security Holding Limited (「Tai Security」)作為實益擁有人直接持有，而截至二零一六年十二月三十一日Tai Security由張明杰先生(「張先生」)全資擁有。因此，根據證券及期貨條例，張先生被視為與Tai Security持有的相同數目股份中擁有權益。
- (4) 65,000,000股股份由星匯香港投資有限公司(「星匯」)作為實益擁有人持有，而截至最後可行日期星匯由張先生全資擁有。故此，根據證券及期貨條例，張先生被視為於星匯持有的相同數目之股份中擁有權益。
- (5) 97,250,000由Pengda Value Fund SPC (代Pengda SP行事)(「Pengda」)作為實益擁有人持有，而Pengda由Cinda Asset Management (Cayman) Limited (「Cinda Asset Management」)全資擁有。Cinda Asset Management由Cinda (BVI) Limited全資擁有，而Cinda (BVI) Limited由信達國際控股有限公司(「信達國際」)全資擁有。信達國際由Sinoday Limited擁有63%，而Sinoday Limited由中國信達(香港)控股有限公司全資擁有，而中國信達(香港)控股有限公司由中國信達資產管理股份有限公司全資擁有。因此，根據證券及期貨條例，中國信達資產管理股份有限公司及Cinda Asset Management被視為與Pengda持有的相同數目股份中擁有權益。

除上文所披露外，於二零一六年十二月三十一日，本公司並不知悉任何人士(本公司董事及主要行政人員除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文規定予以披露或本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉。

## EMOLUMENT POLICY

The emolument policy of the employees of the Group is set by the senior management of the Group based on their performance, experience, and prevailing industry practices so as to retain competent employees.

The emolument of the Directors is decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of the scheme are set out in note 42 to the consolidated financial statements.

## SENIOR MANAGEMENT REMUNERATION BY BAND

The remuneration of the Company's senior management by band for the year ended 31 December 2016 are set out below:

### Remuneration Band:

HK\$0 to HK\$1,000,000  
HK\$1,000,001 to HK\$1,500,000  
HK\$1,500,001 to HK\$2,000,000  
HK\$2,000,001 to HK\$2,500,000

### 薪酬組別：

0港元至1,000,000港元  
1,000,001港元至1,500,000港元  
1,500,001港元至2,000,000港元  
2,000,001港元至2,500,000港元

Number of individuals  
人數

0  
2  
1  
1

## SUBSEQUENT EVENTS

Subsequent events are set out in the section headed "Management Discussion and Analysis" on page 22 of this Annual Report.

## CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this Annual Report.

## 薪酬政策

本集團的高級管理層根據本集團僱員的表現、經驗及現有行業慣例設立薪酬政策以挽留有能力僱員。

薪酬委員會經考慮本公司的經營業績、個人表現及比較市場數據釐定董事的薪酬。

本公司已採納購股權計劃作為激勵董事及合資格僱員，計劃詳情載於綜合財務報表附註42。

## 高級管理人員之薪酬組別

於二零一六年十二月三十一日年度本公司高級管理人員之薪酬等級載列如下：

## 期後事項

期後事項載於本年報第22頁「管理層討論及分析」。

## 企業管治

本公司採用的主要企業管治常規載於本年報企業管治報告。

## SUFFICIENCY OF PUBLIC FLOAT

The Company did not fulfill the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules after the close of unconditional mandatory general cash offers on 15 February 2016. The Company made an application to the Stock Exchange for and the Stock Exchange granted a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period of three months from 15 February 2016 to 14 May 2016 (the "Waiver"). As disclosed in the Company's announcement dated 3 June 2016, the Company applied to the Stock Exchange and the Stock Exchange granted an extension of the Waiver from 15 May 2016 to 14 August 2016.

On 18 July 2016, the Company announced that its public float was restored to 25.12% after it was informed that Good Union Hong Kong Investment Limited transferred an aggregate of 32,000,000 shares in the Company to an independent third party. Accordingly, the public float of the Company had been restored to at least 25% of the issued share capital of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

Save as disclosed above, based on the information that is publicly available to the Company and with the knowledge of the Directors, the Company has maintained sufficient public float throughout the financial year ended 31 December 2016 and up to the date of this report.

## AUDITORS

The consolidated financial statements for the year ended 31 December 2016 have been audited by PricewaterhouseCoopers, who fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu with effect from 16 January 2017. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor is to be proposed at the forthcoming annual general meeting.

For and on behalf of the Board

**Chiho-Tiande Group Limited**  
**Tu Jianhua**  
*Chairman*

Hong Kong, 23 March 2017.

## 充足公眾持股量

於二零一六年二月十五日無條件強制性一般現金要約截止後，本公司並未達致上市規則第8.08(1)(a)條項下25%最低公眾持股量規定。本公司向聯交所申請及聯交所已授出自二零一六年二月十五日至二零一六年五月十四日止為期三個月內暫時豁免嚴格遵守上市規則第8.08(1)(a)條(「豁免」)。如本公司日期為二零一六年六月三日的公告所披露，本公司向聯交所申請及聯交所已授出豁免由二零一六年五月十五日延長至二零一六年八月十四日。

於二零一六年七月十八日，本公司宣佈於其獲悉星滙香港投資有限公司向一名獨立第三方轉讓合共32,000,000股本公司股份後，本公司公眾持股量恢復至25.12%。因此，本公司之公眾持股量已恢復至本公司已發行股本之至少25%，符合上市規則第8.08(1)(a)條之規定。

除上文披露者外，根據本公司公開可得之資料及據董事所知，本公司於截至二零一六年十二月三十一日止整個財政年度及截至本報告日期已維持充足公眾持股量。

## 核數師

截至二零一六年十二月三十一日止年度的綜合財務報表由羅兵咸永道會計師事務所審核，羅兵咸永道會計師事務所填補德勤•關黃陳方會計師行辭任的臨時空缺，並於二零一七年一月十六日生效。本公司將於應屆股東週年大會提呈續聘羅兵咸永道會計師事務所為本公司核數師的決議案。

代表董事會

**齊合天地集團有限公司**  
**涂建華**  
*主席*

香港，二零一七年三月二十三日

### INTRODUCTION

The Company recognizes the importance of maintaining a high standard of corporate governance. The Company believes that an effective corporate governance practice is fundamental to enhancing shareholder value and safeguarding the interests of Shareholders and other stakeholders. The Board sets appropriate policies and implements corporate government practices appropriate to the conduct and growth of the Group's business. The code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code") have been adopted to shape the Company's corporate governance structure. This corporate governance report describes how the principles of the CG Code have been applied during the year ended 31 December 2016 under different aspects.

### CG CODE COMPLIANCE

The Company recognises the importance of corporate transparency and accountability and is committed to achieving a high standard of corporate governance. Throughout the year ended 31 December 2016, the Company has complied with all the applicable code provisions of the CG Code with exceptions as explained below:

Pursuant to code provision E.1.2 of the CG Code, the chairmen of the Board and each of the board committees shall attend the annual general meeting (the "AGM") of the Company which was held on 15 June 2016. Mr. Zhu Dajian, who is the chairman of the Remuneration Committee, was unable to attend the AGM due to another business engagement. However, all other members of the Remuneration Committee attended the AGM to be available to answer questions thereat.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All directors have confirmed, following specific enquiries made by the Company, that they had complied with the required standard set out in the Model Code during the year ended 31 December 2016.

### 緒言

本公司深諳維持高水平企業管治之重要性。本公司相信有效之企業管治常規乃提升股東價值與保障股東及其他利益相關者權益之基本要素。董事會制定適當政策及實施適合本集團業務開展及增長之企業管治常規。上市規則附錄十四所載企業管治常規守則（「企業管治守則」）之守則條文已獲採納作為本公司之企業管治架構。本企業管治報告闡述截至二零一六年十二月三十一日止年度該等企業管治守則之原則如何在各不同方面已獲應用。

### 遵守企業管治守則

本公司認同企業具透明度及問責的重要性，並致力達致高標準的企業管治。截至二零一六年十二月三十一日止年度期間，本公司已全面遵企業管治守則之守則條文，惟以下闡述的情況例外：

根據企業管治守則條文第E.1.2條，董事會及各董事委員會主席應出席本公司於二零一六年六月十五日舉行的股東週年大會（「股東週年大會」）。薪酬委員會主席諸大建先生因業務在身，未克出席股東週年大會，惟薪酬委員會的所有其他成員均有出席股東週年大會，並於會上回答問題。

### 董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。經本公司個別作出查詢後，所有董事已確認，於截至二零一六年十二月三十一日止年度內均一直遵守標準守則之規定。

## BOARD OF DIRECTORS

### Composition of the Board

As at the Latest Practicable Date, the Board comprises three executive Directors (including the Chairman of the Board) and three independent non-executive Directors, whose biographical details are set out in the "Biographical Details of Directors" section on pages 8 to 12 of this Annual Report, namely:

## 董事會

### 董事會的組成

於最後實際可行日期，董事會成員由三名執行董事(包括董事會主席)及三名獨立非執行董事組成。彼等之履歷詳情載於本年報第8至12頁「董事個人履歷」一節內。成員包括：

Name of Director 董事姓名		Date of first appointment to the Board 首次獲委任加入董事會之日期	Date of last re-election as Director 上一次獲重選為董事之日期
<b>Executive Director</b> 執行董事			
Tu Jianhua 涂建華		29 April 2015 二零一五年 四月二十九日	15 May 2015 二零一五年 五月十五日
Qin Yongming 秦永明		30 June 2016 二零一六年 六月三十日	N/A 不適用
Zhu Patrick Xianghong 朱向東		7 April 2017 二零一七年 四月七日	N/A 不適用
<b>Independent Non-Executive Director</b> 獨立非執行董事			
Loke Yu 陸海林		23 June 2010 二零一零年 六月二十三日	21 May 2015 二零一五年 五月二十一日
Zhu Dajian 諸大建		17 December 2014 二零一四年 十二月十七日	15 June 2016 二零一六年 六月十五日
Qian Liping 錢麗萍		24 October 2016 二零一六年 十月二十四日	N/A 不適用

None of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

概無董事與任何其他董事及行政總裁具有任何個人關係(包括財務、業務、家庭或其他重大或相關關係)。

## BOARD OF DIRECTORS (continued)

### Roles and responsibilities of the Board

The Board is collectively responsible for overseeing the management of the business and affairs of the Group. The Board meets regularly to discuss the overall strategies as well as operational and financial performances of the Group. Certain matters are reserved for decisions by the Board, including matters relating to: (i) the formulation of the Group's overall strategy and directions; (ii) any material conflict of interest of substantial Shareholders of the Company or Directors; (iii) approval of the Group's annual results, annual budgets, interim results and other significant operational and financial transactions; (iv) changes to the Company's capital structure; and (v) major appointments to the Board. The Board has delegated the day-to-day management, administration and operation of the Group and implementation and execution of policies and strategies decided by the Board to the executive Directors and management of the Company.

The Board is also responsible for performing the corporate governance duties including risk management, internal controls and relevant compliance issues relating to the business operation of the Group.

The Board reviews and monitors the training and continuous professional developments of directors and senior managers; develops, reviews and monitors the code of conduct and compliance manual applicable to employees and directors.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. All Directors bring a variety of experience and expertise to the Company.

## 董事會(續)

### 董事會之角色及職責

董事會共同負責監督本集團業務及事務之管理工作。董事會定期會面，討論本集團整體策略以及營運與財務表現。董事會決定的若干事項包括有關(i)制定本集團整體策略及方向；(ii)本公司主要股東或董事之任何重大利益衝突；(iii)批准本集團年度業績、年度預算、中期業績及其他重大營運與財務交易；(iv)更改本公司之股本結構；及(v)就董事會作出重大委任之事項。董事會已授權本公司執行董事及管理層負責管理本集團之日常管理、行政及營運，並實施及執行董事會決定之政策及策略。

董事會亦將負責執行企業管治職責，包括風險管理、內部監控及關乎本集團業務營運的有關合規事宜。

董事會審閱及監督董事及高級經理的培訓情況及持續專業發展，完善、檢討及密切注意適用於僱員及董事的行為守則及合規手冊。

董事會的成員各有所長，而每名董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專門技術。全體董事均能為本公司帶來不同的經驗及專門技術。

## BOARD OF DIRECTORS (continued)

## Board meetings and Board practices

All Directors have been given sufficient time and support to understand the affairs of the Group and they have full and timely access to all relevant information regarding the Group's affairs and have unrestricted access to the advice and services of the Company Secretary. The Directors may seek independent professional advice at the Company's expenses in carrying out their duties and responsibilities.

During the year ended 31 December 2016, 4 Board meetings and 2 general meetings of the Company were held. The meetings are structured to allow open discussion. At the board meetings, the Directors participated in discussing the strategies, operational and financial performance, corporate governance policy and internal control of the Group.

Set out below is the attendance of the Directors at the Board and general meetings held during the year:

## 董事會(續)

## 董事會會議及董事會常規

全體董事已付出足夠時間及支持，理解本集團事務，彼等擁有及時接觸有關本集團事務之所有相關資料之一切權力，能夠獲得公司秘書之建議及服務而不受任何限制。董事在履行職責及職務時可尋求獨立專業意見，費用由本公司承擔。

於截至二零一六年十二月三十一日止年度曾分別舉行4次董事會會議及2次本公司股東大會。該等會議以坦誠討論形式進行。於董事會會議上，董事均會參與討論本集團之策略、營運及財務表現、企業管治政策以及內部控制。

董事出席於本年度舉行之董事會會議及股東大會的情況列載如下：

Name of Director 董事姓名		No. of meeting attend/ Eligible to attend 曾出席/合資格出席會議次數	
		Regular Board Meeting 董事會會議	General Meeting 股東大會
<b>Executive Director</b>	<b>執行董事</b>		
Tu Jianhua	涂建華	3/4	2/2
Qin Yongming (appointed on 30 June 2016)	秦永明(於二零一六年六月三十日獲委任)	2/2	1/1
Liu Huaiyu (resigned on 7 April 2017)	劉懷宇(於二零一七年四月七日辭任)	1/1	1/1
Fang Ankong (resigned on 16 February 2016)	方安空(於二零一六年二月十六日辭任)	0/0	0/0
Meng Yi (resigned on 1 April 2016)	孟怡(於二零一六年四月一日辭任)	1/1	0/0
Zhang Mingjie (resigned on 30 June 2016)	張明杰(於二零一六年六月三十日辭任)	1/2	0/1
Zhang Jun (resigned on 24 October 2016)	張軍(於二零一六年十月二十四日辭任)	1/1	1/1
<b>Independent Non-Executive Director</b>	<b>獨立非執行董事</b>		
Loke Yu	陸海林	4/4	2/2
Zhu Dajian	諸大建	4/4	1/2
Qian Liping (appointed on 24 October 2016)	錢麗萍(於二零一六年十月二十四日獲委任)	1/1	0/1
Zhang Jingdong (resigned on 24 October 2016)	章敬東(於二零一六年十月二十四日辭任)	3/4	0/1

\* Mr. Zhu Patrick Xiangdong appointed on 7 April 2017.

\* 朱向東先生於二零一七年四月七日獲委任。



## BOARD OF DIRECTORS (continued)

### Board meetings and Board practices (continued)

The Company Secretary or the staff of the company secretarial department of the Company prepared and kept detailed minutes of each Board meeting and, within a reasonable time after each meeting, the draft minutes were circulated to all Directors for comment and the final and approved version of the minutes were sent to all Directors for their records. The same practices and procedures as used in the Board meetings had also been adopted and followed for the Board committees meetings. All the minutes of the meetings recorded sufficient details of the matters considered and decision reached are available for inspection by the Directors at anytime.

Notices of Board meetings were given to the Directors at least 14 days prior to the date of the relevant meeting. Briefing papers were prepared for all substantive agenda items and were circulated to the Directors at least 3 days before each Board meeting. The company secretary is responsible for providing accurate, timely and clear information to the Directors prior to the Board meetings so as to ensure that the Directors are able to make informed decisions regarding the matters to be discussed in the meeting.

If any of the Directors has a potential conflict of interest in a matter being considered in the Board meeting, such Director(s) shall abstain from voting in relation to that particular matter. Independent non-executive Directors with no conflict of interest in such matters would be present at the Board meetings to deal with such conflict of interest issues.

### Access to sufficient information of the Group

The management is committed to providing the Board with appropriate and sufficient explanation and information of the Group's affairs through financial reports, business and operational reports and budget statements, in a timely manner, to enable them to make informed decisions.

The Directors are also provided with access to the Group's management and Company Secretary at all times to obtain relevant information for carrying out their duties as Directors of the Company.

## 董事會(續)

### 董事會會議及董事會常規(續)

本公司之公司秘書或公司秘書部員工負責編製及備存每次董事會會議之詳細會議記錄，並於每次會議後之合理時間內向全體董事傳閱會議記錄初稿，以供董事提供意見，而會議記錄最終獲批准之版本會發給全體董事作記錄。董事委員會會議亦已採用及沿用董事會會議採用之相同常規及程序。所有會議記錄載有所考慮事項及所達成決定的充分詳情，並可供董事於任何時間查閱。

於相關會議日期前最少十四天須向董事發出董事會會議的通知。並於每次董事會會議前至少三天向董事傳閱就所有主要議程項目編製之簡介文件。為確保董事能夠就會議上討論的事項作出知情決定，公司秘書須於董事會會議前向董事提供準確、及時及清晰的資料。

倘任何董事與董事會會議上討論之事項有潛在利益衝突，則該董事須就該特定事項放棄投票，由出席董事會會議而於該等事項並無利益衝突之獨立非執行董事，處理該等利益衝突事項。

### 取閱本集團之充分資料

管理層透過財務報告、業務及營運報告以及預算報表，致力向董事會就本集團事務適時地提供恰當及充分的說明及資料，從而讓彼等作出知情決定。

此外，董事亦可於任何時間向本集團管理層及公司秘書取閱相關資料，以履行其作為本公司董事的職責。

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with code provision A.2.1 of the CG Code, the roles of the Chairman, Mr. Tu Jianhua, and those of the Chief Executive Officer, Mr. Qin Yongming, are segregated in order to reinforce their independence and accountability.

Mr. Tu Jianhua is responsible for providing leadership of the Board and ensuring that all Directors are properly informed on issues to be discussed at Board meetings. In addition, he is responsible for ensuring that all Directors receive, in a timely manner, adequate, complete and reliable information in relation to the Group's affairs. The Chairman also encourages Directors to actively participate in and to make a full contribution to the Board so that the Board functions effectively and acts in the best interest of the Company.

Mr. Qin Yongming is responsible for the strategic planning, administration and management of the business of the Group. He is also responsible for the formulation and successful implementation of Group policies and assuming full accountability to the Board for all operations of the Group. Mr. Qin Yongming oversees the Group's compliance and internal control matters and maintains an ongoing dialogue with the Chairman and all Directors to keep them fully informed of all major business developments and issues. He has also been focusing on strategic planning and assessment of mergers and acquisitions opportunities for the Company.

#### NON-EXECUTIVE DIRECTORS

All non-executive Directors were appointed for term of three years. None of them hold any other offices in the Company or any its subsidiaries or is interested in any Shares of the Company under their respective letter of appointment. In the Board meetings and Board committee meetings held during the year, constructive views and comments are given from the non-executive Directors, who have provided their independent judgment on the issues relating to the strategy, performance, conflict of interest and management process of the Group.

During the year ended 31 December 2016, there were three independent non-executive Directors, representing more than one-third of the Board. Among the three independent non-executive Directors, one of them has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each of its independent non-executive Director a written confirmation of his independence and the Board considers all of them, namely Dr. Loke Yu, Mr. Zhu Dajian and Ms. Qian Liping, to be independent pursuant to Rule 3.13 of the Listing Rules.

#### 主席及行政總裁

根據企業管治守則第A.2.1條守則條文的規定，主席涂建華先生與行政總裁秦永明先生的職責須作區分以強化彼等的獨立性及問責性。

涂建華先生負責領導董事會，並確保全體董事已適當知悉董事會上討論之事宜。此外，彼負責確保全體董事及時收到有關本集團事宜之充分、完整及可靠資料。主席亦鼓勵董事積極參與董事會，為董事會全力作出貢獻，以使董事會有效運作，並能按本公司之最佳利益行事。

秦永明先生負責本集團業務的策略規劃、行政及管理。彼亦負責制定及成功實施本集團的政策，並就本集團的營運向董事會承擔全部責任。秦永明先生專責監察本集團的合規及內部監控事宜，並與主席及所有董事保持溝通，讓彼等可全面知悉所有主要業務發展及事務。彼亦專責於策略性計劃以及評估本公司之合併及收購機會。

#### 非執行董事

全體非執行董事獲委任年期為三年。根據各自之委任書，彼等概無於本公司或其任何附屬公司持有任何其他職位，亦無於本公司股份中擁有權益。在本年度舉行的董事會會議以及董事委員會會議上，非執行董事提供建設性意見及建議，並為有關本集團策略、業績、利益衝突及管理過程之事宜作出彼等的獨立判斷。

截至二零一六年十二月三十一日止年度，三名獨立非執行董事佔董事會成員人數多於三分之一。三名獨立非執行董事當中，其中一名具備適當的會計專業資格，或相關的財務管理專長，符合上市規則第3.10(2)條之規定。

本公司已接獲各獨立非執行董事有關彼等之獨立身份之書面確認，董事會認為，根據上市規則第3.13條，彼等全體(陸海林博士、諸大建先生及錢麗萍女士)均屬獨立人士。

## JOINT COMPANY SECRETARIES

The joint company secretaries, Mr. Koon Wai Hung and Ms. So Lai Shan, play an important role in supporting the Board by ensuring efficient and effective information flow within the Board and that the Board's policy and procedures are followed.

The joint company secretaries have day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Board through the Chairman and Chief Executive Officer. All Directors may access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters and facilitate the induction and professional development of the Directors.

The joint company secretaries are also responsible for ensuring the procedures of the Board meetings are observed and providing the Board opinions on matters in relation to the compliance with the procedures of the Board meetings.

During the year ended 31 December 2016, the Company Secretary had taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

The Board is fully involved in the selection and appointment of the Company Secretary.

Ms. So is now working in TMF Hong Kong Limited (a company secretarial service provider). Her primary contact person at the Company is Mr. Koon Wai Hung.

## BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to four Board committees, namely the Executive Committee, the Audit Committee, Remuneration Committee and Nomination Committee, details of which are as follows:

Name of Director 董事姓名		Executive Committee 執行委員會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
<b>Executive Director</b>	<b>執行董事</b>				
Tu Jianhua	涂建華	Chairman 主席		Chairman 主席	
Qin Yongming	秦永明	Member 成員			
Zhu Patrick Xiangdong	朱向東	Member 成員			
<b>Independent Non-Executive Director</b>	<b>獨立非執行董事</b>				
Loke Yu	陸海林		Chairman 主席	Member 成員	Member 成員
Zhu Dajian	諸大建		Member 成員	Member 成員	Chairman 主席
Qian Liping	錢麗萍		Member 成員	Member 成員	Member 成員

The written terms of reference for each of the Executive committees are available at the Company's website and the Stock Exchange's website.

## 聯席公司秘書

聯席公司秘書官偉雄先生及蘇麗珊女士在支援董事會方面擔當重要角色，確保董事會成員之間資訊交流的效率及功效，以及遵循董事會政策及程序。

聯席公司秘書須熟悉本公司的日常事務。公司秘書透過主席及行政總裁向董事會匯報。所有董事可獲得公司秘書的建議及服務，公司秘書會定期向董事會提供有關管治及監管事項事宜的最新資料，亦會安排董事的入職培訓及專業發展。

聯席公司秘書亦負責確保董事會會議依程序進行，並就有關遵守董事會會議程序的事項向董事會提供意見。

截至二零一六年十二月三十一日止年度，公司秘書已遵照上市規則第3.29條接受不少於15小時相關專業培訓。

董事會全面參與公司秘書之挑選及委任程序。

蘇女士現時於達盟香港有限公司(一家提供秘書服務的公司)任職。彼於本公司的主要聯絡人為官偉雄先生。

## 董事委員會

董事會向四個董事委員會(執行委員會、審核委員會、薪酬委員會及提名委員會)委派指定職責，以協助董事會執行職務，詳情載列如下：

各執行委員會的書面職權範圍載於本公司網站及聯交所網站。

## EXECUTIVE COMMITTEE

The Board has established the Executive Committee in March 2011 with written terms of reference, which is responsible for the management and administration of the business of the Company and any matters which are within the ordinary course of the Company's business under the control and supervision of the Board and in accordance with the provisions of the terms of reference of the Executive Committee for ensuring a high standard of corporate governance and compliance of the Company. The written terms of reference of the Executive Committee are available on the Stock Exchange's website and the Company's website.

The Board delegated certain corporate governance functions to the Executive Committee, which develops and reviews the Company's policies and practices on corporate governance and makes recommendations to the Board; reviews and monitors (i) the training and continuous professional development of Directors and senior management of the Company; (ii) compliance with legal and regulatory requirements; and (iii) the code of conduct and Model Code applicable to the Directors or employees.

### Directors' Training and Professional Development

Every newly appointed Director of the Company receives a comprehensive, formal and tailored induction on the first occasion of his appointment to make sure that he has proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities in the Company.

During the year ended 31 December 2016, all Directors received regular updates and presentation on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to the Directors' duties and responsibilities.

The Company recommends Directors to attend relevant seminars for continuous professional development to develop and refresh their knowledge and skills. During the year ended 31 December 2016, all Directors have participated in continuous professional development programmes by attending seminars, in-house briefings and reading materials. The Company organized a training session in December 2016 on issues in relation to the disclosure of inside information and regulatory investigations involving listed companies.

## 執行委員會

董事會已於二零一一年三月成立執行委員會，並訂明書面職權範圍。執行委員會負責本公司的管理及行政事務，以及本公司日常業務過程中的任何事宜，受董事會控制及監管，並按執行委員會職權範圍所規定行事，以確保本公司高水準的企業管治及合規。執行委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

董事會已授權執行委員會若干企業管治職能，制定及審閱本公司企業管治政策及常規，並向董事會作出意見，檢討及監察(i)本公司董事及高級管理人員的培訓及持續專業發展；(ii)遵守法律及監管規定；及(iii)檢討及監察適用於董事或僱員的行為守則及標準守則。

### 董事培訓及專業發展

本公司每名新委任董事於首次獲委任時將會獲得全面、正式兼特為其而設的就任須知，確保其均有適當的理解本公司運作及業務，以及全面知悉其於本公司的責任。

於截至二零一六年十二月三十一日止年度，所有董事已獲得本集團業務變更及發展的定期更新及說明，以及有關董事職責及責任的法律、法規及規定的最新發展。

本公司推薦董事參加持續專業發展的相關研討會以發展及更新彼等的知識及技能。於截至二零一六年十二月三十一日止年度，所有董事通過出席研討會、內部簡報及閱讀材料以參加持續專業發展計劃。本公司就於二零一六年十二月已組織一節培訓課程，內容有關內幕信息披露與涉及上市公司的監管調查。

## EXECUTIVE COMMITTEE (continued)

## Directors' Training and Professional Development (continued)

Directors' training is an ongoing process. All Directors are encouraged to attend relevant training courses at the Company's expense and they have provided their respective training records to the Company Secretary for record, as set out below:

## 執行委員會(續)

## 董事培訓及專業發展(續)

董事培訓是個持續過程。所有董事均獲鼓勵參加相關培訓課程，費用由本公司支付，且彼等已向公司秘書提供彼等各自的培訓記錄如下：

Name of Directors 董事姓名		Attending seminars/ In-house briefing/ Reading materials 參加研討會/ 內部簡報/閱讀材料
<b>Directors</b>		
	<b>執行董事</b>	
Tu Jianhua	涂建華	✓
Qin Yongming	秦永明	✓
Liu Huaiyu	劉懷宇	✓
<b>Independent Non-Executive Directors</b>		
	<b>獨立非執行董事</b>	
Loke Yu	陸海林	✓
Zhu Dajian	諸大建	✓
Qian Liping	錢麗萍	✓

\* Zhu Patrick Xiangdong was appointed on 7 April 2017.

\* 朱向東先生於二零一七年四月七日獲委任。

## AUDIT COMMITTEE

The Audit Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Company has adopted a set of the revised terms of reference of the Audit Committee on 15 December 2015, which has included changes in line with the amendments to the Main Board Listing Rules relating to the risk management and internal control section of the Corporate Governance Code and Corporate Governance Report which has come into effect for accounting periods beginning on or after 1 January 2016. The written terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's website. The Audit Committee has established a whistleblowing policy of the Company in December 2012 and set out the procedures on reporting possible improprieties in financial reporting matters of the Company.

## 審核委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立審核委員會，並訂明書面職權範圍。本公司已於二零一五年十二月十五日採納一套審核委員會經修訂的職權範圍，當中包括與二零一六年一月一日起生效之主板上市規則有關企業管治守則及企業管治報告之修訂一致之變動。審核委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。審核委員會已於二零一二年十二月制定本公司的舉報政策，並列明舉報本公司的財務申報事宜中可能存在之不恰當行為的程序。

## AUDIT COMMITTEE (continued)

The principal duties of the Audit Committee include monitoring the integrity of the financial statements of the Company, reviewing the effectiveness of Company's internal control (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget) and risk management as delegated by the Board, and making recommendations to the Board on the appointment and engagement of the external auditor for the audit and non-audit services. The Audit Committee is provided with sufficient resources enabling it to discharge its duties.

Members of the Audit Committee and the attendance of each member are as follows:

Name of Director 董事姓名	Position 職位	Role in Audit Committee 審核委員會之職責	Meetings Attended/ Eligible to Attend 會議出席 次數/合資格 出席次數
Loke Yu 陸海林	Independent non-executive Director 獨立非執行董事	Chairman 主席	2/2
Zhu Dajian 諸大建	Independent non-executive Director 獨立非執行董事	Member 成員	2/2
Qian Liping (appointed on 24 October 2016) 錢麗萍(於二零一六年 十月二十四日獲委任)	Independent non-executive Director 獨立非執行董事	Member 成員	0/0
Zhang Jingdong (resigned on 24 October 2016) 章敬東(於二零一六年 十月二十四日辭任)	Independent non-executive Director 獨立非執行董事	Member 成員	2/2

During the year ended 31 December 2016, the Audit Committee reviewed with the management the annual results, interim results and related announcement including the disclosures, financial reporting and the accounting policies adopted by the Group prior to the submission to the Board's approval; discussed with management on significant judgments affecting Group's consolidated financial statements and approved the appointment of auditor; reviewed and discussed the internal control report; reviewed and assessed the adequacy and effectiveness of the Company's internal control and risk management; and reviewed and monitored the external auditor's independence and objectivity and the effectiveness during the audit process.

## 審核委員會(續)

審核委員會之主要職務包括監督本公司財務報表是否完整全面、按董事會授權檢討本公司之內部監控(包括資源充足性、本公司會計及財務申報職能員工之資歷及經驗以及其培訓計劃及預算)及風險管理事宜，並就委聘外聘核數師進行審核及非審核服務向董事會作出推薦意見。審核委員會獲提供充足資源以履行其職責。

審核委員會成員及各成員之出席情況如下：

截至二零一六年十二月三十一日止年度，審核委員會與管理層已審閱本集團全年業績、中期業績及其相關公告包括提呈董事會批准前本集團採納的披露、財務申報及會計政策；與管理層討論影響本集團綜合財務報表的重要判斷及批准委聘核數師；審閱及討論內部監控報告；檢討及評估本公司內部監控及風險管理的充足性及有效性；檢討及監控外聘核數師的獨立性及核數程序的客觀性及有效性。

### AUDIT COMMITTEE (continued)

The Board is responsible for preparing the financial statements that give a true and fair view of the financial position of the Group on a going concern basis. The Audit Committee has reviewed the Company's annual results and consolidated financial statements for the year ended 31 December 2016. The Directors acknowledge their responsibilities for preparing a balanced, clear and comprehensive assessment in annual/interim reports, price-sensitive announcements and other financial disclosures. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

### Auditor's Remuneration

Deloitte Touche Tohmatsu ("Deloitte") resigned as the auditor of the Group on 16 January 2017. PricewaterhouseCoopers was appointed as the Group's auditor with effect from 16 January 2017 until the conclusion of next annual general meeting. The remuneration paid/payable to PricewaterhouseCoopers and Deloitte in respect of their audit and non-audit services were as follows:

		2016 二零一六年 HK\$'000 千港元
<b>Remuneration paid/payable to PricewaterhouseCoopers</b>	已付／應付羅兵咸永道會計師事務所薪酬	
Audit Services	審計服務	9,900
<b>Remuneration paid/payable to Deloitte</b>	已付／應付德勤薪酬	
Audit Services	審計服務	300
Non-audit Services	非審計服務	6,650
<b>Total</b>	<b>總計</b>	<b>16,850</b>

The accounts for the year were audited by PricewaterhouseCoopers whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that PricewaterhouseCoopers be nominated for appointment as the auditor of the Company at the forthcoming annual general meeting.

### 審核委員會(續)

董事會有責任以持續經營之基準編製財務報表，對本集團財政狀況提出真確及公正的意見。審核委員會已審核本公司截至二零一六年十二月三十一日止年度之全年業績及綜合財務報表。董事瞭解彼等之責任為對年報／中期報告、股價敏感資料公告及其他財務披露編製平衡、清晰及全面之評核。董事並不知悉有關任何事項或情況之重大不明朗因素，而可能使本公司持續經營之能力受到重大質疑。

### 核數師薪酬

於二零一七年一月十六日，德勤•關黃陳方會計師行(「德勤」)辭任本集團核數師。羅兵咸永道會計師事務所自二零一七年一月十六日獲委任為本集團的核數師，任期至下一屆股東週年大會結束為止。就審計及非審計服務已付／應付羅兵咸永道會計師事務所及德勤的薪酬如下：

本年度的賬目由羅兵咸永道會計師事務所審核，其任期將於應屆股東週年大會屆滿。審核委員會已向董事會建議於應屆股東週年大會提名續聘羅兵咸永道會計師事務所為本公司的核數師。

#### AUDIT COMMITTEE (continued)

##### Board's Responsibilities for the Accounts

The Board is responsible for the preparation of accounts for each financial period, which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing these accounts for the year ended 31 December 2016, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable, and has prepared the accounts on a going concern basis.

#### ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the year ended 31 December 2016 which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Directors consider that the financial statements have been prepared in conformity with all appropriate accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The statements of the auditor of the Group about its reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" on page 83 of this Annual Report.

#### INTERNAL CONTROL

The primary duties of the Audit Committee include reviewing and supervising the financial reporting process, risk management and internal control procedures of the Group and nominating and monitoring external auditors. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee possesses the appropriate professional and accounting qualifications.

#### 審核委員會(續)

##### 董事會編製賬目之職責

董事會負責編製各財政期間之賬目，並對本集團該期間之財政狀況、業績及現金流量作出真實公平意見。在編製截至二零一六年十二月三十一日止年度之賬目時，董事會已挑選合適會計政策並貫徹應用、作出審慎及合理的判斷及估計，並按持續基準編製賬目。

#### 問責及審核

董事承認彼等有責任編製本公司截至二零一六年十二月三十一日止年度的財務報表所載的一切資料及陳述，並真實公平地反映本集團的狀況以及期內的業績及現金流量。董事認為財務報表已遵照所有適用會計準則及規定編製，並反映根據董事會及管理層的最佳估計、合理知情及審慎的判斷所得的數額。就董事所知，並無有關任何事件或情況的重大不明朗因素可能對本公司持續經營的能力產生重大質疑。因此，董事已按照持續經營基準編製本公司的財務報表。

本集團核數師就其對本集團財務報表的呈報責任作出的聲明載於本年報第83頁的「獨立核數師報告」一節。

#### 內部監控

審核委員會的主要職責包括檢討及監督本集團的財務報告程序及內部監控程序，以及提名及監察外聘核數師。為符合上市規則第3.21條規定，審核委員會主席具備適當專業及會計資格。



## REMUNERATION COMMITTEE

The Remuneration Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The written terms of reference of the Remuneration Committee are available on the Stock Exchange's website and the Company's website.

The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all directors and senior management of the Company, and the remuneration packages of individual Directors and senior management of the Company.

The remuneration for the executive Directors comprises basic salary, allowance and discretionary bonus.

Salary adjustments are made where the Remuneration Committee takes into account performance, contribution and responsibilities of the individual. Apart from basic salary, executive Directors and employees are eligible to receive a discretionary bonus taking into account factors such as market conditions as well as corporate and individual's performance during the year.

The following table illustrates the elements of remuneration of executive Directors and senior management.

## 薪酬委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立薪酬委員會，並訂明書面職權範圍。薪酬委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

薪酬委員會負責就(其中包括)本公司所有董事及高級管理層薪酬政策及架構，以及本公司個別執行董事、非執行董事及高級管理層之薪酬福利向董事會提供推薦建議。

執行董事的薪酬包括基本薪金、紅利及購股權。

薪酬委員會乃按個人表現、貢獻及職責而作出薪酬調整。經考慮於本年度之市況以及企業及個人表現，執行董事及僱員除基本薪金外符合資格收取酌情花紅。

下表闡釋執行董事及高級管理層的薪酬要素。

Remuneration 薪金	Purpose 目的	Reward 報酬	Policy details 政策詳情
Basic salary 基本薪金	To reflect the market value of each individual 反映各個人之市場價值	Cash payment monthly 每月現金付款	Reviewed annually with market trend 每年按市場趨勢作出檢討
Allowance 津貼	To attract and retain employees 吸引及保留僱員	Reimbursement 補償	Market conditions 市場情況
Discretionary performance bonus 酌情表現花紅	To motivate employees to deliver high levels of performance of the Company and individual performance goals 激勵僱員為本公司作出高水準的表現以及達成個人表現目標	Cash payment 現金付款	<ul style="list-style-type: none"> <li>- Individual performance</li> <li>- Company performance</li> <li>- 個人表現</li> <li>- 公司表現</li> </ul>

## Corporate Governance Report (continued)

### 企業管治報告 (續)

#### REMUNERATION COMMITTEE (continued)

The following table shows the breakdown of the Directors' remuneration for the year ended 31 December 2016:

#### 薪酬委員會(續)

下表列示董事截至二零一六年十二月三十一日止年度之薪酬之明細分析：

		Other emoluments 其他酬金				Total 總計
		Fees 袍金	Salaries, allowances and other benefits 薪金、津貼及 其他福利	Retirement benefit scheme contributions 退休福利 計劃供款	Performance bonus 表現花紅	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>2016</b>	<b>二零一六年</b>					
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Tu Jianhua	涂建華先生	-	1,539	18	300	1,857
Mr. Qin Yongming (appointed on 30 June 2016)	秦永明先生(於二零一六年 六月三十日獲委任)	-	1,118	10	300	1,428
Mr. Liu Huaiyu (appointed on 24 October 2016 and resigned on 7 April 2017)	劉懷宇先生(於二零一六年 十月二十四日獲委任及 於二零一七年四月七日 辭任)	-	348	5	150	503
Mr. Fang Ankong (resigned on 16 February 2016)	方安空先生(於二零一六年 二月十六日辭任)	-	307	-	-	307
Mr. Meng Yi (resigned on 1 April 2016)	孟怡先生(於二零一六年 四月一日辭任)	-	152	-	-	152
Mr. Zhang Jun (appointed on 1 April 2016 and resigned on 24 October 2016)	張軍先生(於二零一六年 四月一日獲委任及於 二零一六年十月二十四日 辭任)	-	1,212	11	277	1,500
Mr. Zhang Mingjie (resigned on 30 June 2016)	張明杰先生(於二零一六年 六月三十日辭任)	-	300	-	-	300
<b>Independent Non-Executive Directors</b>	<b>獨立非執行 董事</b>					
Dr. Loke Yu	陸海林博士	225	-	-	-	225
Ms. Qian Liping (appointed on 24 October 2016)	錢麗萍女士(於二零一六年 十月二十四日獲委任)	46	-	-	-	46
Mr. Zhu Dajian	諸大建先生	225	-	-	-	225
Ms. Zhang Jingdong (resigned on 24 October 2016)	章敬東女士(於二零一六年 十月二十四日辭任)	179	-	-	-	179
		675	4,976	44	1,027	6,722

## REMUNERATION COMMITTEE (continued)

During the year ended 31 December 2016, the Remuneration Committee held six meetings. The Remuneration Committee determined the policy for the remuneration of executive Directors', made recommendations to the Board on the remuneration of directors and assessed the performance of the executive Directors. Members of the Remuneration Committee and the attendance of each member are as follows:

Name of Director 董事姓名	Position 職位	Role in Remuneration Committee 薪酬委員會 之職責	Meetings Attended/ Eligible to Attend 會議出席次數/ 合資格出席次數
Mr. Zhu Dajian 諸大建先生	Independent non-executive Director 獨立非執行董事	Chairman 主席	6/6
Dr. Loke Yu 陸海林博士	Independent non-executive Director 獨立非執行董事	Member 成員	6/6
Ms. Qian Liping (appointed on 24 October 2016) 錢麗萍女士(於二零一六年 十月二十四日獲委任)	Independent non-executive Director 獨立非執行董事	Member 成員	1/1
Ms. Zhang Jingdong (resigned on 24 October 2016) 章敬東女士 (於二零一六年 十月二十四日辭任)	Independent non-executive Director 獨立非執行董事	Member 成員	4/5

Throughout the year ended 31 December 2016, the Remuneration Committee has discussed and recommended to the Board for approval of the Directors' and senior managements' remuneration of the Group for the year of 2016, the service contracts and remuneration for the appointment of Mr. Qin Yongming, Mr. Liu Huaiyu and Ms. Qian Liping as the Chief Executive Officer, Executive Director and Independent non-executive Director respectively, the bonus payments to the Directors and senior management, and the renewal of service contracts of senior management of the Company in 2016.

## 薪酬委員會(續)

於截至二零一六年十二月三十一日止年度內，薪酬委員會共召開六次會議。薪酬委員會釐定執行董事之薪酬政策，就董事薪酬事宜向董事會作出推薦意見及評核執行董事的表現。薪酬委員會之成員名單及各成員出席次數如下：

於截至二零一六年十二月三十一日止年度整段期間，薪酬委員會已討論及建議董事會批准於二零一六年本集團董事及高級管理人員的薪酬、委任秦永明先生、劉懷宇先生及錢麗萍女士分別為行政總裁、執行董事及獨立非執行董事的服務合約及薪酬、向董事及高級管理人員支付的獎金，及續簽本公司高級管理人員於二零一六年服務合約。

#### NOMINATION COMMITTEE

The Nomination Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Company has adopted a set of the revised terms of reference of the Nomination Committee on 15 August 2013. The written terms of reference of the Nomination Committee are available on the Stock Exchange's website and the Company's website.

The duties of the Nomination Committee include:

1. to formulate nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
2. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
3. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
4. to assess the independence of independent non-executive directors, having regard to the requirements under the Listing Rules;
5. to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors in particular the chairman and the chief executive;
6. to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
7. to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

The Nomination Committee currently comprises Mr. Tu Jianhua, Executive Director, and Dr. Loke Yu, Mr. Zhu Dajian and Ms. Qian Liping, Independent Non-Executive Directors, and is chaired by Mr. Tu Jianhua. Ms. Zhang Jingdong resigned and ceased to be the members of the Nomination Committee on 24 October 2016.

#### 提名委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立提名委員會，並訂明書面職權範圍。本公司已於二零一三年八月十五日採納一套提名委員會之經修訂職權範圍。提名委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

提名委員會的職責包括：

1. 制定提名政策供董事會考慮，實施董事會規定的提名政策；
2. 至少每年檢討董事會的架構、人數和組成（包括技能、知識和經驗方面），並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議；
3. 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
4. 依照上市規則的要求，評估獨立非執行董事的獨立性；
5. 就董事（特別是主席和行政總裁）的委任或重新委任和繼任計劃向董事會提供建議；
6. 採取一切措施確保本委員會履行董事會賦予的權力和職能；及
7. 遵守董事會、本公司章程或法律不時規定的任何要求、指令和管理規定。

提名委員會目前包括執行董事涂建華先生以及獨立非執行董事陸海林博士、諸大建先生及錢麗萍女士。涂建華先生為提名委員會主席。章敬東女士已於二零一六年十月二十四日辭任及不再為提名委員會成員。

## NOMINATION COMMITTEE (continued)

The Nomination Committee convened six meetings during the year ended 31 December 2016 with the attendance of each member as follows:

## 提名委員會(續)

提名委員會於截至二零一六年十二月三十一日止年度共召開六次會議，各成員出席如下：

Name of Directors	Position	Role in Nomination Committee	Meetings Attended/ Eligible to Attend
董事姓名	職位	在提名委員會的職能	已出席會議次數／合資格出席
Tu Jianhua 涂建華	Executive Director 執行董事	Chairman 主席	5/6
Loke Yu 陸海林	Independent non-executive Director 獨立非執行董事	Member 委員	6/6
Zhu Dajian 諸大建	Independent non-executive Director 獨立非執行董事	Member 委員	6/6
Qian Liping (appointed on 24 October 2016) 錢麗萍(於二零一六年十月二十四日獲委任)	Independent non-executive Director 獨立非執行董事	Member 委員	0/0
Zhang Jingdon (resigned on 24 October 2016) 章敬東(於二零一六年十月二十四日辭任)	Independent non-executive Director 獨立非執行董事	Member 委員	5/6

Throughout the year ended 31 December 2016, the Nomination Committee has reviewed and discussed the composition, size and structure of the Board, the independence of the independent non-executive Directors, re-election of Directors and appointment of Mr. Qin Yongming, Mr. Liu Huaiyu and Ms. Qian Liping as Chief Executive Officer, executive Director and independent non-executive Director respectively.

於截至二零一六年十二月三十一日止年度整段期間，提名委員會已檢討及討論董事會的組成、人數及架構、獨立非執行董事的獨立性、重選董事及分別委任秦永明先生、劉懷宇先生及錢麗萍女士為行政總裁、執行董事及獨立非執行董事。

In considering the nomination of new directors, the Company will propose the candidates to the Nomination Committee, which will review and make recommendation to the Board on the expertise, skills and experience of the candidates appropriate to the requirements of the business of the Company.

於考慮提名新董事時，本公司會向提名委員會建議候選人，而委員會將檢討符合本公司業務要求的候選人的專業知識、技能及經驗並就此向董事會提供推薦意見。

The composition of the Board has a significant element of diversity, in terms of skills, regional and industry experience, background and gender.

董事會組成須在技能、地區及行業經驗、背景及性別方面有多元化重要元素。

#### NOMINATION COMMITTEE (continued)

##### Board Diversity Policy

The Company has established a board diversity policy (the “Board Diversity Policy”) on 15 August 2013 which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board sets measurable objectives to implement the Board Diversity Policy and reviews such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. During the year ended 31 December 2016, the Nomination Committee considered the age, education background and working experience of the candidates when selecting the Executive Directors, and noted that there was no legal and investment expert on the Board. Subsequently, the Nomination Committee recommended and the Company appointed Mr. Liu Huaiyu (subsequently resigned on 7 April 2016) and Mr. Zhu Patrick Xiangdong as an Executive Director.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

##### PRICING COMMITTEE

The Company established the Pricing Committee in June 2010 to review and determine the offer and selling prices of the Group’s physical stock, the Group’s inventory level and hedging positions requirements on a daily basis; to enhance the risk management of commodity price fluctuations and to ensure an effective risk monitoring system. The Pricing Committee currently comprises Mr. Qin Yongming, Mr. Koon Wai Hung, Mr. Goh Kian Guan and is chaired by Mr. Zhu Patrick Xiangdong.

#### 提名委員會(續)

##### 董事會成員多元化政策

本公司於二零一三年八月十五日制定董事會成員多元化政策(「董事會成員多元化政策」)，當中載列董事會為達致及維持成員多元化以提升董事會之有效性而採取之方針。

本公司為尋求達致董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。

董事會制定可衡量目標，以實施董事會成員多元化政策及不時審閱該等目標，確保其適用性及把握為達至該等目標而作出之進展。於截至二零一六年十二月三十一日止年度，於挑選執行董事時，提名委員會考慮候選人的年齡、教育背景及工作經驗，並留意到董事會並無法律及投資專家。隨後，提名委員會建議，而本公司委任劉懷宇先生(其後於二零一六年四月七日辭任)及朱向東先生為本公司執行董事。

提名委員會將審閱董事會成員多元化政策，如適合，不時確保其繼續保持有效。

##### 定價委員會

本公司已於二零一零年六月成立定價委員會，負責審閱及釐定本集團每日之現貨買入及賣出價，本集團的存貨水平以及每日對沖形勢的要求，以提高對商品價格波動的風險管理，並確保風險監察系統的效能。定價委員會現時包括秦永明先生、官偉雄先生、朱向東先生、吳健源先生，並由朱向東先生擔任主席。

## PRICING COMMITTEE (continued)

The Pricing Committee convened two meetings during the year ended 31 December 2016 with the attendance of each member as follows:

## 定價委員會(續)

於截至二零一六年十二月三十一日止年度，定價委員會共召開兩次會議，各成員出席如下：

Name of Committee members	Position	Role in Pricing Committee	Meetings Attended/ Eligible to Attend
委員會委員姓名	職位	在定價委員會職責	已出席會議次數/ 合資格出席
Zhu Patrick Xiangdong 朱向東	Executive Director 執行董事	Chairman 主席	2/2
Qin Yongming (appointed on 30 June 2016) 秦永明(於二零一六年六月三十日獲委任)	Executive Director 執行董事	Member 委員	2/2
Koon Wai Hung 官偉雄	Chief Financial Officer 首席財務官	Member 委員	2/2
Goh Kian Guan 吳健源	Chief Investment Officer 首席投資官	Member 委員	2/2
Gan Jun (resigned on 4 November 2016) 甘軍先生(於二零一六年十一月四日辭任)	Chief Financial Officer of Taizhou office 台州辦事處的首席投資官	Member 委員	1/2

Throughout the year ended 31 December 2016, the Pricing Committee has reviewed the Group's monthly physical stock price and commodities transactions. The Pricing Committee held review meetings with the Board of Directors in 2016 to review and discuss the Pricing Committee Report. In the review meetings, the Pricing Committee and the Board of Directors reviewed and discussed the Group's commodity future contracts' exposure level, the corresponding procurement and inventory management strategy of each quarter in 2016, and reviewed the Group's Policy regarding dealings in metal futures contracts.

於截至二零一六年十二月三十一日止年度，定價委員會已審閱本集團每月現貨價格及商品交易。於二零一六年，定價委員會與董事會舉行審議會，以審閱及討論定價委員會報告。於審議會中，定價委員會及董事會已審閱及討論本集團於二零一六年每季度的商品期貨合約的風險水平、相應採購及存貨管理策略，及審閱本集團有關買賣金屬期貨合約的政策。

## STRATEGY AND INVESTMENT COMMITTEE

The Company established the Strategy and Investment Committee in December 2015. The written terms of reference of the Strategy and Investment Committee have been subsequently adopted on 2 February 2016 and are available on the Company's website.

The duties of the Strategy and Investment Committee include the following aspects:

- (i) to act as a delegate for the Board generally;
- (ii) to make decisions and pass resolutions, and to exercise all powers of the Board on all matters of the Company in relation to its daily operations and investment activities, including any non-connected transaction if the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules less than 5%; and
- (iii) to make recommendations to the Board concerning matters of corporate significance not otherwise dealt by any other committees of the Board, recommendations must be submitted to the Board for approval in respect of all transactions if the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules equal to or are more than 5%.

The Strategy and Investment Committee currently consists of Mr. Tu Jianhua, Mr. Qin Yongming and Mr. Zhu Patrick Xiangdong, the Executive Directors, and is chaired by Mr. Tu Jianhua. Mr. Meng Yi resigned and ceased to be a member of the Strategy and Investment Committee on 1 April 2016. Mr. Liu Huaiyu resigned and ceased to be a member of the Strategy and Investment Committee on 7 April 2017. Mr. Zhu Patrick Xiangdong was appointed as the member of Strategy and Investment Committee on 7 April 2017.

## 戰略與投資委員會

本公司於二零一五年十二月成立戰略與投資委員會。戰略與投資委員會的書面職權範圍其後於二零一六年二月二日採納，於本公司網站可供閱覽。

戰略與投資委員會的主要職責如下：

- (i) 主要作為董事會的代表行事；
- (ii) 作出決策及通過決議，以及就有關本公司日常營運及投資活動的所有事宜(包括根據上市規則第14.07條所計算的適用百分比率低於5%的任何非關連交易)行使一切董事會權力；及
- (iii) 就任何其他董事委員會未處理的重大企業事宜向董事會提供推薦建議，倘根據上市規則第14.07條所計算的適用百分比率相等於5%或以上之所有交易，必須提交建議予董事會審批。

戰略與投資委員會現時由執行董事涂建華先生、秦永明先生及朱向東先生組成，涂建華先生為主席。孟怡先生於二零一六年四月一日辭任及不再為戰略與投資委員會成員。劉懷宇於二零一七年四月七日辭任並不再為戰略與投資委員會的成員。朱向東先生於二零一七年四月七日獲委任為戰略與投資委員會成員。



STRATEGY AND INVESTMENT COMMITTEE  
MEETINGS ATTENDANCE 2016

二零一六年戰略與投資委員會會議  
之出席情況

Name of Committee members	Position	Role in Strategy and Investment Committee 在策略及投資委員會的職能	Meetings Attended/Eligible to Attend 已出席會議次數/合資格出席
Tu Jianhua 涂建華	Executive Director 執行董事	Chairman 主席	10/10
Qin Yongming (appointed on 30 June 2016) 秦永明 (於二零一六年六月三十日獲委任)	Executive Director 執行董事	Member 委員	6/6
Goh Kian Guan 吳健源	Chief Investment Officer 首席投資官	Member 委員	4/4
Meng Yi (resigned on 1 April 2016) 孟怡 (於二零一六年四月一日辭任)	Executive Director 執行董事	Member 委員	1/1
Zhang Mingjie (resigned on 30 June 2016) 張明杰 (於二零一六年六月三十日辭任)	Executive Director 執行董事	Member 委員	4/4
Zhang Jun (resigned on 26 October 2016) 張軍 (於二零一六年十月二十六日辭任)	Executive Director 執行董事	Member 委員	3/3
Liu Huaiyu (resigned on 7 April 2017) 劉懷宇 (於二零一七年四月七日辭任)	Executive Director 執行董事	Member 委員	3/3

\* Mr. Zhu Patrick Xiangdong was appointed on 7 April 2017.

\* 朱向東先生於二零一七年四月七日獲委任。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for establishing, maintaining and operating an effective system of risk management and internal controls. The Company leverages on the expertise offered by internal and external professionals to develop its internal control system, which includes a well-established corporate structure and an organisation with clearly defined lines of responsibility and authority.

風險管理及內部監控

董事會負責建立、維持及運作有效的風險管理及內部監控系統。本公司憑藉公司內外的專業人員的專業知識發展風險管理及內部監控系統，包括良好的公司架構及職責與權力的明確分立。

### RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The controls built into the risk management system are intended to manage, not eliminate, significant risks in the Group's business environment. The Group's risk management framework includes the following key elements:

- identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- develop necessary measures to manage those risks;
- monitor and review the effectiveness of such measures.

The implementation of the Group's risk management framework was assisted by the Company's Pricing Committee, Strategy and Investment Committee and Internal Audit Department. These framework and setup enables the Group to ensure any new and emerging risk relevant to the Group's operation is promptly identified and managed.

#### Pricing Committee

The Pricing Committee which, as referred to earlier in this report, comprises the Company's executive Directors and senior management with appropriate qualifications and experiences, has been established and delegated with the operations of the Group's policy regarding dealings in metal futures contracts (the "Policy"). It determines the range of metal futures contracts that the Group may enter into during the month. On a daily basis, the Pricing Committee reviews the open positions of the Group and determines (i) the offer and sell price of our physical stock and our hedging requirements; and (ii) the quantity and the price of the metal futures contracts that the Group is going to buy or sell.

The Board receives a monthly report from the Pricing Committee on the Group's metal futures activities carried out during the preceding month. Should the Pricing Committee determine that any positions are to be taken, it must inform the Board and provide supporting reasons in its report. In addition, the Company's Finance Department assesses and reports to the Board on the open positions of the Group based on the Group's cash position.

In the event the report from the Company's Finance Department demonstrates that the Group is not in strict compliance with the Hedging Limit and the Daily Limit, the Group will put in place and implement a plan to decrease the open positions of the Group within a reasonable time in order to comply with the limits.

### 風險管理及內部監控 (續)

風險管理系統內建的監控措施乃為管理，而並非消除，於本集團的經營環境中的重大風險。本集團的風險管理框架包括下列各個主要部分：

- 識別於本集團經營環境的重大風險，並評估該等風險對本集團業務的影響；
- 制訂必須的措施以管理該等風險；
- 監管及檢討有關措施的有效程度。

本公司定價委員會、戰略與投資委員會及內部審核部門協助執行本集團的風險管理框架。該等框架及設定讓本集團能夠確保及時識別及管理任何與本集團營運相關的新出現風險。

#### 定價委員會

按本報告較早前提及，由本公司之執行董事及具合適資歷和經驗的高級管理層組成的定價委員會已經成立，並被授權營運本集團有關買賣金屬期貨合約的政策（「該政策」）。其釐定本集團於該月可買賣的金屬期貨合約的範圍。就每日而言，定價委員會審閱本集團的未平倉交易並釐定：(i)我們的現貨庫存的報價和售價以及我們的對沖要求；及(ii)本集團準備買入或賣出的金屬期貨合約的數量和價格。

定價委員會每月就本集團於前一個月進行的金屬期貨活動向董事會提交報告。倘定價委員會釐定將有任何持倉，定價委員會須於報告中通知董事會，並提供理由。此外，本公司的財務部根據本集團的現金狀況評估本集團未平倉交易並向董事會報告。

倘本公司財務部的報告顯示，本集團並無嚴格遵守對沖限額及每日限額，本集團將制定及落實計劃，以於合理時間內減低本集團的未平倉交易，以符合限額。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Pricing Committee (continued)

Following a review of the current business operations, internal controls, risk management and policies and practices regarding dealings in metal futures contracts of the Group, the Board adopted a revised version of the Policy (the "Revised Policy") on 29 July 2016, which the Board believes is more suitable for the current operating conditions of the Group. The major changes in the Policy regarding dealings in metal futures contracts are summarised as below:

- (a) Based on current business activities, the Group will only engage in short positions for futures contracts. As the Group has greater exposures on copper prices, the key focus on hedging will be on copper, using the London Metal Exchange copper futures. Expansion to other commodities types will be reviewed on a quarterly basis, depending on our physical volumes.
- (b) The Group propose to hedge no more than 5,000 tonnes of copper.
- (c) A cut-loss limit will be set as 15% for both gain and loss, before mandatory closing of positions are triggered.

### Strategy and Investment Committee

In order to cope with the Group's development needs, enhance scientific planning and decision-making, promote the effectiveness of material investment decision-makings and improve the corporate governance structure of the Group, the Company established the Strategy and Investment Committee on 21 December 2015 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules.

The principal functions and responsibilities of the Strategy and Investment Committee are to (i) study on the development strategies and planning; and (ii) advise on the decision-makings on material investments and capital operation of the Company.

Notwithstanding that the Strategy and Investment Committee is entitled to exercise all powers of the Board on all matters of the Company in relation to its daily operations and investment activities, recommendations must be submitted to the Board for approval for all transactions with a percentage ratio equal to or higher than 5% according to the testing result of the Stock Exchange.

## 風險管理及內部監控 (續)

### 定價委員會 (續)

經審閱目前業務狀況、內部監控、風險管理及本集團有關買賣金屬期貨合約的政策及常規後，董事會於二零一六年七月二十九日已採納該政策之修訂版本(「修訂政策」)，且董事會相信其更適合本集團之現有經營狀況。有關買賣金屬期貨合約的政策的主要變動概述如下：

- (a) 基於目前的商業活動，本集團將只參與淡倉的期貨合約。由於本集團在銅價方面會承擔較大風險，對沖主要專注在銅，並使用倫敦金屬交易所的銅期貨進行。集團將每季審閱是否擴大至其他商品類型，而審閱結果取決於我們實際存貨量。
- (b) 本集團建議對沖不多於5,000噸銅。
- (c) 觸動強制持倉的平倉的損益限額將設定為15%。

### 戰略與投資委員會

為適應本集團的發展需求、增強戰略規劃決策的科學性、促進重大投資決策的有效性及改善本集團的企業管治架構，本公司於二零一五年十二月二十一日成立戰略與投資委員會，並已遵照上市規則附錄十四所載企業管治守則訂明職權範圍。

戰略與投資委員會的主要職能及職責為：(i) 研究本公司的發展策略及規劃；及(ii) 就本公司的重大投資及資本運作的決策提供建議。

儘管戰略與投資委員會有權就本公司的日常運作及投資活動的所有事宜行使一切董事會權力，但根據聯交所的測試結果計算，百分比率等於或高於5%的所有交易，則必須提交建議予董事會審批。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Internal Audit

The Company's Internal Audit Department is to provide independent assurance to the Board and executive management on the adequacy and effectiveness of risk management and internal controls for the Group.

The Board has reviewed annually to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's Internal Audit Department.

The Company's Internal Audit Department adopts a risk-and-control based audit approach. The annual work plan of the Company's Internal Audit Department covers major activities and processes of the Group's business units whilst audit plan is reviewed and agreed by the Audit Committee. In addition to the agreed schedule of work, the Company's Internal Audit Department conducts other review and investigative work as may be required. All audit reports are communicated to the Audit Committee and key members of executive and senior management. Audit issues are tracked and followed up for proper implementation, with progress reported to the Audit Committee, executive and senior management periodically.

The risk management and internal control system of the Company is reviewed and assessed on an on-going basis by the Executive Directors, and will be further reviewed and assessed at least once each year by the Audit Committee and the Board. The Board has reviewed the risk management and internal control systems of the Company and considered it to be effective and adequate and did not note any material deviation during the year ended 31 December 2016.

### Green Policies

We implement paper recycling policy for papers at our offices in Hong Kong and the PRC. Staffs are also encouraged to practice energy saving habits, such as setting their computers to sleep mode when not in use and using internal communication in the form of direct electronic mail.

During the year, the Group successfully achieved reduction in the usage of energy and paper.

## 風險管理及內部監控 (續)

### 內部審核

本公司內部審核部門就本集團風險管理及內部控制的充足性及有效性向董事會及執行管理層提供獨立保證。

董事會已進行年度檢討以確保本公司內部審核部門的資源、員工資歷及經驗、以及員工所接受的培訓課程及有關預算均足夠。

本公司內部審核部門採納以風險及控制為本的審核方式。本公司內部審核部門的年度工作計劃涵蓋本集團業務單位的主要活動及程序，而審核計劃則由審核委員會檢討及批准。除經同意的工作安排外，本公司的內部審核部門會按要求從事其他審閱及調查工作。所有審核報告均交予審核委員會及行政及高級管理層的主要成員。為求妥善實行審核事項，有關進展會定期匯報予審核委員會、行政及高級管理層，予以追查及跟進。

本公司的風險管理及內部監控系統由執行董事持續檢討及評估，並由審核委員會及董事會至少每年一次進一步檢討與評估。董事會已審閱本公司的風險管理及內部監控系統，並認為該系統有效及足夠，且於截至二零一六年十二月三十一日止年度並無發現任何重大偏離。

### 環保政策

我們在香港及中國的辦公室推行紙張回收政策。我們亦鼓勵員工培養節能習慣，例如將非使用中的電腦調教為睡眠模式及以電子郵件形式進行內部溝通。

年內本集團成功達成減少使用能源及紙張的目標。

## COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy (the "Shareholders' Communication Policy") in March 2012 for setting out the policies, communication strategies and practices of the Company for communication with its shareholders. The Shareholders' Communication Policy enables the shareholders (the "Shareholders") of the Company to obtain comprehensive and plain information of the Company, to exercise their powers on an informed basis and to strengthen their communication with the Company.

The Company has established and maintained a dialogue with Shareholders by conveying information to the Shareholders and investors through the Company's financial reports (interim and annual reports); annual general meeting and other meetings that may be held; and all the information submitted to the Stock Exchange for disclosure, as well as corporate communications and other publications which shall be posted on the website of the Company.

The Company undertakes to convey information to the Shareholders and investors in a timely and effective manner at all times. If there are any questions about the Shareholders' Communication Policy, it shall be delivered to the Company Secretary or the Head of Investor Relations Department of the Company.

## SHAREHOLDERS' RIGHTS

### Shareholders general enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited.

Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

## 與股東的溝通

於二零一二年三月，本公司建立一項股東通訊政策（「股東通訊政策」），當中載有本公司與其股東通訊有關的政策、通訊策略及常規。股東通訊政策能使本公司股東（「股東」）獲得本公司全面及容易理解的資料，以在知情情況下行使權利及加強彼等與本公司的溝通。

本公司已與股東建立及保持對話，向股東及投資者傳達信息，途徑包括本公司財務報告（中期及年度報告）；股東週年大會及可能舉行的其他大會；及提交至聯交所以供披露的所有資料以及將於本公司網站刊發的公司通訊及其他出版資料。

本公司承諾始終以適時及有效的方式向股東及投資人士傳達信息。倘對股東通訊政策有任何疑問，須諮詢本公司秘書或本公司投資者關係部主管。

## 股東權利

### 股東一般查詢

股東如對名下股權有任何問題，應向本公司的香港股份登記及過戶分處香港中央證券登記有限公司提出。

股東及投資人士可隨時要求索取本公司可供公開查閱的資料。

### SHAREHOLDERS' RIGHTS (continued)

#### Procedures for putting forward enquiries to the Board

Shareholders may at any time forward enquires to the Board in writing through the Company Secretary who will direct the enquiries to the Board for handling. The contact details of the Company Secretary are as follows:

The Company Secretary  
48 Wang Lok Street  
Yuen Long Industrial Estate  
Hong Kong

Fax: (852) 2587 7799

Email Address: cosec@chiho-tiande.com

#### Procedures for Shareholders to Convene General Meetings

Subject to the provisions of the articles of association of the Company ("Articles of Association"), the Listing Rules and the applicable laws and regulations, Shareholders may convene general meetings of the Company in accordance with the following procedures:

1. One or more Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the Requisitionist(s)) may require the Board to convene an extraordinary general meeting of the Company (an "EGM") by depositing a written requisition (the "Requisition") at the registered office of the Company at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and a copy thereof at the principal place of business of the Company in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong, for the attention of the Board or the Company Secretary.
2. The Requisition must clearly state the name(s) and shareholding in the Company of the Requisitionist(s), specify the purposes of the EGM and the details of the business proposed to be transacted in the EGM and be signed by the Requisitionist(s) and may consist of several documents in like form, each signed by one or more of the Requisitionists.

### 股東權利(續)

#### 向董事會提出查詢之程序

股東可隨時透過公司秘書向董事會提出書面查詢，而公司秘書會轉交有關查詢予董事會處理。公司秘書之聯絡詳情如下：

公司秘書  
香港  
元朗工業  
邨宏樂街48號

傳真：(852) 2587 7799

電子郵件地址：cosec@chiho-tiande.com

#### 股東召開股東大會之程序

根據本公司組織章程細則(「章程細則」)條文、上市規則及適用法律和法規，股東可根據以下程序召開本公司股東大會：

1. 一名或多名於提出該請求日期持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的股東(「請求人」)可請求董事會召開本公司股東特別大會(「股東特別大會」)，該請求須以書面請求形式(「請求書」)送至本公司註冊辦事處(地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands)及其副本須送至本公司香港主要營業地點(地址為香港元朗工業邨宏樂街48號)，收件人為董事會或公司秘書。
2. 請求書須清楚寫明請求人之姓名及於本公司之股權，列明股東特別大會之目的及擬於股東特別大會上處理之事項的詳情，並由請求人簽署；該請求書可包括多份相同形式之文件，每份由一位或多位請求人簽署。

## SHAREHOLDERS' RIGHTS (continued)

## Procedures for Shareholders to Convene General Meetings (continued)

3. Upon receipt of the Requisition, the Directors shall verify the Requisition with the Company's branch share registrar and upon this confirmation that the Requisition is proper and in order, shall forthwith proceed duly to convene the EGM, and such EGM shall be held within two (2) months after the deposit of the Requisition.
4. If the Directors do not within twenty-one (21) days from the date of the deposit of the Requisition proceed duly to convene the EGM, the Requisitionist(s), may himself or themselves convene the EGM in the same manner and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.
5. Under the Articles of Association and pursuant to the requirements of the Listing Rules, a notice specifying the time and place and the general nature of the proposed business to be transacted at the EGM shall be given to all Shareholders entitled to attend the EGM for consideration in the following manner:
  - (i) notice of not less than 21 clear days or 10 clear business days, whichever is the longer, if a special resolution is to be passed at the EGM; and
  - (ii) notice of not less than 14 clear days or 10 clear business days, whichever is the longer, in all other cases, provided that a EGM may be called by a shorter notice if it is so agreed by a majority in number of the Shareholders having the right to attend and vote at the EGM, being a majority together holding not less than 95% in nominal value of the issued shares of the Company giving such right.

The notice period is exclusive of (i) the day on which the notice is served or deemed to be served; and (ii) the day on which the EGM is to be held.

## 股東權利(續)

## 股東召開股東大會之程序(續)

3. 收到請求書後，董事須與本公司之股份登記分處核實該請求書，並於確認該請求書為妥善及適當時，應立即正式召開股東特別大會，該股東特別大會須於請求書送交後兩(2)個月內舉行。
4. 倘送交請求書後二十一(21)日內，董事未正式召開股東特別大會，則請求人可自發以同樣方式召開股東特別大會，而請求人因董事會未有召開股東特別大會而合理產生之所有開支須由本公司向請求人作出償付。
5. 根據章程細則及上市規則之規定，一份指明時間、地點及擬於股東特別大會上處理之事項之一般性質之通告應按照以下方式向所有有權出席股東特別大會之股東發出：
  - (i) 倘將於股東特別大會上通過特別決議案，則須發出不少於21整日或10個完整營業日的通告(以較長者為準)；及
  - (ii) 於所有其他情況下，須發出不少於14整日或10個完整營業日的通告(以較長者為準)，惟倘獲大多數有權出席股東特別大會並於會上有投票權之股東(該大多數股東合共持有不少於賦予該權利之本公司已發行股份之面值95%)同意，則可以較短期的通告召開股東特別大會。

通告期不包括(i)通告送達或被視為送達當日；及(ii)舉行股東特別大會當日。

## SHAREHOLDERS' RIGHTS (continued)

### Procedures for Shareholders to Make Proposals at General Meetings

Subject to the provisions of the Articles of Association, the Listing Rules and the applicable laws and regulations, Shareholders may propose a resolution at general meetings of the Company by following the "Procedures for Shareholders to Convene General Meetings" to convene an extraordinary general meeting and propose a resolution to be resolved at that extraordinary general meeting. Please refer to the document titled "Procedures for Shareholders to Convene General Meetings" on the Company's website.

### Procedures for Shareholders to Propose a Person for Election as a Director

Subject to the provisions of the Articles of Association, the Listing Rules and the applicable laws and regulations, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.

1. Shareholder(s) may propose a person (the "Candidate") for election as a Director at general meeting in accordance with the following procedures:
  - (a) a Shareholder or a group of Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company may requisition an extraordinary general meeting to propose the Candidate to be elected as a Director in the manner provided in "Procedures for Shareholders to Convene General Meetings"; or
  - (b) Election of directors whether by rotation or otherwise in the place of those retiring would be considered ordinary business at an annual general meeting of the Company (the "AGM") and if the notice of an AGM includes the election of Directors, any Shareholder may propose the election of any person as a Director at the AGM;

## 股東權利(續)

### 股東於股東大會上提呈建議之程序

根據組織章程細則的條文、上市規則及適用法例及法規，股東可遵照「股東召開股東大會之程序」於本公司股東大會上提呈決議案，以召開股東特別大會及提呈將於股東特別大會上決議的決議案。請參考本公司網站「股東召開股東大會之程序」一節的文件。

### 股東建議推選一名人士為董事之程序

根據組織章程細則條文、上市規則及適用法律和法規，本公司可不時於股東大會通過普通決議案選出任何人士成為董事，以填補臨時空缺或作為新增董事。

1. 股東可根據以下程序於股東大會上建議推選一名人士(「候選人」)為董事：
  - (a) 持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的一名或多名股東可要求股東特別大會按「股東召開股東大會之程序」所規定之方式建議推選候選人為董事；或
  - (b) 於本公司股東週年大會(「股東週年大會」)上選舉董事，不論通過輪席或以其他方式取代退任之董事，將被視為一般事務及倘股東週年大會通告包括選舉董事，任何股東可於股東週年大會上建議推選任何人士為董事；



## SHAREHOLDERS' RIGHTS (continued)

## Procedures for Shareholders to Propose a Person for Election as a Director (continued)

## 1. (continued)

Provided that, in each case, no Candidate other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless:

- (i) a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such Candidate for election; and
- (ii) a notice signed by the Candidate of his willingness to be elected,

shall have been lodged to the Company at its principal place of business in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong within the period of at least seven (7) days commencing on the day after the despatch of the notice of the general meeting and ending no later than seven (7) days prior to the date appointed for such general meeting.

## 2. In addition, the notice must contain the information as specified in Rule 13.51(2) of the Listing Rules about the Candidate, including but not limited to the following:

- (i) full name;
- (ii) age;
- (iii) business and residence addresses;
- (iv) principal occupation or employment;
- (v) experience including (a) other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (b) the major appointments and professional qualifications; and
- (vi) interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 576 of the Laws of Hong Kong).

## 股東權利(續)

## 股東建議推選一名人士為董事之程序(續)

## 1. (續)

於各情況下，除非獲董事推薦參選，否則除董事於股東大會上退任外，概無候選人合資格於任何股東大會上參選，除非：

- (i) 由正式合資格出席大會並於會上表決之股東(除擬參選人外)簽署通告，其表明建議提名該候選人參選之意向；及
- (ii) 由候選人簽署表示願意參選之通告，

於寄發股東大會通告後開始最少須為七(7)天至不遲於該股東大會指定舉行日期前七(7)天結束之期間內，送至本公司香港主要營業地點(地址為香港元朗工業邨宏樂街48號)。

## 2. 此外，該通告須包含上市規則第13.51(2)條所載有關候選人之資料，包括但不限於以下內容：

- (i) 全名；
- (ii) 年齡；
- (iii) 業務及居住地址；
- (iv) 主要職業或受僱工作；
- (v) 經驗，包括(a)過往三年於其證券在香港或海外任何證券市場上市之公眾公司擔任之其他董事職務，及(b)主要的任命及專業資格；及
- (vi) 持有本公司之股份權益(定義見證券及期貨條例第XV部(香港法例第576章))。

## CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2016, there was no change in the Company's constitutional documents.

## CONVENING OF GENERAL MEETINGS

The Board strives to maintain an on-going dialogue with the Shareholders of the Company. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. The process of the Company's general meeting are monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. The Company uses annual general meeting as one of the principal channels for communicating with the Shareholders. The Company ensures that Shareholders' views are communicated to the Board.

At the annual general meeting, each substantially separate issue has been considered by a separate resolution, including the election of individual Directors. The Chairman of the Board, chairmen of the respective Board committees and the external auditor usually attend annual general meetings to communicate with and answer questions from the Shareholders.

The last annual general meeting of the Company was the 2015 annual general meeting (the "2015 AGM") which was held at Suite 1807, Two Pacific Place, 88 Queensway, Hong Kong on Wednesday, 15 June 2016 at 11:00 a.m.

All resolutions put to Shareholders at the 2015 AGM were passed. The Company's Hong Kong branch share registrar were appointed as scrutineers to monitor and count the poll votes cast at that meeting. The results of the voting by poll were published on the websites of the Company and the Stock Exchange.

## 章程文件

於截至二零一六年十二月三十一日止年度，本公司章程文件並無變動。

## 召開股東大會

董事會致力與本公司股東保持溝通，並鼓勵股東參與股東大會，即使其無法出席大會，亦鼓勵彼等委任代表代其出席大會及於會上表決。本公司會監察並定期檢討股東大會程序，並於需要時作出改動，以確保其切合股東需要。本公司以股東週年大會作為股東溝通的其中一項與主要渠道。本公司確保股東的意見能向董事會反映。

於股東週年大會上，每項大致上屬獨立的事宜會以一項獨立的決議案考慮，當中包括個別董事的選任。董事會主席、董事會轄下各委員會之主席及外聘核數師，一般皆會親自出席股東週年大會，以便與股東溝通並回答其提問。

本公司上屆股東週年大會為二零一五年股東週年大會（「二零一五年股東週年大會」），有關大會已於二零一六年六月十五日（星期三）上午十一時正假座香港金鐘道88號太古廣場二期1807室舉行。

所有於二零一五年股東週年大會上向股東提呈的決議案已獲得通過。本公司的股份過戶登記處香港分處獲委任為該大會的監票人，以監察投票表決過程及點算票數。以投票方式表決的結果已於本公司及聯交所網站刊登。

## CONVENING OF GENERAL MEETINGS (continued)

## 召開股東大會(續)

Resolutions proposed at the 2015 AGM	Percentage of votes in favor
於二零一五年股東週年大會提呈的決議案	投贊成票的 百分比
1. To review and approve the audited consolidated financial statements, the report of the directors of the Company and the report of the independent auditor of the Company for the year ended 31 December 2015. 1. 省覽及批准本公司截至二零一五年十二月三十一日止年度的經審核綜合財務報表、本公司董事會報告及本公司獨立核數師報告。	100%
2. To re-elect Mr. Zhang Mingjie as Executive Director of the Company. 2. 重選張明杰先生為本公司執行董事。	100%
3. To re-elect Mr. Zhang Jun as Executive Director of the Company. 3. 重選張軍先生為本公司執行董事。	100%
4. To re-elect Ms. Zhang Jingdong as Independent Non-Executive Director of the Company. 4. 重選章敬東女士為本公司獨立非執行董事。	100%
5. To re-elect Mr. Zhu Dajian as Independent Non-Executive Director of the Company. 5. 重選諸大建先生為本公司獨立非執行董事。	100%
6. To authorise the Board of Directors of the Company (the "Board") to fix the Directors' remuneration. 6. 授權本公司董事會(「董事會」)釐定董事薪酬。	100%
7. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix its remuneration. 7. 續聘德勤•關黃陳方會計師行為本公司核數師，並授權董事會釐定其薪酬。	100%
8. To approve a general mandate to the Directors to issue new shares of the Company. 8. 批准董事發行本公司新股份之一般授權。	99.74%
9. To approve a general mandate to the Directors to repurchase shares of the Company. 9. 批准董事購回本公司股份之一般授權。	100%
10. To approve the extension of the general mandate to be given to the Directors to issue new shares of the Company. 10. 批准擴大授予董事發行本公司新股份之一般授權。	99.74%

## INVESTOR RELATIONS

The management of the Company believes that effective and proper investor relations play a vital role in creating shareholders' value, enhancing the corporate transparency as well as establishing market confidence. As such, the Company has adopted a stringent internal control system to ensure true, accurate, complete and timely disclosure of relevant information pursuant to requirements of relevant laws and regulations in order to ensure all shareholders equal access to information. To strive for effective communication and transparency of the Company, the personnel in charge have frequent contact with Shareholders and investors through various channels such as via interviews, presentations, internet, telephone and email.

In addition, the Company has during the year ended 31 December 2016 organized numerous site visits to the Group's facilities with several fund managers and equity market analysts. Through the site visits, the visitors managed to have a better understanding of the Group's operations and an opportunity to know more about the Group's development strategy.

We will continue to establish communication opportunities in order to enhance investors' understanding of and confidence in the Company.

## WHISTLEBLOWING POLICY

To deter wrongdoing and to promote standards of good corporate practices, the Company has adopted a whistleblowing policy in December 2012. This policy aims at encouraging and enabling employees of the Group at all levels and others to report violations or suspected violations and to raise serious concerns about possible improprieties in matters of financial reporting or other matters of the Group.

## INFORMATION DISCLOSURE

The Company discloses information in compliance with the securities regulations of the Stock Exchange, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. Our primary focus is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public, to make rational and informed decisions.

## 投資者關係

本公司管理層相信，有效及正確的投資者關係對創造股東價值、提高企業透明度及建立市場信心尤為重要。因此，本公司已採納嚴謹的內部監控系統，確保根據相關法例及規例的規定真確、準確、完整及適時披露相關資料，從而確保所有股東均可獲取相同的資訊。為達致有效溝通及提高本公司透明度，負責人經常透過訪問、演講、互聯網、電話及電郵等不同渠道聯絡股東及投資者。

此外，本公司於截至二零一六年十二月三十一日止年度為數位基金經理及股票市場分析員安排了數次到本集團設施的實地考察。透過該等實地考察，到訪者能更好的了解本集團的運作並有機會了解本集團的發展策略。

我們將繼續建立溝通機會以增強投資者對本公司的了解及信心。

## 舉報政策

為遏止不恰當行為及提升良好企業管治水平，本公司已於二零一二年十二月採納舉報政策。該政策旨在鼓勵及促使本集團各級僱員及其他人士舉報違規行為或涉嫌違規行為，及高度關注本集團之財務報告事宜或其他事項中可能存在之不恰當行為。

## 資料披露

本公司根據聯交所證券規例披露資料，並根據有關法律法規向公眾人士刊發定期報告及公告。本集團致力確保適時披露資料，而有關資料為公正、準確、真實及完整，務求使股東、投資者及公眾人士能作出合理及知情的決定。



**TO THE SHAREHOLDERS OF CHIHO-TIANDE GROUP LIMITED**  
(incorporated in the Cayman Islands with limited liability)

## OPINION

### What we have audited

The consolidated financial statements of Chiho-Tiande Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 92 to 251, which comprise:

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

### Our opinion

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

## 羅兵咸永道

致齊合天地集團有限公司股東  
(於開曼群島註冊成立的有限公司)

## 意見

### 我們已審計的內容

齊合天地集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第92至251頁的綜合財務報表，包括：

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

### 我們的意見

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

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### BASIS FOR OPINION

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

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

### Independence

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

### KEY AUDIT MATTERS

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

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

- Going concern assumption
- Business combination of Scholz Holding GmbH ("Scholz Holding" and together with its subsidiaries, "Scholz Group")
- Impairment assessment on goodwill

### 意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 獨立性

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

### 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 持續經營假設
- Scholz Holding GmbH 順爾茨控股有限公司\*(「順爾茨控股」，並連同其附屬公司統稱「順爾茨集團」)之業務合併
- 商譽之減值評估

**Key Audit Matter**  
關鍵審計事項

**Going concern assumption**  
持續經營假設

Refer to note 2.1.1 to the consolidated financial statements.  
請參閱綜合財務報表附註2.1.1。

The Group had incurred net losses of approximately HK\$443,184,000 for the year ended 31 December 2016 (2015: HK\$1,144,021,000). Furthermore, in December 2016, the Group acquired 100% interest of Scholz Holding which was in a loss position in the preceding year prior to the completion of acquisition.

貴集團截至二零一六年十二月三十一日止年度產生淨虧損約443,184,000港元(二零一五年: 1,144,021,000港元)。此外, 於二零一六年十二月, 貴集團收購順爾茨控股100%權益, 該集團去年於收購完成前乃處於虧蝕狀況。

The Group is therefore dependent on its existing cash resources, available facilities from bank and cash flows to be generated from operations to finance the future operations of the Group. The forecast of its cash flows generated from operations involved key assumptions such as revenue growth (including sales volume and metal commodity price forecast) and gross profit margin.

因此 貴集團依賴其現有現金資源、可動用銀行融資及經營所得現金流, 為 貴集團未來的營運提供資金。其經營所得現金流的預測涉及收益增長(包括銷量及金屬商品價格預測)及毛利率等主要假設。

Management of the Group has performed a working capital forecast and concluded that there will be sufficient funds to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2016 to support the going concern basis of preparation of the consolidated financial statements.

貴集團管理層已就營運資金作出預測, 並總結認為其將擁有充足資金以應付其在二零一六年十二月三十一日起計未來十二個月到期的財務責任, 以支持綜合財務報表按持續經營基準而編製。

We focused on this assessment as it involved consideration of future events and application of significant judgements and estimates and accordingly, this was an area of our audit focus. 我們關注該事項是由於其涉及未來事件的考慮及重大的判斷和估計, 因此這為我們審核重心範疇之一。

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

In assessing the appropriateness of management's going concern assumption in preparing the consolidated financial statements, the following audit procedures have been performed by us:

為評估管理層採用持續經營假設編製綜合財務報表之合適性, 我們已進行以下審核程序:

- Confirming the cash resources and available facilities as at year end by circulation of bank confirmations and assessing the probability of facilities renewal during the forecast period by examining historical records of renewal pattern;  
透過傳閱銀行詢證函, 確認於年度結算時之現金資源及可動用融資, 並透過審視以往重續融資狀況之記錄, 評估預測期間融資重續之可行性;
- Evaluating management's assessment on compliance of bank covenants during the forecast period by examining relevant terms set out in the bank loan agreements and assessing management's calculation of the relevant covenants based on the forecasted results and management's plan for compliance with other non-financial covenants during the forecast period;  
透過審視銀行貸款協議所載之相關條款, 評核管理層就預測期間遵守銀行條款之評估, 並根據預測業績及管理層就於預測期間遵守其他非財務條款之計劃, 評估管理層對相關銀行條款之計算;
- Assessing the appropriateness of key assumptions used in the working capital forecast by comparing (i) projected sales volume to available production capacity and historical sales volume, (ii) metal commodity price forecast to market research and analyst reports, and (iii) projected gross profit margin to historical gross profit margin. We also checked these key assumptions against actual results in the period subsequent to the year end; and  
透過比較(i)預測銷量與可動用產能和以往銷量;(ii)金屬商品價格預測與市場研究及分析師報告; 及(iii)預測毛利率與歷史毛利率, 評估營運資金預測中所用之主要假設之合適性。我們亦對照年度結算後期間之實際業績, 檢查該等主要假設; 及
- Evaluating the sensitivity of the Group's working capital forecast by considering downside scenarios against reasonable possible changes to the above key assumptions.  
考慮上述主要假設之合理可能變動之下行情況, 評核 貴集團營運資金預測之敏感度。

Based on the procedures described, we found that the judgements and estimates made by management in preparing the working capital forecast for the purposes of going concern assessment were supportable by available evidence.

根據上述程序, 我們認為管理層就持續經營評估而編製營運資金預測時所作之判斷及估計有可查閱之憑證支持。

### Key Audit Matter 關鍵審計事項

#### Business combination of Scholz Group 順爾茨集團之業務合併

Refer to notes 2.2.1 and 39(c) to the consolidated financial statements.  
請參閱綜合財務報表附註2.2.1及39(c)。

In December 2016, the Group completed a very substantial transaction to acquire the entire interest of Scholz Holding. The intangible assets and goodwill recognised from the acquisition transaction amounted to approximately HK\$363,071,000 and HK\$833,682,000, respectively.

於二零一六年十二月，貴集團就收購順爾茨控股之全部權益完成了一項非常重大交易。從收購交易確認之無形資產及商譽分別約363,071,000港元及833,682,000港元。

The accounting of the business combination of Scholz Group involved various significant judgements. These judgements included the determination of the acquisition date, i.e. the date of control over Scholz Group obtained by the Group, which required management's considerations over relevant facts and circumstances to demonstrate the transfer of control based on relevant terms in the acquisition agreement, statutory records, board composition and other relevant examples of exercising substantial right to Scholz Holding. Other judgements on accounting of this transaction included the identification of intangible assets from the acquisition, recognition of identifiable net assets at fair value at the acquisition date and management's assessment of contingent consideration.

順爾茨集團之業務合併之會計處理涉及不同的重大判斷。該等判斷包括釐定收購日期(即貴集團取得順爾茨集團之控制權之日)，其需要管理層根據收購協議的相關條款、法定記錄、董事會組成及其他相關行使順爾茨控股重大權利之例子，考慮相關事實及情況，以展示控制權轉讓。該交易之會計處理涉及其他判斷包括識別收購所得之無形資產、於收購日期按公允價值確認可識別資產淨值，以及管理層就或然代價之評估。

The provisional purchase price allocation of this transaction was supported by a valuation performed by an independent professional valuer. The valuation involved unobservable inputs such as revenue growth rate, gross profit margin and discount rate.

是項交易之暫時購買價分配獲獨立專業估值師進行之估值支持，該估值涉及不可觀察之設定，例如收益增長率、毛利率及貼現率。

We focused on this area as it is a significant acquisition, and the accounting of it required significant judgements and estimates by management.

我們關注該事項是由於其為重大收購事項，以及其會計處理需要管理層作出重大判斷及估計。

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

In assessing management's accounting of the business combination, the following audit procedures have been performed by us:  
評估管理層就業務合併之會計處理時，我們已進行以下審核程序：

- Understanding and assessing the rationale of management and the independent professional valuer on the identification of intangible assets and methodologies used based on our knowledge of the business and by comparison with external information about other comparable companies in this industry;  
根據我們對業務之認識，並透過比較該行內其他可供比較公司之外在資料，了解及評估管理層和獨立專業估值師就識別無形資產及所用方法之理據；
- Assessing the competency, capability and objectivity of the independent professional valuer by considering their qualifications, relevant experiences and relationship with the Group;  
透過考慮獨立專業估值師之資格、相關經驗及與貴集團之關係，評估獨立專業估值師之資格、能力及客觀性；
- Involving our internal valuation specialist to assess the appropriateness of key assumptions applied in the valuation by comparing the data inputs such as revenue growth rate, gross profit margin and discount rate used in the valuation model to market data, historical financial data of Scholz Group and our knowledge of the business and industry;  
委託我們之內部估值專家，透過比較收益增長率、毛利率及貼現率與市場數據、順爾茨集團之以往財務數據等數據設定，並根據我們對業務及行業的認識，評估估值所用之主要假設之合適性；
- Evaluating management's assessment of contingent consideration in particular the probability of estimated cash outflow for the acquisition by examining relevant terms set out in the acquisition agreements and assessing the uncertainties of crystallising the contingent consideration; and  
透過審視收購協議所載之相關條款，評核管理層就或然代價之評估，特別是就收購交易之估計現金流出之可能性，評估影響或然代價之不明朗因素；及
- Evaluating management's assessment of the acquisition date by examining relevant supporting documents in demonstrating the transfer of control, such as relevant acquisition agreement, statutory records, board composition and relevant examples of exercising substantial right to Scholz Holding.  
評核管理層就收購日期之評估、審視相關顯示控制權轉讓之證明文件，例如相關收購協議、法定記錄、董事會組成及其他相關行使順爾茨控股重大權利之例子。

Based on the procedures described, we considered the judgements and estimates applied in the accounting of the acquisition of Scholz Group to be supportable.

根據上述程序，我們認為收購順爾茨集團之會計處理中所用之判斷及估計有憑證支持。



**Key Audit Matter**  
關鍵審計事項

**Impairment assessment on goodwill**  
商譽之減值評估

Refer to notes 2.11 and 17 to the consolidated financial statements.  
請參閱綜合財務報表附註2.11及17。

The carrying value of goodwill of the Group as at 31 December 2016 amounted to approximately HK\$848,341,000, representing approximately 7% of the Group's total assets as at year end. The goodwill arose from the acquisitions during the year and majority of the goodwill balance arose from Scholz Group which is determined on a provisional basis.

貴集團於二零一六年十二月三十一日之商譽賬面值為約848,341,000港元，佔貴集團於年度結算時資產總值約7%。商譽源自年內之收購事項，當中大部分商譽結餘源自順爾茨集團之交易，該金額按臨時基準釐定。

Management performed an assessment on impairment of goodwill as at 31 December 2016 to determine the recoverable amount using value-in-use calculations. These calculations used pre-tax cash flow forecast based on the financial budget covering a five-year period. Cash flows beyond the five-year period were extrapolated using an estimated long term growth rate.

管理層採用使用價值計算就二零一六年十二月三十一日之商譽進行減值評估，以釐定可收回金額。該計算使用以涵蓋五年期之財務預算為基礎之稅前現金流。五年後之現金流採用估計長期增長率推算。

The assessment required the use of management's judgements and estimates about future business performance including revenue growth (sales volume and metal commodity price forecast), gross profit margin and discount rate and accordingly, this was an area of our audit focus.

該評估需要管理層就未來業務表現作出判斷及估計，包括收益增長(銷量及金屬商品價格預測)、毛利率及貼現率，因此這為我們審核重心範疇之一。

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

In assessing the appropriateness of the goodwill impairment assessment performed by management, the following audit procedures have been performed by us:

為評估管理層之商譽減值評估之合適性，我們已進行以下審核程序：

- Evaluating management's financial budget and discounted cash flow forecast by understanding the process by which they were drawn up, and testing mathematical accuracy of the underlying calculation;  
評核管理層之財務預算及貼現現金流量預測，了解箇中規劃程序，測試相關計算之算術準確性；
- Assessing the appropriateness of key assumptions used in the discounted cash flow forecast for the projected 5 years by comparing (i) projected sales volume to available production capacity and historical sales volume, (ii) metal commodity price forecast to market research and analyst reports, and (iii) projected gross profit margin to historical profit margin. We also checked these key assumptions against actual results in the period subsequent to the year end;  
透過比較(i)預測銷量與可動用產能和以往銷量；(ii)金屬商品價格預測與市場研究及分析師報告；及(iii)預測毛利率與歷史毛利率，評估未來5年貼現現金流量預測中所用之主要假設之合適性。我們亦對照年度結算後期間之實際業績，檢查該等主要假設；
- Evaluating the discount rate by assessing the cost of capital of the Group and referencing the cost of capital of other comparable companies in the industry; and  
透過評估貴集團之資本成本，及參考行內其他可供比較公司之資本成本，評核貼現率；及
- Evaluating the sensitivity of the Group's discounted cash flow forecast by considering downside scenarios against reasonable possible changes to the key assumptions.  
考慮主要假設之合理可能變動之下行情況，評核貴集團貼現現金流量預測之敏感度。

Based on the procedures described, we found that the judgements and estimates made by management in respect of the goodwill impairment assessment were supported by available evidence.

根據上述程序，我們認為管理層在商譽減值評估中所作之判斷及估計有可查閱之憑證支持。

### OTHER INFORMATION

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

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

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

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

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

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

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

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

### 其他信息

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

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

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

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

### 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督貴集團的財務報告過程。

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

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

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

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

## 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

## Independent Auditor's Report (continued)

### 獨立核數師報告（續）

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan, Kam Chiu, Raymond.

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

出具本獨立核數師報告的審計項目合夥人是陳錦釗。

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 23 March 2017

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一七年三月二十三日

# Consolidated Statement of Profit or Loss

## 綜合損益表

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	5	3,211,431	3,136,633
Cost of sales	銷售成本	8	(2,992,849)	(3,181,909)
Gross profit/(loss)	毛利/(毛損)		218,582	(45,276)
Other income	其他收入	6	15,241	8,697
Other losses, net	其他虧損淨額	7	(335,059)	(850,678)
Distribution and selling expenses	分銷及銷售開支	8	(15,166)	(9,785)
Administrative expenses	行政開支	8	(293,521)	(142,604)
			(409,923)	(1,039,646)
Finance income	財務收入	10	47,918	13,890
Finance costs	財務成本	10	(82,006)	(117,383)
Finance costs, net	財務成本淨額		(34,088)	(103,493)
Share of profit/(loss) of an associate	應佔聯營公司溢利/(虧損)	18	443	(545)
Loss before income tax	除所得稅前虧損		(443,568)	(1,143,684)
Income tax credit/(expense)	所得稅抵免/(開支)	11	384	(337)
Loss for the year	年內虧損		(443,184)	(1,144,021)
Loss attributable to:	以下各方應佔虧損：			
Owners of the Company	本公司擁有人		(439,893)	(1,138,804)
Non-controlling interests	非控股權益		(3,291)	(5,217)
			(443,184)	(1,144,021)
Loss per share attributable to owners of the Company for the year (expressed in HK\$ per share)	本公司擁有人應佔年內每股虧損 (以每股港元列示)			
Basic loss per share	每股基本虧損	13	(0.27)	(0.82)
Diluted loss per share	每股攤薄虧損	13	(0.27)	(0.82)

The notes on pages 100 to 251 are an integral part of these consolidated financial statements.

第100頁至251頁的附註為該等綜合財務報表的一部分。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

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

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Loss for the year</b>	<b>年內虧損</b>	<b>(443,184)</b>	(1,144,021)
<b>Other comprehensive (loss)/income</b>	<b>其他全面(虧損)/收入</b>		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Currency translation differences	匯兌差額	(40,558)	(38,466)
Reclassification to profit or loss on disposal of available-for-sale investment	就出售可供出售投資重新分類至損益	—	(4,606)
Fair value gain on available-for-sale investment	可供出售投資公平值收益	—	4,606
Other comprehensive loss for the year	年內其他全面虧損	(40,558)	(38,466)
Total comprehensive loss for the year	年內全面虧損總額	(483,742)	(1,182,487)
Total comprehensive loss for the year attributable to:	以下各方應佔年內全面虧損總額：		
Owners of the Company	本公司擁有人	(483,278)	(1,181,800)
Non-controlling interests	非控股權益	(464)	(687)
		(483,742)	(1,182,487)

The notes on pages 100 to 251 are an integral part of these consolidated financial statements.

第100頁至251頁的附註為該等綜合財務報表的一部分。

# Consolidated Balance Sheet

## 綜合資產負債表

As at 31 December 2016 於二零一六年十二月三十一日

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	3,002,859	548,129
Leasehold land and land use rights	15	529,330	520,456
Investment properties	16	81,754	20,954
Intangible assets	17	1,211,412	–
Investments accounted for using equity method	18	425,937	2,064
Other non-current assets	20	70,943	25,546
Deferred income tax assets	31	149,568	486
		<b>5,471,803</b>	<b>1,117,635</b>
<b>Current assets</b>			
Inventories	22	1,808,758	975,784
Trade and other receivables	23	1,752,379	215,230
Fixed return investment	24	316,800	–
Amounts due from related parties	37	262,336	–
Derivative financial instruments	25	7,928	73
Tax recoverable		11,345	11,460
Pledged bank deposits	26	422,732	132,022
Cash and cash equivalents	26	1,656,701	3,585,720
		<b>6,238,979</b>	<b>4,920,289</b>
Assets classified as held for sale	21	161,234	–
<b>Total assets</b>		<b>11,872,016</b>	<b>6,037,924</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	27	16,197	15,885
Other reserves	32	6,485,848	6,418,074
Accumulated losses		(2,384,834)	(1,945,984)
Non-controlling interests	30	4,117,211 (32,750)	4,487,975 (74,141)
<b>Total equity</b>		<b>4,084,461</b>	<b>4,413,834</b>



# Consolidated Balance Sheet (continued)

## 綜合資產負債表 (續)

As at 31 December 2016 於二零一六年十二月三十一日

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借款	29	1,930,123	103,587
Derivative financial instruments	衍生金融工具	25	11,944	9,615
Retirement benefit obligations	退休福利責任	35	24,086	-
Other payables	其他應付款項	28	279,485	-
Deferred income tax liabilities	遞延所得稅負債	31	447,246	29,833
			<b>2,692,884</b>	<b>143,035</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	28	1,503,501	222,351
Current income tax liabilities	即期所得稅負債		113,091	1,989
Borrowings	借款	29	3,104,205	1,256,715
Amounts due to related parties	應付關連方款項	37	354,311	-
Derivative financial instruments	衍生金融工具	25	19,563	-
			<b>5,094,671</b>	<b>1,481,055</b>
<b>Total liabilities</b>	<b>負債總值</b>		<b>7,787,555</b>	<b>1,624,090</b>
<b>Total equity and liabilities</b>	<b>權益總額及負債</b>		<b>11,872,016</b>	<b>6,037,924</b>

The consolidated financial statements on pages 92 to 251 were approved and authorised for issue by the Board of Directors on 23 March 2017 and are signed on its behalf by:

載於第92頁至251頁的綜合財務報表於二零一七年三月二十三日獲董事會批准及授權公佈，並由下列董事代表簽署：

**Mr. Tu Jianhua**  
涂建華先生  
*Director*  
董事

**Mr. Qin Yongming**  
秦永明先生  
*Director*  
董事

The notes on pages 100 to 251 are an integral part of these consolidated financial statements.

第100頁至251頁的附註為該等綜合財務報表的一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔				Non- controlling interests 非控股權益	Total equity 總權益
		Share capital 股本	Other reserves 其他儲備 (Note 32) (附註32)	Accumulated losses 累計虧損	Total 總計		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
At 1 January 2015	於二零一五年一月一日	10,494	1,524,271	(810,715)	724,050	(80,694)	643,356
Comprehensive income	全面收益						
Loss for the year	年內虧損	-	-	(1,138,804)	(1,138,804)	(5,217)	(1,144,021)
Other comprehensive (loss)/income	其他全面(虧損)/收益						
Currency translation differences	匯兌差額	-	(42,996)	-	(42,996)	4,530	(38,466)
Fair value gain on available-for-sale investment	可供出售投資公平值收益	-	4,606	-	4,606	-	4,606
Reclassification to profit or loss on disposal of available-for-sale investment	就出售可供出售投資重新分類至損益	-	(4,606)	-	(4,606)	-	(4,606)
Total other comprehensive loss for the year, net of tax	年內其他全面虧損總額，扣除稅項	-	(42,996)	-	(42,996)	4,530	(38,466)
Total comprehensive loss for the year, net of tax	年內全面虧損總額，扣除稅項	-	(42,996)	(1,138,804)	(1,181,800)	(687)	(1,182,487)
Transactions with owners in their capacity as owners	與擁有人(以擁有人身份)進行交易						
Issue of subscription shares	發行認購股份	4,569	4,112,100	-	4,116,669	-	4,116,669
Cost of issuance of subscription shares	發行認購股份之成本	-	(22,100)	-	(22,100)	-	(22,100)
Conversion of convertible bonds	轉換可換股債券	726	804,517	-	805,243	-	805,243
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	7,240	7,240
Exercise of share options	行使購股權	96	45,389	-	45,485	-	45,485
Lapse of share options	購股權失效	-	(3,621)	3,621	-	-	-
Recognition of equity-settled share-based payments	確認以股權結算及以股份為基礎之付款	-	428	-	428	-	428
Transfer of reserves	儲備轉撥	-	86	(86)	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以擁有人身份)進行交易總額	5,391	4,936,799	3,535	4,945,725	7,240	4,952,965
At 31 December 2015	於二零一五年十二月三十一日	15,885	6,418,074	(1,945,984)	4,487,975	(74,141)	4,413,834

# Consolidated Statement of Changes in Equity (continued)

## 綜合權益變動表（續）

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

		Attributable to owners of the Company 本公司擁有人應佔				Non- controlling interests 非控股權益	Total equity 總權益
		Share capital 股本	Other reserves 其他儲備 (Note 32) (附註32)	Accumulated losses 累計虧損	Total 總計		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2016	於二零一六年一月一日	15,885	6,418,074	(1,945,984)	4,487,975	(74,141)	4,413,834
Comprehensive income	全面收益						
Loss for the year	年內虧損	-	-	(439,893)	(439,893)	(3,291)	(443,184)
Other comprehensive (loss)/income	其他全面(虧損)/收益						
Currency translation differences	匯兌差額	-	(43,385)	-	(43,385)	2,827	(40,558)
Total other comprehensive loss for the year, net of tax	年內其他全面虧損總額， 扣除稅項	-	(43,385)	-	(43,385)	2,827	(40,558)
Total comprehensive loss for the year, net of tax	年內全面虧損總額， 扣除稅項	-	(43,385)	(439,893)	(483,278)	(464)	(483,742)
Transactions with owners in their capacity as owners	與擁有人(以擁有人身份)進行交易						
Issue of subscription shares	發行認購股份	310	111,425	-	111,735	-	111,735
Non-controlling interests arising from business combination	業務合併所產生之非控股權益	-	-	-	-	3,710	3,710
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	38,145	38,145
Exercise of share options	行使購股權	2	777	-	779	-	779
Lapse of share options	購股權失效	-	(1,043)	1,043	-	-	-
Total transactions with owners in their capacity as owners	與擁有人(以擁有人身份) 進行交易總額	312	111,159	1,043	112,514	41,855	154,369
At 31 December 2016	於二零一六年十二月三十一日	16,197	6,485,848	(2,384,834)	4,117,211	(32,750)	4,084,461

The notes on pages 100 to 251 are an integral part of these consolidated financial statements.

第100頁至251頁的附註為該等綜合財務報表的一部分。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Cash flows from operating activities</b> 經營活動所得現金流			
Cash generated from/(used in) operations 經營所得/(所用)現金	40	91,909	(230,495)
Interest paid 已付利息		(46,693)	(73,906)
Tax refunded/(paid) 已退還/(支付)稅項		11,188	(3,189)
<b>Net cash generated from/(used in) operating activities</b> 經營活動所得/(所用)現金淨額		56,404	(307,590)
<b>Cash flows from investing activities</b> 投資活動所得現金流			
Purchases of property, plant and equipment 購置物業、廠房及設備		(127,185)	(137,017)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備之所得款項	40	1,433	13,874
Deposit for property, plant and equipment 物業、廠房及設備之按金		9,138	(16,168)
Proceeds from government grants 來自政府補助之所得款項		1,173	44,612
Payment for leasehold land and land use rights 租賃土地及土地使用權之付款		(17,312)	(130,170)
Proceeds from disposal of leasehold land 出售租賃土地之所得款項	40	7,743	–
Placement of pledged bank deposits 存入已抵押銀行存款		(698,906)	(337,726)
Withdrawal of pledged bank deposits 提取已抵押銀行存款		747,865	379,313
Increase in fixed return investments 增購固定回報投資		(300,000)	–
Purchase of available-for-sale investment 購入可供出售投資		–	(128,513)
Proceeds from disposal of available-for-sale investment 出售可供出售投資之所得款項		–	124,405
Purchase of financial assets through profit or loss 購買計入損益之金融資產		(1,289,169)	–
Proceeds from disposal of financial assets through profit or loss 出售計入損益之金融資產所得款項		1,183,890	–
Dividend received from financial assets through profit or loss 就計入損益之金融資產收取之股息		8,468	–
Acquisition of subsidiaries, net of cash acquired 收購子公司，扣除已購買現金	39	94,691	–
Provision of loan to the Scholz Group (pre-acquisition) 向順爾茨集團提供貸款(收購前)		(484,011)	–
Purchase of loan receivable 購買應收貸款	39	(2,449,948)	–
Interest received 已收利息		5,924	16,735
<b>Net cash used in investing activities</b> 投資活動所用現金淨額		(3,306,206)	(170,655)

## Consolidated Statement of Cash Flows (continued) 綜合現金流量表（續）

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

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Cash flows from financing activities</b>			
<b>融資活動所得現金流</b>			
Net proceeds from issue of subscription shares	發行認購股份之所得款項淨額	–	4,094,569
Proceeds from borrowings	借貸之所得款項	<b>3,838,426</b>	2,545,696
Repayments of borrowings	償還借款	<b>(2,562,723)</b>	(2,808,208)
Repayments of other borrowings	償還其他借款	<b>(178,000)</b>	(89,000)
Advance from a director	來自一名董事之墊款	–	62,021
Repayment to a director	向一名董事償款	–	(62,021)
Loans from the immediate holding company	來自直接控股公司之貸款	<b>232,638</b>	–
Repayment to the immediate holding company	向直接控股公司償款	<b>(39,406)</b>	–
Loans from an intermediate holding company	來自中介控股公司貸款	<b>148,096</b>	–
Repayment to an intermediate holding company	向中介控股公司償還款項	<b>(136,943)</b>	–
Proceeds from issuance of shares through exercise of share options	透過行使購股權發行股份之所得款項	<b>779</b>	45,485
Capital contribution from non-controlling interests	非控股權益注資	<b>38,145</b>	7,240
<b>Net cash generated from financing activities</b>	<b>融資活動所得現金淨額</b>	<b>1,341,012</b>	3,795,782
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目	<b>3,585,720</b>	270,835
Net (decreased)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額	<b>(1,908,790)</b>	3,317,537
Exchange differences on cash and cash equivalents	現金及現金等值項目之匯兌差額	<b>(20,229)</b>	(2,652)
<b>Cash and cash equivalents at end of the year</b>	<b>年末之現金及現金等值項目</b>	<b>1,656,701</b>	3,585,720
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The notes on pages 100 to 251 are an integral part of these consolidated financial statements.

第100頁至251頁的附註為該等綜合財務報表的一部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1 GENERAL INFORMATION

Chiho-Tiande Group Limited ('the Company') is an investment holding company. The Company and its subsidiaries (together "the Group") are mainly engaged in the principal business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap in Asia, Europe and America. The principal activities of its subsidiaries are set out in Note 43.

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's ultimate holding company is Loncin Group Co., Ltd. ("Loncin Group"), a limited liability company incorporated in the People's Republic of China (the "PRC"), and the Company's immediate holding company is USUM Investment Group Hong Kong Limited ("USUMHK"), a company incorporated in Hong Kong with limited liability. Loncin Group is 98% owned by Mr. Tu Jianhua ("Mr. Tu"), an executive director and the chairman of the Company.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Hong Kong Dollar ("HK\$"), unless otherwise stated.

### 1 一般資料

齊合天地集團有限公司(「本公司」)為投資控股公司。本公司及其子公司(統稱「本集團」)主要於亞洲、歐洲及美洲從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬。其子公司的主要業務載於附註43。

本公司根據開曼群島公司法於開曼群島註冊成立及註冊為獲豁免有限公司。其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司之最終控股公司為隆鑫集團有限公司(「隆鑫集團」)，一間於中華人民共和國(「中國」)註冊成立之有限責任公司。本公司的直接控股公司為渝商投資集團(香港)有限公司(「渝商香港」)，一間於香港註冊成立之有限公司。隆鑫集團之98%的股份由本公司執行董事兼主席涂建華先生(「涂先生」)擁有。

本公司以香港聯合交易所有限公司為第一上市地。

除另有所指外，此等財務報表以港元(「港元」)呈列。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, contingent consideration payable and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

## 2 重大會計政策概要

編製該等綜合財務報表時應用的主要會計政策列載於下文。除非另有說明，該等政策已於所有呈列年度一致採用。

### 2.1 編製基準

本公司的綜合財務報表根據所有適用的香港財務報告準則（「香港財務報告準則」）及香港聯合交易所有限公司證券上市規則之適用披露規定及香港公司條例第622章編製。綜合財務報表乃採用歷史成本法編製，並對按公允價值列賬的可供出售金融資產及按公允價值透過損益記賬之金融資產、應付或然代價及金融負債（包括衍生工具）進行重新估值以作出修訂。

編製符合香港財務報告準則的財務報表須採用若干重大會計估計，亦需要管理層於應用本集團的會計政策過程中作出判斷。

有關範圍涉及較大程度的判斷或複雜性，或有關範圍在假設及估計對綜合財務報表附註4所披露而言屬重大。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Going concern

For the year ended 31 December 2016, the Group reported a loss of HK\$443,184,000, which included certain non-recurring losses such as net foreign exchange losses of HK\$298,192,000 and a loss on disposal of financial assets at fair value through profit or loss of HK\$105,279,000. In December 2016, the Group completed the acquisition of 100% equity interest in Scholz Holding GmbH (“Scholz Holding” and together with its subsidiaries “Scholz Group”). For the year ended 31 December 2016, Scholz Group reported a consolidated loss of HK\$816,948,000, which included certain non-recurring expenses such as legal and professional fees incurred in its debt restructuring exercise and restructuring expenses incurred for its operations in Europe and the United States.

On 20 December 2016, the Company issued a 8% note (“Note payable”) with a principal amount of US\$200 million (equivalent to approximately HK\$1,556 million) to an independent third party, which matures in 2 years from the issue date. The Company is required to comply with certain restrictive financial and non-financial covenants pursuant to the terms of the subscription agreement of the Note payable.

## 2 重大會計政策概要（續）

### 2.1 編製基準（續）

#### 2.1.1 持續經營

截至二零一六年十二月三十一日止年度，本集團錄得虧損443,184,000港元，包括若干非經常性虧損，例如匯兌虧損淨額298,192,000港元及出售按公平值計入損益之金融資產的虧損105,279,000港元。於二零一六年十二月，本集團完成收購Scholz Holding GmbH順爾茨控股有限公司\*（「順爾茨控股」，連同其子公司統稱「順爾茨集團」）的100%股權。截至二零一六年十二月三十一日止年度，順爾茨集團錄得綜合虧損816,948,000港元，包括若干非經常性開支，例如債務重組所產生之法律及專業服務費用及為其於歐洲及美洲營運所產生之重組開支。

於二零一六年十二月二十日，本公司向獨立第三方發行本金額為200,000,000美元（相當於約1,556,000,000港元）之8%票據（「應付票據」），由發行日期起計兩年後到期。本公司須遵守應付票據認購協議條款下之若干受限財務及非財務契諾。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Going concern (continued)

As at 31 December 2016, the Group's current assets exceeded its current liabilities by HK\$1,305,542,000. It had borrowings totalled HK\$5,034,328,000, of which HK\$3,104,205,000 are repayable in the coming twelve months. As at the same date, it had cash and cash equivalents amounted to HK\$1,656,701,000.

In addition, USUMHK has granted a stand-by facility of up to HK\$500 million to the Company, which is available for draw down on or before 31 March 2018. The loan is unsecured, bears interest at 8% per annum and is repayable in 24 months from the date of draw down. The directors believe that this stand-by shareholder loan facility can provide additional working capital to the Group, as and when needed.

The management is closely monitoring the Group's financial performance, liquidity position, continuously compliance with all restrictive loan covenants and has been implementing measures to improve profitability and control operating costs. These measures include (i) post-acquisition integration and transformation programme to redefine the Group's business strategies and to optimise the Group's operations in different geographies; and (ii) implement strict controls to reduce capital and operational expenditures.

## 2 重大會計政策概要（續）

### 2.1 編製基準（續）

#### 2.1.1 持續經營（續）

於二零一六年十二月三十一日，本集團流動資產相對其流動負債超出1,305,542,000港元。其借款合共5,034,328,000港元，其中3,104,205,000港元須於未來十二個月內償還。同日，其現金及現金等價物總額達1,656,701,000港元。

再者，渝商香港已向本公司授出最高額500,000,000港元之備用融資，可於二零一八年三月三十一日或之前提取。該貸款為無抵押、按年利率8%計算及須於提取日期起二十四個月內償還。董事相信該備用股東貸款融資能於有需要時為本集團提供額外營運資金。

管理層密切監察本集團之財務表現、流動狀況、持續遵守所有受限貸款契諾，並已落實改善盈利能力及控制營運開支的措施。該等措施包括：(i)收購後整合及改革計劃，重整本集團業務策略及擴展本集團不同地區的營運；及(ii)實施嚴格控制，減少資本及營運開支。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Going concern (continued)

The management has prepared cash flow projections covering a period of 12 months from 31 December 2016. The projections adopted key assumptions with regard to the anticipated cash flows from the Group's operations, capital expenditure and the successful renewal and continuous availability of bank facilities. The projections have also taken into account the rebounding trend in metal prices since the last quarter of 2016 and assuming such trend would continue in 2017. These assumptions about future events and conditions are subject to inherent estimation uncertainties. The directors, after making due enquiries and considering the basis of management's projections described above and after taking into account the reasonably possible improvements in the operational performance and the successful renewal and continuous availability of bank facilities, believe that there will be sufficient financial resources to meet its financial obligations as and when they fall due in the coming 12 months from 31 December 2016. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

## 2 重大會計政策概要（續）

### 2.1 編製基準（續）

#### 2.1.1 持續經營（續）

管理層已編製自二零一六年十二月三十一日起覆蓋十二個月期間的現金流預測。該預測已採納就本集團營運預測帶來之現金流、資本開支及成功重續及持續可用之銀行融資的主要假設。現金流預測已考慮二零一六年最後一季的金屬價格回升趨勢，並假設二零一七年將持續有關趨勢。該等有關未來事項及狀況的假設受限於固有估算之不確定性。董事經作出一切合理查詢及考慮營運表現進行合理可行之改進及成功重續及持續可用之銀行融資後相信，自二零一六年十二月三十一日起十二個月到期前，財務資源足以應付財務責任。因此，綜合財務報表已按持續經營基準編製。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.2 Changes in accounting policy and disclosures

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

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

Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: bearer plants
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
HKFRS 14	Regulatory deferral accounts
Annual Improvements Project	Annual improvements 2012–2014 Cycle

The adoption of the above new and amended standards did not have any significant impact on the Group's consolidated financial statements.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.2 會計政策及披露變動

(a) *本集團採納的新訂及經修訂準則*

本集團已就二零一六年一月一日或之後開始的財政年度首次採納下列新訂及經修訂準則：

香港會計準則第1號 (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 (修訂本)	對可接受的折舊及攤銷方法的釐清
香港會計準則第16號及香港會計準則第41號 (修訂本)	農業：生產性植物
香港會計準則第27號 (修訂本)	單獨財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號 (修訂本)	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號 (修訂本)	收購合營企業之會計法
香港財務報告準則第14號 (修訂本)	監管遞延賬目
年度改進項目	二零一二年至二零一四年週期的年度改進

採納上述新訂及經修訂準則並無對本集團綜合財務報表造成重大影響。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## 2.1 Basis of preparation (continued)

## 2.1.2 Changes in accounting policy and disclosures (continued)

- (b) *New and amended standards have been issued but are not effective and have not been early adopted by the Group*

The following new and amended standards are not effective for financial year beginning on 1 January 2016, and have not been applied in preparing these consolidated financial statements:

## 2 重大會計政策概要(續)

## 2.1 編製基準(續)

## 2.1.2 會計政策及披露變動(續)

- (b) *已頒佈但本集團並無提早採納之新訂及經修訂準則*

下列新訂及經修訂準則自二零一六年一月一日之後開始的年度期間尚未生效，且尚未應用編製綜合財務報表：

**Effective for annual periods beginning on or after**  
於以下日期或以後開始之會計期間生效

Amendments to HKAS 7 香港會計準則第7號(修訂本)	Disclosure initiative 披露計劃	1 January 2017 二零一七年一月一日
Amendments to HKAS 12 香港會計準則第12號(修訂本)	Recognition of deferred tax assets for unrealised losses 就未變現虧損確認遞延稅項資產	1 January 2017 二零一七年一月一日
Amendments to HKFRS 2 香港財務報告準則第2號(修訂本)	Classification and measurement of share-based 以股份為基礎的支付交易之分類及計量	1 January 2018 二零一八年一月一日
HKFRS 9 香港財務報告準則第9號	Financial instruments 金融工具	1 January 2018 二零一八年一月一日
HKFRS 15 香港財務報告準則第15號	Revenue from contracts with customers 客戶合同收入	1 January 2018 二零一八年一月一日
Amendments to HKFRS 15 香港財務報告準則第15號(修訂本)	Classifications to HKFRS 15 分辨香港財務報告準則第15號	1 January 2018 二零一八年一月一日
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019 二零一九年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則 第10號及香港會計 準則第28號(修訂本)	Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營公司或合營企業之間的 資產出售或注資	To be determined 待定

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.2 Changes in accounting policy and disclosures (continued)

- (b) *New and amended standards have been issued but are not effective and have not been early adopted by the Group (continued)*

The Group has already commenced an assessment of the likely impact of adopting the above new standards and amendments to existing standards but it is not yet in a position to state whether they will have a significant impact on its reported results of operations and financial position. The Group plans to adopt these new standards and amendments to existing standards when they become effective.

## 2.2 Subsidiaries

### 2.2.1 Consolidation

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

## 2 重大會計政策概要(續)

### 2.1 編製基準(續)

#### 2.1.2 會計政策及披露變動(續)

- (b) *已頒佈但本集團並無提早採納之新訂及經修訂準則(續)*

本集團已開始評估採納上述新訂準則及現有準則之修訂本的潛在影響，但尚未能說明其是否會對本集團呈報經營業績及財務狀況造成重大影響。本集團計劃於該等新訂準則及現有準則之修訂本生效時予以採納。

## 2.2 子公司

### 2.2.1 綜合賬目

子公司指本集團對其具有控制權之實體(包括結構性實體)。當本集團因參與實體而承擔可變回報之風險或享有可變回報之權益，並有能力透過其對該實體之權力影響此等回報時，本集團即控制該實體。子公司乃於控制權轉移至本集團當日起綜合入賬，並於控制權終止當日起不再綜合入賬。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(a) *Business combinations*

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

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

Acquisition-related costs are expensed as incurred.

## 2 重大會計政策概要（續）

### 2.2 子公司（續）

#### 2.2.1 綜合賬目（續）

(a) *業務合併*

本集團應用收購法為業務合併入賬。收購一間子公司所轉讓的代價為所轉讓之資產、向被收購方原擁有人所產生之負債及本集團發行股本權益的公平值。所轉讓的代價包括或然代價安排產生的任何資產或負債的公平值。在業務合併過程中購入的可識別資產以及承擔的負債及或然負債，均按其收購日期的公平值作出初步計量。

本集團按個別收購基準，確認在被購買方的任何非控制性權益。被購買方的非控制性權益為現時的擁有權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公平值或按現時擁有權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日期的公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購相關成本在產生時支銷。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(a) *Business combinations (continued)*

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

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

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

## 2 重大會計政策概要（續）

### 2.2 子公司（續）

#### 2.2.1 綜合賬目（續）

(a) *業務合併（續）*

將由本集團轉讓的任何或然代價會按收購日的公平值確認。被視為資產或負債的或然代價公平值的往後變動，乃按照香港會計準則第39號於損益確認。分類為權益的或然代價不作重新計量，而其後結算會於權益內入賬。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公平值超逾所收購可識別淨資產公平值之差額，乃入賬列作商譽。倘轉讓的代價、已確認非控股權益及先前持有的權益計量之總額低於所收購子公司淨資產之公平值（於議價收購之情況下），則該差額會直接於損益表內確認。

集團內公司間的交易、結餘及未變現交易收益均予以抵銷。未變現虧損亦會抵銷，除非交易有證據顯示已轉讓資產出現減值。子公司所呈報金額已作出必要的調整以確保與本集團會計政策一致。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.2 Separate financial statements

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

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

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

## 2 重大會計政策概要（續）

### 2.2 子公司（續）

#### 2.2.2 單獨財務報表

子公司之投資乃以成本扣除減值列賬。成本包括投資之直接應佔成本。子公司業績乃由本公司按已收及應收股息入賬。

當收到投資子公司的股息時，而股息超過子公司在股息宣派期間的全面收益總額，或在單獨財務報表的投資賬面值超過在綜合財務報表內被投資方淨資產（包括商譽）的賬面值，則必須對有關投資進行減值測試。

### 2.3 聯營公司

聯營公司指本集團對其有重大影響力而無控制權之所有實體，通常附帶有20%至50%投票權之股權。於聯營公司之投資以權益會計法列賬。根據權益法，投資初步按成本確認，而賬面值會有所增減，以確認投資者於收購日期後應佔被投資方的溢利或虧損。本集團於聯營公司之投資包括就收購事項所識別的商譽。收購聯營公司之擁有權權益後，聯營公司成本與本集團應佔已識別資產及負債之公平淨值之間的任何差異均入賬作為商譽。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.3 Associates (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the statement of profit or loss.

## 2 重大會計政策概要（續）

### 2.3 聯營公司（續）

倘於聯營公司之所有權權益減少，而重大影響力獲保留，則先於其他全面收益內確認之金額僅有一定比例部分重新分類至損益（如適用）。

本集團應佔收購後損益於損益表內確認，其應佔收購後其他全面收益變動於其他全面收益內確認，並會對投資賬面值作出相應調整。如本集團應佔聯營公司虧損相等於或超逾其於該聯營公司之權益（包括任何其他無抵押應收款項），則本集團不會確認進一步之虧損，除非本集團已代該聯營公司承擔法定或推定責任或支付款項。

本集團於各報告日期釐訂是否有客觀證據顯示於聯營公司的投資減值。倘出現減值，則本集團按聯營公司的可收回金額與其賬面值的差額計算減值金額，並於損益表內「以權益法入賬之應佔投資溢利」項下確認有關金額。

本集團與其聯營公司間之上游及下游交易所產生的溢利及虧損於本集團財務報表確認，惟僅以非關連投資者於聯營公司之權益為限。未變現虧損會予以抵銷，惟有關交易提供所轉讓資產出現減值之憑證除外。聯營公司之會計政策已按需要作出變更，以確保與本集團所採納者保持一致。

於聯營公司之股權攤薄之收益或虧損於損益表內確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Joint arrangements

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

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

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

## 2 重大會計政策概要（續）

### 2.4 合營安排

本集團已就全部合營安排使用香港財務報告準則第11號。根據香港財務報告準則第11號，合營安排下之投資分類為合營業務或合營企業，乃根據各投資方之合約權利及責任作分類。本集團已評估其合營安排之性質，並判定該等合營安排為合營企業。合營企業使用權益法入賬。

根據權益會計法，於合營企業之權益初步按成本確認，隨後作出調整以確認本集團應佔收購後溢利或虧損及其他全面收益之變動。本集團於合營企業的投資包括收購時確認的商譽。於收購合營企業的權益後，合營企業的成本及本集團應佔合營企業可識別資產及負債公平值淨額間的任何差額入賬列作商譽處理。倘本集團應佔合營企業之虧損等於或超過其於合營企業之權益（包括任何其他無抵押應收款項），本集團不會確認額外虧損，除非本集團產生負債或代表合營企業付款，則作別論。

本集團與其合營企業交易之未變現收益會對銷，以本集團於合營企業之權益為限。除非有證據顯示交易中所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業之會計政策已作出必要更改，確保與本集團所採納之政策一致。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Segment reporting

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

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses are presented in statement of profit or loss within 'other losses, net'.

## 2 重大會計政策概要（續）

### 2.5 分部呈報

經營分部報告之方式與提供予主要經營決策者之內部報告貫徹一致。已確定作出策略決定之指導委員會為主要經營決策者，負責對經營分部進行資源分配和業績評估。

### 2.6 外幣匯兌

#### (a) 功能和呈報貨幣

本集團旗下每個實體之財務報表均以該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表乃以港元呈列，而港元為本公司之功能貨幣及本集團之呈報貨幣。

#### (b) 交易及結餘

倘項目進行重新計量時，外幣交易按交易或估值當日之匯率換算為功能貨幣。該等交易結算的匯兌損益，以及外幣資產和負債按年結日匯率換算產生的匯兌損益，均於損益表內確認，惟於其他全面收入作為合資格現金流對沖及合資格淨投資對沖遞延除外。

匯兌收益及虧損於損益表內「其他虧損淨額」下呈列。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Foreign currency translation (continued)

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

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

## 2 重大會計政策概要（續）

### 2.6 外幣匯兌（續）

#### (c) 集團公司

本集團旗下所有實體如持有與呈報貨幣不一致的功能貨幣（其中並無任何公司持有通脹嚴重的經濟體系的貨幣），其業績和財務狀況均按以下方法兌換為呈報貨幣：

- (i) 每項資產負債表的資產及負債均按照該資產負債表結算日的收市匯率折算為呈報貨幣；
- (ii) 各項損益表的收入和支出均按照平均匯率折算為呈報貨幣（但若此平均匯率未能合理地反映各交易日之匯率所帶來的累計影響，則按照交易日之匯率折算此等收入和支出）；及
- (iii) 所有由此產生的匯兌差異均於其他全面收益確認。

收購海外實體產生的商譽及公平值調整被視為該海外實體的資產及負債，並按收市匯率換算。所產生的匯兌調整會在其他全面收入中確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Property, plant and equipment

Land and buildings comprise mainly factories and offices. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 charged to the statement of profit or loss during the financial period in which they are incurred.

Buildings 樓宇	20 years or the relevant lease term, whichever is shorter 20年或相關租期，以較短者為準
Plant and machinery 廠房及機器	5–12 years 5至12年
Office furniture and equipment 辦公室傢俬及設備	3–6 years 3至6年
Motor vehicles 汽車	3–6 years 3至6年
Leasehold improvements 租賃裝修	2–10 years, the relevant lease term or the estimated useful lives, whichever is shorter 2至10年、相關租期或估計可使用年期，以較短者為準

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

## 2 重大會計政策概要（續）

### 2.7 物業、廠房及設備

土地及樓宇主要包括廠房及辦公室。物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購項目直接應佔的開支。成本亦可以包括從權益轉撥任何外幣購置物業、廠房及設備的合資格現金流量對沖之任何收益／虧損。

後續成本僅會在與項目有關之未來經濟利益很可能會流向本集團，而本集團又能可靠地計量該項目成本之情況下，方會適當地計入資產賬面值或確認為一項獨立資產。已更換部件之賬面值則終止確認。所有其他維修保養費用在產生之財務期間內於損益表中支銷。

資產餘值及可使用年期於各報告期末檢討，並在適當情況下作出調整。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other losses, net' in the consolidated statement of profit or loss.

### 2.8 Land use rights

Land use rights are located in the PRC and they are classified as operating leases. All land use rights are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is provided to write off cost of land use rights on a straight-line basis over the respective lease period.

### 2.9 Construction in progress

Construction in progress represents buildings, plant and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings and the costs of plant and machinery. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated in Note 2.7.

## 2 重大會計政策概要（續）

### 2.7 物業、廠房及設備（續）

倘一項資產之賬面值高於其估計可收回金額，則該項資產之賬面值會即時調減至其可收回金額（附註2.12）。

出售之損益乃透過比較所得款項與賬面值而釐定，並於綜合損益表內「其他虧損淨額」中確認。

### 2.8 土地使用權

土地使用權位於中國，分類為經營租賃。所有土地使用權均按成本減累計攤銷及累計減值虧損（如有）列賬。攤銷會予以撥備，以於相關租期內按直線基準撇銷土地使用權成本。

### 2.9 在建工程

在建工程指在建及有待進行安裝的樓宇、廠房及機器，按成本列賬。成本包括樓宇建築成本及廠房和機器的成本。在建工程在相關資產完工及準備就緒可供作擬定用途之時方才提計折舊撥備。倘有關資產投入使用时，成本會轉撥至其他物業、廠房及設備，並根據附註2.7所述的折舊政策折舊。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 Investment properties

Investment properties, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## 2 重大會計政策概要（續）

### 2.10 投資物業

投資物業，主要由租賃土地和樓宇組成，持有為獲得長期租金收益或作為資本增值或兩者兼備同時並非由本集團佔用。以經營租賃持有的土地，如符合投資物業的其餘定義，按投資物業記賬。在此等情況下，相關的經營租賃猶如其為融資租賃而記賬。投資物業初始按成本列賬，包括相關的交易成本及（如適用）借款成本。在初始確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊予以確認，以於估計可使用年期使用直線法撇銷投資物業的成本，當中會計及其估計剩餘價值。

投資物業於出售或投資物業永久退出使用及預計其出售將不會產生未來經濟利益時取消確認。取消確認物業產生之任何收益或虧損（計算作出售所得款項淨額與資產賬面值之間的差額）於取消確認物業期間計入損益。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Intangible assets

#### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### (b) Computer software

Computer software acquired are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

## 2 重大會計政策概要（續）

### 2.11 無形資產

#### (a) 商譽

收購子公司所產生的商譽指所轉讓的代價、被收購方任何非控制性權益金額及被收購方任何之前權益於收購日期的公平值，超過所收購可識別淨資產公平值的數額。

為進行減值測試，於業務合併時收購之商譽分配至預期自合併協同效益受惠之各項或各組現金產生單位（「現金產生單位」）。各項或各組獲分配商譽之單位指就內部管理而言實體內監察商譽之最低層面。商譽於營運分部層面監察。

商譽每年檢討減值，或倘出現任何事宜或事態變動，顯示可能出現減值，則每年或更頻密檢討減值虧損。含有商譽的現金產生單位的賬面值會與可收回金額作比較，以可收回金額的使用價值與公平值減出售成本之較高者為準。任何減值即時確認為開支，且其後不會撥回。

#### (b) 電腦軟件

購入電腦軟件按獲得及使用有關軟件所產生之成本為基準予以資本化。該等成本乃按估計可使用年期為五年攤銷。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Intangible assets (continued)

#### (c) Brandnames, patents and licences

Separately acquired brandnames, patents and licences are shown at historical cost. Brandnames, patents and licences acquired in a business combination are recognised at fair value at the acquisition date. Patents and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents and licenses over their estimated useful lives of 8 to 20 years. Brandnames have indefinite useful life and carried at cost less accumulated impairment. Impairment assessment is undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

#### (d) Suppliers' relationship

Suppliers' relationships acquired in a business combination are recognised at fair value at the acquisition date. The supplier relations have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over the expected life of the suppliers' relationship of 20 years.

### 2.12 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2 重大會計政策概要（續）

### 2.11 無形資產（續）

#### (c) 品牌名稱、專利及牌照

獨立收購的品牌名稱、專利及牌照按歷史成本列示。於業務合併中收購的品牌名稱、專利及牌照按收購日期的公平值確認。擁有有限可使用年期的專利及牌照按成本減累計攤銷列賬。攤銷採用直線法計算，以於8至20年的估計可使用年內分配專利及牌照的成本。品牌名稱具無限可使用年期，且按成本減累計減值列賬。減值評估須每年進行，倘有事件或改變顯示可能發生減值時，則會更頻密地進行減值評估。

#### (d) 供應商關係

於業務合併中收購的供應商關係按收購日期的公平值確認。擁有有限可使用年期的供應商關係按成本減累計攤銷及減值虧損列賬。攤銷採用直線法於供應商關係的預期年期20年計算。

### 2.12 非金融資產減值

沒有明確可使用年期之無形資產或未達可使用狀態之無形資產毋須攤銷，但須每年進行減值測試。每當有事件或事態變化顯示不可收回賬面金額時，本集團會審閱須作攤銷之資產有否出現減值。減值虧損按資產賬面金額超出其可收回金額之金額確認。可收回金額為資產之公平值減出售成本與使用價值之較高者。於評估減值時，資產按可單獨識別之現金流量之最低水平（現金產生單位）歸類。出現減值之非金融資產（商譽除外）於各報告日期就減值是否有機會撥回進行檢討。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.13 Assets classified as held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below), are stated at the lower of carrying amount and fair value less costs to sell.

### 2.14 Financial assets

#### 2.14.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

## 2 重大會計政策概要（續）

### 2.13 分類為持作出售之資產

當其賬面值可透過銷售交易收回且被視為很可能進行銷售時，非流動資產被分類為持作出售。非流動資產（不包括下述之若干資產）按賬面值與公平值減出售成本之較低者列賬。

### 2.14 金融資產

#### 2.14.1 分類

本集團將其金融資產分為以下類別：按公平值計入損益；貸款及應收款項；及可供出售。分類視乎收購金融資產之目的而定。管理層會於初次確認時釐定其金融資產的分類。

(a) *按公平值計入損益之金融資產*

按公平值計入損益之金融資產乃持有作買賣之金融資產。倘若購入金融資產之主要目的是用作短期內出售，即歸入此類。除非衍生工具被指定為對沖工具，否則歸類為持作買賣用途。於此類別之資產如預期於12個月內結算，會分類作流動資產；否則分類為非流動。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Financial assets (continued)

#### 2.14.1 Classification (continued)

- (b) *Loans and receivables*  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "fixed return investment", "trade and other receivables" (Note 2.19) and 'cash and cash equivalents' in the consolidated balance sheet (Note 2.20).
- (c) *Available-for-sale financial assets*  
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

## 2 重大會計政策概要（續）

### 2.14 金融資產（續）

#### 2.14.1 分類（續）

- (b) *貸款及應收款項*  
貸款及應收款項為有固定或可確定付款額且沒有在活躍市場報價的非衍生工具金融資產。此等款項列入流動資產，惟不包括於報告期末起計十二個月後結算或預期結算之金額，該等金額會列作非流動資產。本集團貸款及應收款項包括綜合資產負債表的「固定回報投資」、「貿易及其他應收款項」（附註2.19）及「現金及現金等值項目」（附註2.20）。
- (c) *可供出售金融資產*  
可供出售金融資產為被指定為此類別或並無分類為任何其他金融資產類別的非衍生工具。除非投資到期或管理層計劃於報告期末起計十二個月內出售有關投資，否則此等資產將計入非流動資產內。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Financial assets (continued)

#### 2.14.2 Recognition and measurement

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'Other losses, net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

## 2 重大會計政策概要（續）

### 2.14 金融資產（續）

#### 2.14.2 確認及計量

正規買賣金融資產於交易日（即本集團承諾買賣該資產之日期）獲確認。投資初步按公平值加並非按公平值計入損益之所有金融資產之交易成本確認。按公平值計入損益之金融資產初步按公平值計值，交易成本於損益表扣除。金融資產於自投資收取現金流量之權利屆滿或已獲轉移且本集團已轉移擁有權之大部份風險與回報時終止確認。可供出售金融資產及按公平值計入損益之金融資產其後以公平值計量。貸款及應收款項其後按實際利率法以攤銷成本計值。

「按公平值計入損益之金融資產」的公平值變動所產生收益或虧損於其產生期間在損益表內「其他虧損淨額」下呈列。當本集團收取付款之權利確立，按公平值計入損益之金融資產所得股息收入於損益表內確認為其他收入之一部分。

分類為持作出售之貨幣及非貨幣證券之公平值變動於其他全面收益內確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Financial assets (continued)

#### 2.14.2 Recognition and measurement (continued)

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss as “gains and losses from investment securities”.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss as part of other income when the Group’s right to receive payments is established.

### 2.15 Offsetting financial instruments

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

### 2.16 Impairment of financial assets

#### (a) Assets carried at amortised cost

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

## 2 重大會計政策概要 (續)

### 2.14 金融資產 (續)

#### 2.14.2 確認及計量 (續)

當獲分類為可供出售之證券獲出售或出現減值時，於權益確認之累計公平值調整計入綜合損益表之「投資證券之其他收益及虧損」。

採用實際利率法計算之於可供出售證券之權益在綜合損益表確認作其他收入的一部分。當本集團收取付款之權利確立時，可供出售股本工具之股息於損益表確認作為其他收入的一部分。

### 2.15 抵銷金融工具

金融資產及負債會作抵銷，而於有法律上可強制執行權利抵銷已確認金額及有意以淨額基準清償或同時變現資產及清償負債時，在資產負債表列報之淨額。法律上可強制執行權利不得為視乎日後事件及必須為正常業務中及於公司或對手方拖欠款項、無力償債時或破產時可強制執行。

### 2.16 金融資產減值

#### (a) 以攤銷成本列賬之資產

本集團於各報告期末評核有否客觀證據證明有一項或一組金融資產出現減值。僅當存在客觀證據證明於首次確認資產後發生一宗或多宗事件(「虧損事件」)，而該宗(或該等)虧損事件導致出現減值及對該項或該組金融資產的未來估計之現金流量構成可以合理估計的影響，有關的金融資產才算出現減值及產生減值虧損。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Impairment of financial assets (continued)

#### (a) Assets carried at amortised cost (continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

## 2 重大會計政策概要（續）

### 2.16 金融資產減值（續）

#### (a) 以攤銷成本列賬之資產（續）

減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

就貸款及應收款項類別而言，虧損金額以該資產之賬面值與按金融資產原本之實際利率用折現方式計算預計未來現金流量之現值差額（但不包括未發生之日後信貸損失）來計量。該資產之賬面值會在收入表扣除，而虧損會在綜合損益表確認。倘一項貸款具可變動利率，用於計算任何減值虧損之折讓率則為合約項下釐訂之現時實際利率。作為一項實際合宜事項，本集團可採用可供觀察之市價以工具之公平值基準計算減值。

倘於之後期間，減值虧損之數額減少，而減少的原因客觀上與減值虧損確認後所發生之事件（例如債務人信貸評級改善）相關，則就先前確認之減值虧損之回撥將於綜合損益表確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Impairment of financial assets (continued)

#### (b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

### 2.17 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Changes in the fair value of these derivative instruments are recognised immediately in the consolidated income statement within 'other losses, net'. The Group does not have any derivative that is designated as a hedging instrument.

## 2 重大會計政策概要(續)

### 2.16 金融資產減值(續)

#### (b) 分類為可供出售之資產

本集團於各報告期末評估金融資產或一組金融資產有否出現客觀之減值憑證。

就債務證券而言，若存在此等證據，累計虧損 — 按收購成本與當時公平值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益重新分類並在損益記賬。如在較後期間，被分類為可供出售之債務工具的公平值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在綜合損益表轉回。

就股本投資而言，證券公平值之重大或持續下跌至低於其成本亦為資產出現減值之憑證。倘出現任何有關憑證，其累計虧損(收購成本與當前公平值兩者之差額減該金融資產以往於損益內確認之任何減值虧損)則於權益中重新分類，並於損益表中確認。於綜合損益表中確認之權益工具減值虧損不會透過綜合損益表撥回。

### 2.17 衍生金融工具

衍生工具於衍生工具合約訂立當日按公平值初始確認，其後按公平值重新計量。此等衍生金融工具之公平值如有變動，將即時於綜合收益表內「其他虧損淨額」確認。本集團並無任何指定為對沖工具之衍生工具。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises, raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.19 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.14.2 for further information about the Group's accounting for trade receivables and Note 2.16 for a description of the Group's impairment policies.

### 2.20 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within cash and cash equivalent in current assets.

### 2.21 Share capital

Ordinary shares are classified as equity.

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

## 2 重大會計政策概要(續)

### 2.18 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本值以加權平均法計算。成品之成本包括原材料、直接勞工及其他直接成本及相關生產經常開支，不包括借貸成本。可變現淨值是以日常業務之估計售價減去適用之變動銷售開支後所得之數額。

### 2.19 貿易及其他應收款項

貿易應收款項為在日常營運活動中就商品銷售或提供服務而應收客戶的款項。如貿易及其他應收款項的收回預期在一年或以內(或倘較長，則為業務正常經營週期內)，其被分類為流動資產；否則分類為非流動資產。

貿易應收款項及其他應收款項以公平值為初始確認，其後利用實際利率法按攤銷成本扣除減值準備計量。有關本集團貿易應收款項會計處理的更多詳情，請參閱附註2.14.2；有關本集團減值政策的描述，請參閱附註2.16。

### 2.20 現金及現金等值項目

於綜合現金流量表內，現金及現金等值項目包括手頭現金、銀行活期存款、銀行透支。在綜合資產負債表內，銀行透支列示於流動資產之現金及現金等值項目內。

### 2.21 股本

普通股被分類為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.22 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

### 2.23 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.24 Borrowing costs

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency.

## 2 重大會計政策概要（續）

### 2.22 貿易應付款項

貿易應付款項為在日常營運活動中購買商品或服務而應支付供應商的責任。

貿易應付款項以公平值為初始確認，其後利用實際利率法按攤銷成本計量。

### 2.23 借款

借款按公平值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款（扣除交易成本）與贖回價值的任何差額利用實際利率法於借款期間內在損益表確認。

設立貸款融資時支付的費用倘部分或全部融資將會很有可能提取，該費用可遞延確認為交易成本，直至貸款提取為止。如沒有證據證明部分或全部融資將會很有可能被提取，則該項費用資本化作為流動資金服務的預付款，並按有關融資期間攤銷。

除非本集團有無條件權利於報告期末後將負債的結算遞延最少12個月，否則借貸分類為流動負債。

### 2.24 借款成本

借款成本包括利息開支、融資租賃之融資支出及外幣借款產生之匯兌差異，以其被視為利息成本之調整為限。屬於利息成本之調整之匯兌收益及虧損包括在實體以其功能貨幣借入資金的情況下產生的借款成本與外幣借款實際產生的借款成本之間的利率差異。有關款額根據以實體功能貨幣作出的類似借款的利率估計。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.25 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the derivative component. Any directly attributable transaction costs are allocated to the liability and derivative components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The derivative components are recognised at fair value at the date of issue. It is subsequently measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.26 Current and deferred income tax

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

#### (a) Current income tax

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

## 2 重大會計政策概要（續）

### 2.25 複合金融工具

本集團發行的複合金融工具包括可按持有人的選擇轉換為股本的可轉換債券，而將予發行的股份數目不跟隨其公平值而改變。

負債組成部份按複合金融工具的整体公平值與衍生工具組成部份的公平值的差額作初始確認。任何直接歸屬的交易費用按其初始賬面值的比例分配至負債和衍生工具的組成部份。

初始確認後，複合金融工具的負債組成部份利用實際利率法按攤銷成本計量。衍生工具組成部份於發行日期後按公平值確認，其後按公平值計量及公平值變動於綜合損益確認。

可轉換工具的負債部份被分類為流動，除非本集團有無條件權力將負債的結算遞延至報告期末後最少12個月。

### 2.26 當期及遞延所得稅

本期間稅項開支包括當期和遞延稅項。稅項在損益表中確認，但與其他全面收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他全面收益或直接在權益中確認。

#### (a) 當期所得稅

當期所得稅支出根據本公司的子公司及聯營公司經營及產生應課稅收入的國家於資產負債表日期已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.26 Current and deferred income tax (continued)

#### (b) Deferred income tax

##### *Inside basis differences*

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

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

##### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

## 2 重大會計政策概要(續)

### 2.26 當期及遞延所得稅(續)

#### (b) 遞延所得稅

##### *內在差異*

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在綜合財務報表的賬面值差額而產生的暫時性差異。然而，若遞延稅項負債產生自初步確認商譽，則不會確認遞延稅項負債；若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在資產負債表日期前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

##### *外在差異*

遞延所得稅負債就子公司、聯營公司及合營安排投資產生的應課稅暫時性差異而準備，但假若本集團可以控制暫時性差異的轉回時間，而暫時性差異在可預見將來很可能不會轉回則除外。本集團一般未能為聯營公司控制暫時性差異之轉回。僅於訂立協議授權本集團有能力，於可見未來控制暫時性差異(遞延稅項負債有關聯營公司之未分配溢利產生應課稅暫時性差異)時不予確認轉回。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.26 Current and deferred income tax (continued)

#### (b) Deferred income tax (continued)

##### *Outside basis differences (continued)*

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

#### (c) Offsetting

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

### 2.27 Employee benefits

The Group operates various post-employment schemes, including defined contribution plans and defined benefit plans.

#### (a) Pension obligations

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

## 2 重大會計政策概要 (續)

### 2.26 當期及遞延所得稅 (續)

#### (b) 遞延所得稅 (續)

##### *外在差異 (續)*

遞延所得稅資產就於子公司、聯營公司及合營安排投資產生之可扣減暫時性差異予以確認，惟暫時性差異可能將於日後撥回，且有充足之應課稅溢利而動用暫時性差異。

#### (c) 抵銷

遞延所得稅資產及負債於存在可合法強制執行權利以抵銷當期稅項資產與當期稅項負債，且當遞延所得稅資產及負債涉及相同稅務機關對應課稅實體或不同的應課稅實體徵收的所得稅 (倘有意向按淨額基準結付結餘) 時，會抵銷遞延所得稅資產及負債。

### 2.27 僱員福利

本集團營運多項退休計劃，包括界定供款計劃及界定福利計劃。

#### (a) 退休金責任

界定供款計劃乃本集團向一家獨立機構支付固定定額退休金供款的退休金計劃。若該基金並無持有足夠資產向所有員工就其在當期及以往期間的服務支付福利，本集團亦無法定或推定責任支付進一步供款。定額福利計劃乃一項並非定額供款計劃的退休計劃。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits (continued)

#### (a) Pension obligations (continued)

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in statement of profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

## 2 重大會計政策概要(續)

### 2.27 僱員福利(續)

#### (a) 退休金責任(續)

定額福利計劃一般會釐定僱員在退休時可收取的退休福利金額，通常視乎年齡、服務年資和薪酬補償等一個或多個因素而定。

於綜合資產負債表內就界定受益退休計劃確認的負債為界定受益退休責任於報告期末的現值(扣除計劃資產的公平值)。定額福利責任每年均由獨立精算師以預測單位貸計法計算。定額福利責任的現值乃以使用支付福利的貨幣計值，且到期條款與相關退休責任的條款相約的高質企業債券的利率貼現預計未來現金流出額釐訂。倘於欠缺該等企業債券深廣市場的國家，則採用政府債券的市場率。

定額福利計劃的當期服務成本於損益表確認為僱員福利開支(已包括在資產成本內除外)，反映在現年度因為僱員服務而產生的界定福利債務增加、利益變動、縮減及結算。

過往服務成本即時於損益表確認。因修訂或減省計劃而產的界定福利責任的現值變動即時於損益確認為過往服務成本。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits (continued)

#### (a) Pension obligations (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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

#### (b) Termination benefits

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

## 2 重大會計政策概要（續）

### 2.27 僱員福利（續）

#### (a) 退休金責任（續）

淨利息成本採用定額福利責任的淨結餘之貼現率及計劃資產的公平值計算。此項成本列入損益表的僱員福利開支內。

因按經驗作出調整及精算假設改變而產生的精算盈虧於產生期間扣除自或計入綜合全面收益表。

對於定額供款計劃，本集團以強制性、合同性或自願性方式向公開或私人管理的退休保險計劃供款。本集團作出供款後，即無進一步付款義務。供款到期時，則會確認為僱員福利開支。預付供款按照現金退款或可減少未來付款而確認為資產。

#### (b) 終止福利

終止福利在本集團於正常退休日期前終止雇用職工，或當職工接受自願遣散以換取此等福利時支付。本集團在以下較早日期發生時確認終止福利：(a)當本集團不再能夠撤回此等福利要約時；及(b)當主體確認的重組成本屬於香港會計準則第37號的範圍並涉及支付終止福利時。在鼓勵職工自動遣散的要約情況下，終止福利按預期接受要約的職工數目計算。在報告期末後超過12個月支付的福利應貼現為現值。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits (continued)

#### (c) Employee leave entitlements

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

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

### 2.28 Share-based payments

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

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

## 2 重大會計政策概要(續)

### 2.27 僱員福利(續)

#### (c) 僱員享有假期權利

僱員享有假期權利於其歸屬於僱員時確認。僱員假期乃按截至資產負債表日止因僱員提供服務而產生之估計年假計提撥備。

僱員應享病假及產假之權利，僅於支取假期時方予確認。

### 2.28 以股份為基礎之付款

以權益結算以股份為基礎的交易

本集團設有多個以權益結算以股份為基礎的酬金計劃，據此實體以權益工具(購股權)為報酬收取僱員的服務。僱員為獲取授予購股權而提供的服務的公平值確認為費用。

在每個報告期末，本集團依據非市場表現及服務條件修訂其對預期歸屬的購股權數目的估計。主體在損益表確認對原估算修訂(如有)的影響，並對權益作出相應調整。

在購股權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本和股份溢價。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.29 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

### 2.30 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

#### (a) Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied (a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## 2 重大會計政策概要（續）

### 2.29 撥備

當本集團因已發生的事件而產生現有的法律或推定義務；很可能需要資源的流出以結算義務；及金額已被可靠估計，則確認法律索償撥備。但不會就未來經營虧損確認撥備。

撥備採用稅前利率按照預期需結算有關義務的支出現值計量，該利率反映當時市場對金錢時間值和有關義務固有風險的評估。

### 2.30 收入確認

收入按已收或應收對價之公平值計量，並相當於供應貨品的應收賬款，在扣除折扣、退貨及增值稅後入賬。誠如下文所載，當收入金額能可靠地計量，而未來經濟利益可能流入該實體，且符合本集團各業務的特定準則時，本集團便會確認收入。本集團基於其過往業績，計及客戶類型、交易類型及各項安排細節作出回報估計。

#### (a) 銷售貨品

當交付商品及所有權轉移時，會確認來自銷售商品的收益，而屆時所有以下條件須已達成 (a) 本集團已向買方轉移商品擁有權的重大風險及回報；(b) 就已售商品而言，本集團不保留通常涉及擁有權的程度的持續管理權，亦不保留實際控制權；(c) 收益金額能可靠計量；(d) 交易所涉及的經濟利益可能流入本集團；及 (e) 交易所產生或將產生的成本能可靠計量。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.30 Revenue recognition (continued)

#### (b) Rental income

Rental income from investment property is recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

### 2.31 Interest income

Interest income is recognised using the effective rate method.

### 2.32 Dividend income

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

### 2.33 Leases

#### As the lessee

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

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

## 2 重大會計政策概要(續)

### 2.30 收入確認(續)

#### (b) 租金收入

投資物業租金收入於租期內按直線基準在損益表內確認。

### 2.31 利息收入

利息收入採用實際利率法確認。

### 2.32 股息收入

當確定收取付款的權利時，確認股息收入。

### 2.33 租賃

#### 作為承租人

倘租賃的絕大部分擁有權風險及回報均由出租人保留，則該等租賃分類為經營租賃。根據經營租賃作出的付款(已扣除從出租人獲得的任何優惠)，根據租賃期以直線法計入損益表。

本集團出租若干物業、廠房及設備。如物業、廠房及設備的租賃擁有權所附的絕大部分風險及回報由本集團擁有，則有關物業、廠房及設備的租賃分類為融資租賃。融資租賃在租賃開始時按租賃物業之公平值及最低租賃付款現值兩者之較低者入賬。

每筆租金均分攤為負債及財務開支。相應租賃責任在扣除財務開支後計入其他長期應付款項內。財務費用的利息部分於租約期內在損益表支銷，以就每個期間之負債餘額制定固定期間利率。根據融資租賃取得的物業、廠房及設備按資產之可用年期及租期兩者的較低者折舊。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.33 Leases (continued)

#### As the lessor

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

### 2.34 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders or directors, where appropriate.

### 2.35 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

## 2 重大會計政策概要（續）

### 2.33 租賃（續）

#### 作為出租人

租賃為一份協議，據此出租人向承租人轉讓於協定期間內使用資產的權利，以交換一筆款項或一連串款項。

當資產根據經營租約租出，該項資產按資產性質計入資產負債表。

根據經營租約產生之租金收入以直線法於租賃期內確認。

### 2.34 股息分派

向公司股東分派股息乃於股息經公司股東或董事（如適用）批准期間在本集團財務報表內確認為一項負債。

### 2.35 政府補助金

倘能合理確定將收取的補助及本集團將遵守所有附帶的條件，則按公平值確認政府補助金。

有關成本之政府補助均會於對應擬彌償成本所需之期間遞延並在損益表確認入賬。

#### 3 金融風險管理

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's major financial instruments include trade and other receivables, fixed return investments, derivative financial assets, pledged bank deposits, cash and cash equivalents, trade and other payables, derivative financial liabilities and borrowings, etc. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group has foreign currency sales, purchases, trade and other receivables, pledged bank deposits, cash and cash equivalents, trade and other payables, derivative financial instruments, bank borrowings, which expose the Group to market risk arising from changes in foreign exchange rates. The Group currently does not have a specific foreign currency hedging policy. However, the management closely monitors its foreign currency risk exposure and considers any foreign currency forward contracts should the need arise.

In addition, the Group had entered into several foreign currency forward contracts with banks to reduce its exposure to currency fluctuation risk of payments for trade payables which were denominated in United States dollars ("US\$"). The derivatives were not accounted for under hedge accounting. The Group was required to estimate the fair value of the foreign currency forward contracts at the end of the reporting period, which therefore also exposed the Group to foreign exchange risk.

### 3 金融風險管理

#### 3.1 金融風險因素

本集團的主要金融工具包括貿易及其他應收款項、固定回報投資、衍生金融資產、已抵押銀行存款、現金及現金等值項目、貿易及其他應付款項、衍生金融負債及借款等。該等金融工具詳情於相關附註披露。

有關該等金融工具的風險包括市場風險（外匯風險、利率風險及價格風險）、信貸風險及流動資金風險。為減輕該等風險而制訂的政策載於下文。管理層管理及監控該等風險以確保及時有效地採取適當措施。

##### (a) 市場風險

###### (i) 外匯風險

本集團因有外幣買賣、貿易及其他應收款項、已抵押銀行存款、現金及現金等價物、貿易及其他應付款項、衍生金融工具、銀行借款而面對外匯匯率變動帶來的市場風險。本集團現時並無特定的外幣對沖政策。然而，管理層仍密切監控外幣風險，並會於需要時考慮任何外幣遠期合約。

此外，本集團與一間銀行訂立多項遠期外匯合約，以降低其因以美元（「美元」）支付貿易應付款項而面臨的貨幣波動風險。衍生工具未按對沖會計法列賬。本集團須於報告期末估計遠期外匯合約之公平值，由此導致本集團面臨其外匯風險。

## 3 FINANCIAL RISK MANAGEMENT (continued)

## 3.1 Financial risk factors (continued)

## (a) Market risk (continued)

## (i) Foreign exchange risk (continued)

At 31 December 2016, if Renminbi (“RMB”) had weakened/strengthened by 5% (2015: 5%) against the HK\$ or the US\$ with all other variables held constant, pre-tax loss for the year would have been HK\$32,916,000 (2015: HK\$34,841,000) higher/lower, mainly as a result of foreign exchange losses/gains on translation of US\$ denominated trade and other payables, foreign forward contracts derivatives and cash and bank deposits and foreign exchange losses/gains on translation of US\$-denominated borrowings.

At 31 December 2016, if Euro (“EUR”) had weakened/strengthened by 8% (2015: 5%) against the HK\$ or US\$ with all other variables held constant, pre-tax loss for the year would have been HK\$180,081,000 (2015: HK\$6,172,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of US\$-denominated trade and other payables and cash and bank deposits.

The directors considered the foreign exchange risk between HK\$ and US\$ is minimal as HK\$ has been linked to US\$.

## 3 金融風險管理（續）

## 3.1 金融風險因素（續）

## (a) 市場風險（續）

## (i) 外匯風險（續）

於二零一六年十二月三十一日，倘人民幣（「人民幣」）兌港元或美元貶值／升值5%（二零一五年：5%），而所有其他參數保持不變，則年內除稅前虧損將增加／減少32,916,000港元（二零一五年：34,841,000港元），主要由於換算以美元計值之貿易及其他應付款項、外幣遠期合約衍生工具及現金及銀行存款之匯兌虧損／收益及換算以美元計值借款之匯兌虧損／收益。

於二零一六年十二月三十一日，倘歐元（「歐元」）兌港元或美元貶值／升值8%（二零一五年：5%），而所有其他參數保持不變，則年內除稅前虧損將減少／增加180,081,000港元（二零一五年：6,172,000港元），主要由於換算以美元計值之貿易及其他應付款項及現金及銀行存款之匯兌收益／虧損。

董事認為港元及美元之間的外匯風險極微，因為港元與美元掛鉤。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

##### (ii) Interest rate risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk.

Based on the simulations performed, the impact on pre-tax loss of a 100 basis points shift would have a maximum increase by the following magnitude:

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Increase in loss for the year	23,326	3,330
年內虧損增加		

### 3 金融風險管理（續）

#### 3.1 金融風險因素（續）

##### (a) 市場風險（續）

##### (ii) 利率風險

本集團的利率風險主要來自借款。按浮動利率取得的借款讓本集團承受現金流利率風險及公平值利率風險。

根據所進行的模擬，變動100個基點對除稅前虧損的影響的最大增幅如下：

## 3 FINANCIAL RISK MANAGEMENT (continued)

## 3.1 Financial risk factors (continued)

## (a) Market risk (continued)

## (iii) Price risk

## Commodity price risks

At 31 December 2016, the Group was exposed to commodity price risks through its metal commodities future contracts.

## Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to commodity price risk of metal commodities future contracts at 31 December 2016. If the commodity price risk of metal commodities future contracts had been 16% higher/lower, the Group's pre-tax loss for the year would decrease by the following magnitude:

## 3 金融風險管理（續）

## 3.1 金融風險因素（續）

## (a) 市場風險（續）

## (iii) 價格風險

## 商品價格風險

於二零一六年十二月三十一日，本集團因金屬商品期貨合約而面對商品價格風險。

## 敏感度分析

下列敏感度分析乃基於二零一六年十二月三十一日金屬商品期貨合約以及銷售合約附帶的臨時定價安排面對的商品價格風險而定。倘金屬商品期貨合約的商品價格上升／下降16%，則本集團年內除稅前虧損減少的幅度如下：

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Decrease in loss for the year      年內虧損減少	108,927	-

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, derivative financial instruments, trade and other receivables and deposits with banks and financial institutions. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk arising from cash and bank deposits, the Group only transacts with reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions.

At 31 December 2016, the Group had concentration of credit risk as 8% and 26% (2015: 62% and 82%) of its total trade receivables was due from its largest trade debtors and the five largest customers respectively. The five largest trade debtors have good repayment history and credit quality with reference to the track records of these trade debtors under internal assessment by the Group.

### 3 金融風險管理（續）

#### 3.1 金融風險因素（續）

##### (b) 信貸風險

本集團的信貸風險主要來自現金及現金等值項目、衍生金融工具、貿易及其他應收款項及銀行及金融機構存款。該等結餘的賬面值為本集團就金融資產承擔的最大信貸風險。

為管理來自現金及銀行存款的這一風險，本集團僅會與信譽良好的商業銀行交易，該等銀行全部為信貸質素水平高的金融機構。該等金融機構並無近期欠款記錄。

於二零一六年十二月三十一日，本集團承受信貸集中風險，因為其貿易應收款項總額中有8%及26%（二零一五年：62%及82%）分別來自其最大債務人及五大客戶。根據本集團的內部評估，參考該等債務人的往績記錄，五大債務人的償款記錄及信貸質素良好。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk

Cash flow forecasting is performed at the operating entities of the Group and are aggregated by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 29) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements — for example, currency restrictions.

The management is closely monitoring the Group's financial performance, liquidity position, continuously compliance with all restrictive loan covenants and has been implementing measures to improve profitability and control operating costs. These measures include (i) post-acquisition integration and transformation programme to redefine the Group's business strategies and to optimise the Group's operations in different geographies; and (ii) implement strict controls to reduce capital and operational expenditures.

The management has prepared cash flow projections covering a period of 12 months from 31 December 2016 and believe that there will be sufficient financial resources to meet its financial obligations as and when they fall due in the coming 12 months from 31 December 2016, details of which are set out in Note 2.1.1.

### 3 金融風險管理（續）

#### 3.1 金融風險因素（續）

##### (c) 流動資金風險

現金流預測乃於本集團經營實體進行並由本集團財務部合併計算。集團財務部監控本集團流動資金需求的滾動預測，確保其擁有充足現金以滿足經營需要，並維持其尚未提取但已獲承諾的借貸額度（附註29）隨時有充足餘額，使本集團絕無違反任何借貸額度的借貸限額或契據（倘適用）。該等預測乃經考慮本集團的債務融資計劃及須遵守的契據，並符合內部資產負債表比率的目標及（如適用）外部監管或法律規定，例如貨幣限制。

管理層密切監察本集團之財務表現、流動性狀況、持續遵守所有限制性貸款契諾及已推行措施改善盈利能力及控制經營成本。該等措施包括：(i)收購後整合及改造計劃，以修訂本集團的業務策略，優化本集團在不同地區之營運；(ii)執行嚴格監控，減少資本及營運開支。

管理層已準備覆蓋二零一六年十二月三十一日起十二個月期間之現金流量預測，並相信將有充足財務資源，於其財務責任於二零一六年十二月三十一日起未來十二個月內到期時，可滿足其需要，有關詳情載於附註2.1.1。



### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk (continued)

The table below analyses the Group's and the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 3 金融風險管理（續）

#### 3.1 金融風險因素（續）

##### (c) 流動資金風險（續）

下表分析本集團及本公司的非衍生金融負債及淨額結算的衍生金融負債，此乃按照相關的到期組別，根據由結算日至合約到期日的剩餘期間進行分析。倘衍生金融負債的合約到期情況對了解現金流時機至關重要，則會計入分析中。在下表內披露的金額為合約未貼現的現金流量。

		On demand or less than 1 month 按要求或 少於一個月 HK\$'000 千港元	Between 1 and 3 months 一至三個月 HK\$'000 千港元	Between 3 months and 1 year 三個月 至一年 HK\$'000 千港元	Between 1 and 5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Borrowings (excluding finance lease liabilities)	借款(不包括融資租賃責任)	780,753	111,282	2,520,996	1,940,894	2,767
Finance lease liabilities	融資租賃責任	6,796	19,102	51,048	159,644	-
Trade and other payables	貿易應付款項及 其他應付款項	932,762	66,523	105,024	290,926	1,020
Convertible bonds	可換股債券	-	68,952	-	-	-
Amounts due to related parties	應付關聯方款項	55,309	91,929	211,373	-	-
		<b>1,775,620</b>	<b>357,788</b>	<b>2,888,441</b>	<b>2,391,464</b>	<b>3,787</b>

## 3 FINANCIAL RISK MANAGEMENT (continued)

## 3.1 Financial risk factors (continued)

## (c) Liquidity risk (continued)

		On demand or less than 1 month 按要求或 少於一個月 HK\$'000 千港元	Between 1 and 3 months 一至三個月 HK\$'000 千港元	Between 3 months and 1 year 三個月 至一年 HK\$'000 千港元	Between 1 and 5 years 一至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
<b>At 31 December 2015</b>	<b>於二零一五年 十二月三十一日</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade and other payables	貿易應付款項 及其他應付款項	131,906	29	6,510	-	-
Borrowings	借款	1,096,660	46,730	137,561	46,050	-
Convertible bonds	可換股債券	-	1,352	1,352	68,952	-
		1,228,566	48,111	145,423	115,002	-

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2016, the aggregate carrying amounts of these bank borrowings amounted to HK\$774,705,000 (2015: HK\$1,095,156,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid within one year (2015: within one year) after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows of HK\$787,554,000 will be repaid within one year (2015: HK\$1,111,632,000 within one year).

The amounts included above for the variable interest rate instruments are subject to change if changes in actual interest rates differ to those estimated at the end of the reporting period.

## 3 金融風險管理（續）

## 3.1 金融風險因素（續）

## (c) 流動資金風險（續）

須按要求償還之銀行借款計入上述到期日分析之「按要求或少於一個月」時間範圍內。於二零一六年十二月三十一日，該等銀行借款之賬面值總額達774,705,000港元（二零一五年：1,095,156,000港元）。經計及本集團之財務狀況後，董事相信銀行不可能將行使其酌情權以要求即時還款。董事相信，該等銀行借款將於報告日期後一年內（二零一五年：一年內）根據貸款協議所載預定還款日期償還。屆時，本金總額及利息現金流出為787,554,000港元，並於一年內償還（二零一五年：1,111,632,000港元，並於一年內償還）。

倘實際利率之變動有別於報告期末釐定之估計利率變動，上述浮息工具之金額或會出現變動。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.2 Capital 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 remained unchanged from prior years.

The capital structure of the Group consists of debt, which includes bank borrowings and overdrafts, other borrowings and convertible bonds disclosed in Note 29, net of cash and cash equivalents and equity attributable to owners of the Company, comprising capital, various reserves and accumulated losses.

The directors of the Company review the capital structure periodically. The directors of the Company also balance the overall capital structure through the payment of dividends, new share issues and share repurchases as well as the issue of new debt or the redemption of existing debt. No changes were made in the objectives, policies or processes during the year ended 31 December 2016.

#### 3.3 Fair value estimation

##### Fair value measurements and valuation process

The Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the Group engages third party qualified valuers to perform the valuation for financial instruments that are measured at fair value on a recurring basis. The Chief Financial Officer and his senior executives work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

### 3 金融風險管理(續)

#### 3.2 資本管理

本集團之資本管理旨在確保本集團內所有個體均可持續經營，同時透過優化債務及股本結構為股東爭取最大回報。

本集團資本結構包括債務(包括披露於附註29的銀行借款及透支、其他借款及可換股債券，扣除現金及現金等價物)及本公司擁有人應佔權益(包括資本、多項儲備及累計虧損)。

本公司董事定期審閱資本架構。本公司董事亦透過支付股息、發行新股及股份購回以及發行新債務或贖回現有債務平衡本集團整體資本架構。截至二零一六年十二月三十一日止年度，有關目標、政策或程序並無變動。

#### 3.3 公平值估計

##### 公平值計量及估值程序

本公司首席財務官就公平值計量釐定合適的估值方法及輸入數據。

於估計資產或負債的公平值時，本集團運用其獲得的市場觀察數據。倘第一及第二級輸入數據不可用，本集團委聘第三方合資格估值師對按經常性基準以公平值計量之金融工具進行估值。首席財務官及高級行政人員與外聘合資格估值師密切合作以制定合適的估值技術及輸入數據模式。

## 3 FINANCIAL RISK MANAGEMENT (continued)

## 3.3 Fair value estimation (continued)

## Fair value measurements and valuation process (continued)

The Chief Financial Officer engages the external valuers to perform the valuations of the convertible bonds required for financial reporting purposes, including Level 3 fair value measurements of financial instruments. As a part of the valuation process, the Chief Financial Officer reports the findings to the board of directors of the Company semi-annually, in line with the Group's interim and annual reporting dates.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

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

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

## 3 金融風險管理（續）

## 3.3 公平值估計（續）

## 公平值計量及估值程序（續）

首席財務官就財務報告目的聘用外部估值師對可換股債券進行估值，包括金融工具第三級公平值計量。作為估值程序的一部分，首席財務官每半年向本公司董事會報告估值結果，報告的時間與本集團中期及年度報告日期一致。

有關釐定不同資產及負債公平值所使用的估值方法及輸入數據詳情載於上文。

下表分析本集團於二零一六年十二月三十一日按公平值列賬之金融工具，透過計量公平值所用之估計方法之輸入數據層級劃分。有關輸入數據在公平值層級內分為以下三級別：

- 活躍市場上相同資產或負債的報價（未經調整）（第一級）。
- 除第一級所包括的報價外，資產或負債的可直接（即價格）或間接（即從價格得出）觀察所得輸入值（第二級）。
- 並非根據可觀察市場數據釐定的資產或負債輸入值（即不可觀察輸入值）（第三級）。

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

3 FINANCIAL RISK MANAGEMENT (continued)  
3.3 Fair value estimation (continued)

3 金融風險管理（續）  
3.3 公平值估計（續）

Financial assets/ (financial liabilities)	Fair value as at	Fair value hierarchy	Valuation technique(s) and key input(s)
金融資產／（金融負債）	於以下日期的公平值	公平值架構	估值技術及 主要輸入數據
	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元	
(1) Metal commodities future contracts classified as derivative financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之金屬商品期貨合約	1,504 (4,487)	-	Level 1 第一級  Quoted bid commodity futures prices on the London Metal Exchange 倫敦金屬交易所所報之商品期貨買入價
(2) Metal commodities future contracts classified as derivative financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之金屬商品期貨合約	1,507 (13,131)	-	Level 2 第二級  Par method, taking actively traded future forward rates into account 面值法，計入活躍貿易遠期匯率
(3) Foreign currency forward contracts classified as derivative financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之外幣遠期合約	4,917 (142)	73	Level 2 第二級  Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates. 根據遠期外幣兌換率（於報告期末可觀察的遠期外幣兌換率）及已訂約的遠期比率來估計未來現金流。

## 3 FINANCIAL RISK MANAGEMENT (continued)

## 3.3 Fair value estimation (continued)

## 3 金融風險管理 (續)

## 3.3 公平值估計 (續)

Financial assets/ (financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
金融資產/(金融負債)	於以下日期的公平值		公平值架構	估值技術及 主要輸入數據
	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元		
(4) Interest rate swap contracts classified as derivatives financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之利率掉期合約	- (13,743)		Level 2 第二級	Future cash flow are based on the present value of the estimated future cash flows based on observed yield curves. 未來現金流乃基於估計未來現金流的現值(根據所觀察的回報曲線)。
(5) Embedded derivative components of convertible bonds (note (i)) 可換股債券嵌入式衍生工具部分(附註(i))	- (4)	(9,615)	Level 3 第三級	Binomial Option Pricing Model. The key inputs are the Company's share price, expected volatility, dividend yield, option life and risk free rate. 二項期權定價模式。主要輸入數據為本公司股價、預期波動、股息回報率、期權期限及無風險利率。
(6) Contingent consideration payable (note (iii)) 應付或然代價(附註(iii))	(158,086)		- Level 3 第三級	Primarily based on the present value of the estimated future cash flow. 主要基於估計未來現金流的現值

Notes:

- (i) The significant unobservable input adopted for the valuation of the embedded derivative components of convertible bonds include the expected volatility which is determined based on the average historical volatility of the Company's share price as at the date of valuation. If the expected volatility to the Binomial Option Pricing Model was 10% higher or lower while all other variables were held constant, the carrying amount of the embedded derivative components of convertible bonds would increase by HK\$205,000 (2015: HK\$1,301,000) or decrease by HK\$4,000 (2015: HK\$1,264,000) respectively.
- (ii) The detail on fair value measurement of the contingent consideration was set out in Note 39(c).

附註:

- (i) 可換股債券嵌入式衍生工具部分的估值技術中涉及的重大不可觀察輸入數據包括參考了本公司股價於估值日期之平均歷史波動的預期波動。倘於其他變數保持不變的情況下，二項期權定價模式的預期波動提高或降低10%，可換股債券嵌入式衍生工具之賬面值將分別增加205,000港元(二零一五年: 1,301,000港元)或減少4,000港元(二零一五年: 1,264,000港元)。
- (ii) 有關應付或然代價公平值計量的詳情載於附註39(c)。

## Notes to the Consolidated Financial Statements (continued)

### 綜合財務報表附註 (續)

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

In management's opinion, the sensitivity analyses are not necessarily representative of the fair value as the pricing model used in the fair value valuation of the embedded derivative components of convertible bonds involves multiple variable where certain variables are interdependent.

Fair value measurements recognised in the consolidated balance sheet.

### 3 金融風險管理(續)

#### 3.3 公平值估計(續)

管理層認為，敏感度分析未必代表公平值，因為可換股債券之嵌入式衍生工具部分之公平值估值中所使用之定價模式，涉及多個變數，而其中若干變數屬互為影響。

於綜合資產負債表確認的公平值計量

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2016	於二零一六年十二月三十一日				
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值計入損益的金融資產</b>				
Derivative financial assets	衍生金融資產	1,504	6,424	-	7,928
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值計入損益的金融負債</b>				
Derivative financial liabilities	衍生金融負債	(4,487)	(27,016)	-	(31,503)
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	-	-	(4)	(4)
Contingent consideration payable	應付或然代價	-	-	(158,086)	(158,086)
As at 31 December 2015	於二零一五年十二月三十一日				
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值計入損益的金融資產</b>				
Derivative financial assets	衍生金融資產	-	73	-	73
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值計入損益的金融負債</b>				
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	-	-	(9,615)	(9,615)

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

There were no transfers between the three levels during either of the years ended 31 December 2016 or 2015.

Of the total losses or gains for the current year included in the consolidated profit or loss, fair value gain of HK\$9,611,000 (2015: fair value loss of HK\$305,463,000) related to embedded derivative components of convertible bonds held at the end of the reporting period. The fair value losses or gains are included in other losses, net.

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated balance sheet approximate their fair values.

### 3 金融風險管理（續）

#### 3.3 公平值估計（續）

截至二零一六年或二零一五年十二月三十一日止年度，三個層級之間並無轉移。

計入綜合損益的本年度虧損或收益總額中，公平值收益9,611,000港元（二零一五年：公平值虧損305,463,000港元）乃與於報告期末持有的可換股債券嵌入式衍生工具部分有關。公平值虧損或收益計入其他虧損淨額。

管理層認為，於綜合資產負債表內按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。



## Notes to the Consolidated Financial Statements (continued)

### 綜合財務報表附註 (續)

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.4 Offsetting financial assets and financial liabilities

##### (a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements. As at 31 December 2015, no financial assets are subjected to offsetting.

### 3 金融風險管理(續)

#### 3.4 抵銷金融資產及金融負債

##### (a) 金融資產

以下金融資產受抵銷、可強制執行統一淨額結算安排及類似協議規限。於二零一五年十二月三十一日，概無金融資產須予抵銷。

		Gross amounts of recognised financial assets	Gross amount of recognised financial liabilities net off in the consolidated balance sheet 於綜合資產負債表扣除的已確認金融資產總額 HK\$'000 千港元	Net amounts of financial assets presented in the consolidated balance sheet 於綜合資產負債表呈列的金融資產淨值 HK\$'000 千港元	Related amounts not net off in the consolidated balance sheet 未於綜合資產負債表扣除的相關金額		
					Financial instruments	Cash collateral received	Net amount
As at 31 December 2016							
於二零一六年十二月三十一日							
Cash and cash equivalents	現金及現金等值項目	1,683,449	(26,748)	1,656,701	-	-	1,656,701
Derivative financial assets	衍生金融資產						
— Foreign currency forward contracts	— 外幣遠期合約	11,363	(6,446)	4,917	(131)	-	4,786
— Metal commodities future contracts	— 金屬商品遠期合約	8,572	(5,561)	3,011	(2,447)	-	564

## 3 FINANCIAL RISK MANAGEMENT (continued)

## 3.4 Offsetting financial assets and financial liabilities (continued)

## (b) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements. As at 31 December 2015, no financial liabilities are subjected to offsetting.

## 3 金融風險管理（續）

## 3.4 抵銷金融資產及金融負債（續）

## (b) 金融負債

以下金融負債受抵銷、可強制執行統一淨額結算安排及類似協議規限。於二零一五年十二月三十一日，概無金融負債須予抵銷。

	Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets net off in the consolidated balance sheet 於綜合資產負債表扣除的已確認金融資產總額	Net amounts of financial liabilities presented in the consolidated balance sheet 於綜合資產負債表呈列的金融負債淨值	Related amounts not net off in the consolidated balance sheet 未於綜合資產負債表扣除的相關金額		
				Financial instruments	Cash collateral received	Net amount
As at 31 December 2016						
於二零一六年十二月三十一日						
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	千港元	千港元	千港元	千港元	千港元	千港元
Derivative financial liabilities						
— Foreign currency forward contracts	6,588	(6,446)	142	(132)	-	10
— Metal commodities future contracts	23,179	(5,561)	17,618	(8,505)	(7,253)	1,860

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.4 Offsetting financial assets and financial liabilities (continued)

##### (b) Financial liabilities (continued)

The gross amounts of the recognised financial assets and financial liabilities as presented in the Group's consolidated balance sheet, both of which have been disclosed in the above tables, are measured as fair value:

The disclosures set out in the tables above include commodities futures contracts traded through brokers, and foreign currency contracts contracted with banks and cash and cash equivalents. The related collaterals are included in margin deposits. If a default event (included but not limited to default payment, liquidation, bankruptcy or insolvency) occurs, the brokers and the banks are able to exercise the right to offset against any favourable contracts and/or the collaterals placed.

### 3 金融風險管理（續）

#### 3.4 抵銷金融資產及金融負債（續）

##### (b) 金融負債（續）

本集團綜合資產負債表內呈列的已確認金融資產及金融負債的總額（均已披露於上表）按公平值計量：

上表所述披露包括透過經紀人交易的商品期貨合約，及與銀行訂立的外幣合約，以及現金及現金等值項目。相關抵押品計入保證金。倘出現違約事件（包括但不限於拖欠付款、清盤、破產或無力償債），經紀人及銀行可行使權利抵銷任何有利合約及／或抵押品。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### 4.1 Critical accounting estimates and assumptions

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

#### (a) Impairment of non-financial assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment (Note 17). Other assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amounts of an asset or a cash-generating unit have been determined based on value-in-use calculations or its fair value less costs of disposal, whichever is higher. These calculations require the use of estimates. The value-in-use calculations primarily use cash flow projections based on financial budgets, in general covered five years, were approved by management and estimated terminal values at the end of the five-year period. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected growth in revenues and operating margin, growth rates and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value. Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgment is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

## 4 重要會計估計及判斷

估計及判斷經持續評估，並以過往經驗及其他因素為基礎，包括在現實情況下相信對未來事件的合理預期。

### 4.1 重要會計估計及假設

本集團會就未來作出估計及假設。由此產生之會計估計顯然很少與相關實際結果相符。具有重大風險於下一財政年度引致資產及負債賬面值之重大調整的估計及假設於下文載述。

#### (a) 非金融資產減值

本集團至少每年就商譽及其他沒有確定使用年期的資產進行測試，以確定是否出現減值（附註17）。其他需折舊及攤銷的資產則在當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。資產或現金產生單位的可收回金額按照使用價值或其公平值減出售成本（以較高者為準）計算方法予以釐定。該等計算方法需要利用估算。使用價值計算方法主要使用管理層批准之五年財務預算的現金流量預測及五年期末的估計最終價值。在編製獲批准預算所覆蓋期間內的現金流量預測及估計最終價值時，需使用大量的假設與估計。主要的假設包括預期的收入與經營利潤增長、增長率及貼現率選擇等，以反映所涉及風險與可能實現的估計最終價值收益倍數。管理層編製財務預算以反映實際與之前年度的業績及市場發展預期。於現金流量預測中所採用的主要假設須作出判斷才能確定，主要假設的變化可能對此等現金流量預測產生重大影響，並最終影響減值檢討的結果。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### 4.1 Critical accounting estimates and assumptions (continued)

**(b) Fair value of identifiable assets and liabilities acquired through business combinations and fair value of contingent consideration at the date of acquisition**

The Group applies the acquisition method to account for business combinations, which requires the Group to record assets acquired and liabilities assumed at their fair values on the date of acquisition. Significant judgment and estimate are used to determine the completion date and fair value of the assets acquired and liabilities assumed. The valuation involves estimating future cash flows from the acquired business, determining appropriate discount rates, asset lives and other assumptions.

**(c) Asset retirement obligations**

Various pieces of land was leased by the Group for operating scrap yards and preparation of the land might be needed to make it appropriate for operated as scrap yards.

It was the Group's contractual obligation to bring the land to its original condition as the Group is not the owner of the land. The Group estimates the expected costs necessary to dismantle the scrap yards by assessing the discount rate as well as expected increment in future cost which might lead to changes in the provisions recognised.

#### 4 重要會計估計及判斷（續）

##### 4.1 重要會計估計及假設（續）

**(b) 透過業務合併收購的可識別資產及負債的公平值及於收購日期的或然代價公平值**

本集團採用收購法將業務合併入賬，當中需要本集團按其於收購日期的公平值記錄已收購資產及已承擔負債，並採用重大判斷及估計，以釐定完成日期及已收購資產及已承擔負債的公平值。估值涉及估計收購所得業務之未來現金流量、釐定合適的貼現率、資產年期及其他假設。

**(c) 資產報廢責任**

本集團租用多幅土地營運廢料工場，因此需要將土地打造成適合營運廢料工場。

由於本集團並非土地的業主，因此本集團有合約責任須將土地恢復原貌。本集團透過評估貼現率及預測可能導致已確認撥備改變的未來成本增幅，估算清拆廢料工場所必需的估計成本。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (d) Estimation of provision for impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the collectability of receivables. Provisions for impairment are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgment and estimates. Management assesses the collectability of those past due receivables based on the credit history customers and current market conditions. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and doubtful debt expense in the period in which such estimate is changed.

#### (e) Classification of subsidiaries, joint ventures and associates

Equity investment are classified as either subsidiaries, joint ventures and associates depending on its level of power over an entity to variable returns from its involvement with the entity and has the ability to affect those returns.

The decision of whether the Group has the power over the relevant activities or only joint control depends on whether the rights granted to the Group allow it to direct the relevant activities and that no other party has substantial participating right, such as substantive veto-right, over the relevant activities.

As the determination of control and joint control depends on various factors and is therefore judgemental the accounting might change if the facts and circumstances are assessed differently.

## 4 重要會計估計及判斷（續）

### 4.1 重要會計估計及假設（續）

#### (d) 應收款項減值撥備之估計

本集團根據應收款項的可收回性評估，對應收款項作出減值撥備。當發生事件或情況有變，顯示有關結餘或不能收回時，即對應收款項計提減值撥備。識別呆賬需要使用判斷及估計。管理層根據客戶的信貸記錄及當前市況，評估該等逾期應收款項的可收回性。倘預測數字有別於原先估計，則有關差異將影響該估計改變期間應收款項的賬面值及呆賬開支。

#### (e) 子公司、合營企業及聯營公司之分類

股本投資分類為子公司、合營企業及聯營公司，視乎其對實體行使權力的程度而定，包括透過參與實體影響其可變回報及有能力影響該等回報。

本集團是否有權控制相關活動或僅為共同控制的決定視乎授予本集團的權利是否令其指導相關活動且並無其他方於相關活動中擁有重大參與權，例如重大投票權。

由於釐定控制與共同控制視乎多項因素及判斷，因此倘事實及情況作不同評估，則會計處理可能發生變動。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### 4.1 Critical accounting estimates and assumptions (continued)

###### (f) Current and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain, such as deductibility of compensation payments to customers or accessibility of deemed royalty income in certain countries. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimates are changed.

#### 4 重要會計估計及判斷（續）

##### 4.1 重要會計估計及假設（續）

###### (f) 即期及遞延所得稅

本集團須繳付多個司法權區的所得稅。釐定世界各地的所得稅撥備時需要作出重大判斷。有諸多難以確定最終稅項的交易及計算方法，例如支付予客戶的補償的可扣稅程度或能否取得若干國家的視作版權使用費收入。本集團根據估計會否有額外稅款到期而確認預測稅項審核事宜的負債。倘該等事宜的最終稅務結果與最初記賬的金額不同，有關差額將會影響作出有關決定期間的所得稅及遞延稅項資產及負債。

倘管理層認為日後可能有應課稅溢利用作抵銷暫時差額及稅項虧損，則會確認有關若干暫時差額或稅項虧損的遞延稅項資產。倘預期與最初估計不同，則有關差額會影響估計更改期間的遞延稅項資產及所得稅確認。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (g) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses. Management of the Group reviews the inventories listing on a category-by-category basis at the end of the reporting period, and assesses whether the cost of the finished products will exceed their net realisable value. Management estimates the net realisable value for such inventories based primarily on the latest resale value and quoted prices on applicable commodity exchanges. If the market price of inventories are to decline, additional write down may be required. The Group's inventories Management reassesses the estimation at the end of each reporting period.

#### (h) Fair value of derivatives and other financial assets

The fair value of financial instruments and other financial assets (including embedded derivative components of convertible bonds and options over shares in joint ventures to joint venture partners) that are not traded in an active market is determined by using appropriate valuation techniques and making assumptions that are based on market conditions existing at each reporting date.

The fair values of the embedded derivative components of convertible bonds are determined using the Binomial Option Pricing Model adjusted for specific terms and conditions of the respective instruments. Major inputs into the model include quoted market prices, risk free rates, expected volatility, dividend yields and the option's life.

The fair value of options over shares of non-listed entities are determined using discounted cash-flow method, which requires the determination of an appropriate discount rate as well as assumptions regarding the cash-flow projections.

## 4 重要會計估計及判斷（續）

### 4.1 重要會計估計及假設（續）

#### (g) 存貨之可變現淨值

存貨之可變現淨值為日常業務過程中的估計售價減估計完成成本及銷售開支。本集團管理層於報告期末按類別檢討存貨，並估計製成品的成本會否超逾可變現淨值。管理層主要按最新轉售價值及相關商品交易所報價估計有關存貨的可變現淨值。倘存貨市價下跌，則或須作出額外撇減。本集團之存貨管理人員於各報告期末重新評估有關估計。

#### (h) 衍生工具及其他金融資產之公平值

並非於活躍市場買賣的衍生工具及其他金融資產（包括可換股債券之嵌入式衍生部分及向合營企業合夥人發出之合營企業股份購股權）之公平值乃透過採用適合估值方法及根據各報告日期存在的市況作出的假設釐定。

可換股債券及認股權證內嵌入式衍生工具的公平值乃使用二項期權定價模式釐定，以適應各自工具的特定條款及條件。該模式所輸入之主要數據包括所報市價、無風險利率、預期波動、股息回報率及期權期限。

就非上市實體股份的購股權的公平值乃採用貼現現金流量法釐定，當中需要就現金流量預測釐定適當的貼現率以及假設。



## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (i) Depreciation of property, plant and equipment

Property, plant and equipment (other than construction in progress) are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual value. The Group assesses annually the residual value and the useful lives of property, plant and equipment. If the expectation differs from the original estimate, such difference will impact the depreciation charge in the year in which such estimate is changed.

## 5 SEGMENT INFORMATION

The Group's revenue represents the amounts received or receivable for the sales of metal scrap, net of sales related taxes, during the year.

Operating and reportable segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance. The executive directors of the Company are identified as the CODM and they regularly review the internal report on gross profit derived (or gross loss incurred) from different business activities and different products to assess performance and allocate resources of the Group.

## 4 重要會計估計及判斷(續)

### 4.1 重要會計估計及假設(續)

#### (i) 物業、廠房及設備折舊

物業、廠房及設備(在建工程除外)經計及其估計剩餘價值後,以直線法按估計可用年期折舊。本集團每年就評估物業、廠房及設備之剩餘價值及可使用年期進行評估,倘預期待別於原定估計,則有關差異將影響估計更改年內之折舊開支。

## 5 分部資料

本集團收益指年內銷售廢金屬之已收或應收款項,扣除銷售相關稅項。

業務及可呈報分部的劃分基準與首席營運決策者(「營運總裁」)定期審閱有關本集團組成部分以分配調資至分部及評估分部表現的內部報告的基準一致。本公司執行董事擔任營運總裁角色,定期審閱關於各種業務活動及各類產品所得毛利(或產生的毛損)的內部報告,評估本集團表現並分配資源。

## 5 SEGMENT INFORMATION (continued)

The Group is mainly engaged in the principal business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap. The Group is also engaged in the foundry business which involves the production and sale of aluminium-alloy ingots and copper rod and wire, and wholesales business which involves trading of other metal scrap without processing and copper cathode. In current year, the operating and reportable segments continue to be identified based on major products under three categories of business activities in Asia, because the acquisition of Scholz Holding is just completed in December 2016:

- (i) metal recycling business (including sales of copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap);
- (ii) foundry business (including sales of aluminium-alloy ingots and copper rod and wire); and
- (iii) wholesales business (including sales of other metal scrap without processing and copper cathode).

From 2017 onward, management tentatively plans to review the Group's financial performance on a geographic basis.

## 5 分部資料(續)

本集團主要從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬，亦從事涉及生產及銷售鋁錠、銅桿及銅線等鑄造業務與涉及買賣其他未加工廢金屬及陰極銅等批發業務。由於二零一六年十二月才完成收購順爾茨控股，在本年度，業務及可呈報分部繼續按主要產品劃分為三類亞洲業務活動：

- (i) 金屬再生業務(包括銷售廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬)；
- (ii) 鑄造業務(包括銷售鋁錠及銅杆以及銅線)；及
- (iii) 批發業務(包括銷售其他未加工的廢金屬及陰極銅)。

自二零一七年起，管理層暫時擬根據地理位置基準審閱本集團財務表現。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 5 SEGMENT INFORMATION (continued)

#### Segment revenues and segment results

An analysis of the Group's segment revenues and segment results by operating and reportable segment is as below.

**For the year ended 31 December 2016**

### 5 分部資料(續)

#### 分部收益及分部業績

以下為按業務及可呈報分部時本集團分部收益及分部業績所作之分析。

**截至二零一六年十二月三十一日止年度**

		Metal recycling business 金屬再生業務					Foundry business 鑄造業務			Wholesales business 批發業務		Total	
		Copper scrap	Steel scrap	Aluminium scrap	Iron scrap	Other metal 其他	Subtotal	Aluminium alloy ingots	Copper rod and wire 銅桿 及銅線	Subtotal	Other metal scrap without processing 其他未加工 廢金屬	Elimination 對銷	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收益												
External sales	外部銷售	1,906,017	407,568	130,372	82,706	40,302	2,566,965	214,403	1,976	216,379	428,087	-	3,211,431
Inter-segment sales	分部間銷售	-	28	86	-	189	303	-	-	-	1,272,525	(1,272,828)	-
<b>Total segment revenue</b>	<b>分部收益總額</b>	<b>1,906,017</b>	<b>407,596</b>	<b>130,458</b>	<b>82,706</b>	<b>40,491</b>	<b>2,567,268</b>	<b>214,403</b>	<b>1,976</b>	<b>216,379</b>	<b>1,700,612</b>	<b>(1,272,828)</b>	<b>3,211,431</b>
Segment profit/(loss)	分部溢利/(虧損)	104,694	29,283	9,424	5,742	7,152	156,295	15,047	(16)	15,031	76,088	(28,832)	218,582
Other income	其他收入												15,241
Other losses, net	其他虧損淨額												(335,059)
Distribution and selling expenses	分銷及銷售開支												(15,166)
Administrative expenses	行政開支												(293,521)
Finance costs, net	財務成本淨額												(34,088)
Share of profit of an associate	應佔聯營公司溢利												443
Loss before income tax	除所得稅前虧損												(443,568)
Income tax credit	所得稅抵免												384
<b>Loss for the year</b>	<b>年內虧損</b>												<b>(443,184)</b>

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 5 SEGMENT INFORMATION (continued)

#### Segment revenues and segment results (continued)

For the year ended 31 December 2015

### 5 分部資料(續)

#### 分部收益及分部業績(續)

截至二零一五年十二月三十一日止年度

		Metal recycling business					Foundry business			Wholesales business		Total	
		金屬再生業務					鑄造業務			批發業務			
		Copper scrap	Steel scrap	Aluminium scrap	Iron scrap	Other metal scrap	Subtotal	Aluminium alloy ingots	Copper rod and wire	Subtotal	Other metal scrap without processing		Elimination
						其他					其他未加工		
廢銅	廢鋼	廢鋁	廢鐵	廢金屬	小計	鋁錠	及銅線	小計	廢金屬	對銷			
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		
REVENUE	收益												
External sales	外部銷售	1,942,986	430,214	128,827	92,213	30,620	2,624,860	181,175	14,187	195,362	316,411	-	3,136,633
Inter-segment sales	分部間銷售	21,517	11,393	119,733	18	330	152,991	-	-	-	1,079,782	(1,232,773)	-
<b>Total segment revenue</b>	<b>分部收益總額</b>	<b>1,964,503</b>	<b>441,607</b>	<b>248,560</b>	<b>92,231</b>	<b>30,950</b>	<b>2,777,851</b>	<b>181,175</b>	<b>14,187</b>	<b>195,362</b>	<b>1,396,193</b>	<b>(1,232,773)</b>	<b>3,136,633</b>
Segment (loss)/profit	分部(虧損)/溢利	(39,609)	(9,255)	3,415	(5,338)	1,639	(49,248)	6,135	4,879	11,014	(2,243)	(4,799)	(45,276)
Other income	其他收入												8,697
Other losses, net	其他虧損淨額												(850,678)
Distribution and selling expenses	分銷及銷售開支												(9,785)
Administrative expenses	行政開支												(142,604)
Finance costs, net	財務成本淨額												(103,493)
Share of loss of an associate	應佔聯營公司虧損												(545)
Loss before income tax	除所得稅前虧損												(1,143,684)
Income tax expense	所得稅開支												(337)
<b>Loss for the year</b>	<b>年內虧損</b>												<b>(1,144,021)</b>

## 5 SEGMENT INFORMATION (continued)

### Segment revenues and segment results (continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit/(loss) represents the gross profit/(loss) resulted in each segment without allocation of other income, other losses, net, distribution and selling expenses, administrative expenses, finance costs, net, share of profit/(loss) of an associate, and income tax credit/(expense). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market price.

### Segment assets and segment liabilities

Information on segment assets and segment liabilities of the Group are not reviewed by the CODM for the purpose of resource allocation and performance assessment during the year nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities is presented.

### Geographical information

Non-current assets, other than financial instruments and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts), and analysed by geography as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Asia (Note)	亞洲(附註)	1,286,907	1,117,149
Europe	歐洲	3,337,646	–
America	美洲	645,543	–
		<b>5,270,096</b>	1,117,149

Note: Asia mainly represents Hong Kong and the PRC.

## 5 分部資料(續)

### 分部收益及分部業績(續)

業務及可呈報分部採納本集團會計政策(載於附註2)。分部溢利/(虧損)指各分部產生的毛利/(毛損),未分配其他收入、其他虧損淨額、分銷及銷售開支、行政開支、財務成本淨額、應佔聯營公司溢利/(虧損)及所得稅抵免/(開支),此乃向營運總裁報告以便分配資源及評估表現的措施。

分部間銷售以現行市價扣除。

### 分部資產及分部負債

由於本集團的分部資產及分部負債資料並未由營運總裁審閱以年內分配資源及評核表現或以其他方式定期呈交營運總裁,故並無呈列分部資產及分部負債的分析。

### 地區資料

非流動資產不包括金融工具及遞延所得稅資產(概無根據保險合約產生僱傭福利資產及權利),按地理位置分析如下:

附註: 亞洲主要指香港及中國

## 5 SEGMENT INFORMATION (continued)

**Geographical information (continued)**

Substantially all of external revenue of the Group during the year ended 31 December 2016 and 2015 is attributable to customers established in Asia. The remaining revenue is immaterial for separate disclosure of the Group's geographical information.

**Information about major customers**

No single customer contributed 10% or more to the Group's revenue during the years ended 31 December 2016 and 2015.

## 6 OTHER INCOME

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Rental income from investment properties (Note 16)	4,337	1,208
Government grants	1,376	859
Dividend income on financial assets at fair value through profit or loss	8,468	-
Others	1,060	6,630
	<b>15,241</b>	<b>8,697</b>

## 5 分部資料(續)

**地區資料(續)**

截至二零一六年及二零一五年十二月三十一日止年度，本集團幾乎所有的外部收益來自在亞洲成立的客戶。餘下影響甚微的收益並不會按本集團其地區資料另行披露。

**主要客戶的資料**

於截至二零一六年及二零一五年十二月三十一日止年度，並無單一客戶貢獻本集團收益10%或以上。

## 6 其他收入

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

7 OTHER LOSSES, NET

7 其他虧損淨額

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Gains/(losses) on fair value change of:	公平值變動收益／(虧損)：		
— derivatives financial instruments	— 衍生金融工具	3,308	(387,257)
— financial assets at fair value through profit or loss	— 按公平值計入損益之金融資產	(105,279)	—
— embedded derivative components of convertible bonds (Note 29(b))	— 可換股債券的嵌入式衍生工具部分(附註29(b))	9,611	(305,463)
Loss on derecognition of convertible bonds	終止確認可換股債券之虧損	—	(1,210)
Foreign exchange losses, net	匯兌虧損淨額	(298,192)	(112,012)
Provision for impairment of trade receivables	貿易應收項之減值撥備	(417)	(22,308)
Provision for impairment of deposits and prepayments	按金及預付款項減值撥備	—	(30,858)
Reversal of impairment of trade and other receivables	貿易應收款項及其他應收款項之減值撥回	6,969	1,613
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備(虧損)／收益	(875)	2,084
Loss on disposal of leasehold land	出售租賃土地之虧損	(37,391)	—
Gain on bargain purchase on acquisition of a subsidiary (Note 39(b))	收購子公司之議價購買收益(附註39(b))	88,940	—
Compensation (paid)/received	(支付)／收取補償	(1,733)	749
Reclassified to profit or loss on disposal of available-for-sale investment	就出售可供出售投資重新分類至損益	—	4,606
Handling charges on disposal of available-for-sale investment	出售可供出售投資之處理費	—	(622)
		<b>(335,059)</b>	<b>(850,678)</b>

## 8 EXPENSE BY NATURE

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Changes in inventories of finished goods	製成品存貨之變動	<b>(243,774)</b>	(1,051)
Raw materials and consumables used	所用原料及消耗品	<b>3,121,838</b>	2,910,602
(Utilisation of)/provision for inventories, net (Note 22)	存貨(動用)/撥備淨額 (附註22)	<b>(75,982)</b>	64,290
Employee benefit expense (Note 9)	僱員福利開支(附註9)	<b>185,520</b>	187,527
Depreciation and amortisation expenses	折舊及攤銷開支	<b>60,769</b>	40,897
Legal and professional expenses	法律及專業開支	<b>106,580</b>	10,430
Auditors' remuneration	核數師薪酬		
— Audit services	— 核數服務	<b>10,200</b>	2,460
— Non-audit services	— 非核數服務	<b>6,650</b>	1,330
Other expenses	其他開支	<b>129,735</b>	117,813
Total cost of sales, distribution and selling expenses and administrative expenses	銷售成本、分銷及銷售開支 以及行政開支總額	<b>3,301,536</b>	3,334,298

## 8 按性質劃分之開支

## 9 EMPLOYEE BENEFIT EXPENSE

Employee benefit expense during the year are as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Wages and salaries	工資及薪金	<b>167,078</b>	171,669
Other termination benefits	其他離職福利	<b>2,462</b>	1,650
Social security costs	社保成本	<b>6,522</b>	5,081
Share – based payments	以股份為基礎之付款	–	428
Pension costs — defined contribution plans	退休金成本 — 界定供款計劃	<b>4,848</b>	4,743
Other employee benefits	其他僱員福利	<b>4,610</b>	3,956
Total employee benefit expense	僱員福利開支總額	<b>185,520</b>	187,527

## 9 僱員福利開支

年內的僱員福利開支如下：



Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

9 EMPLOYEE BENEFIT EXPENSE (continued)

The five individuals whose emoluments were the highest in the Group for the year include three (2015: two) directors whose emoluments are reflected in the analysis shown in Note 38. The emoluments payable to the remaining two (2015: three) individuals during the year are as follows:

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Salaries, bonus and other allowances 薪金、花紅及其他津貼	4,026	4,173
Share – based payments 以股份為基礎之付款	–	66
Pension cost — defined contribution plans 退休金成本 — 界定供款計劃	36	48
	<b>4,062</b>	<b>4,287</b>

The emolument fell within the following bands:

	Number of individual 人士人數	Number of individual 人士人數
HK\$1,000,001 to HK\$1,500,000 1,000,001 港元至 1,500,000 港元	–	2
HK\$1,500,001 to HK\$2,000,000 1,500,001 港元至 2,000,000 港元	1	1
HK\$2,000,001 to HK\$2,500,000 2,000,001 港元至 2,500,000 港元	1	–

9 僱員福利開支（續）

本年度本集團五名最高薪酬人士包括三名（二零一五年：兩名）董事，彼等的薪酬於附註38所示分析反映。年內應付餘下兩名（二零一五年：三名）人士之薪酬如下：

薪酬範圍如下：

## Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註（續）

## 10 FINANCE COSTS, NET

## 10 財務成本淨額

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Interest income from bank deposits	銀行存款之利息收入	5,924	13,890
Interest income from loan to the Scholz Group (pre-acquisition)	向順爾茨集團(收購前)貸款之利息收入	25,194	-
Interest income from fixed return investment	固定回報投資之利息收入	16,800	-
<b>Finance income</b>	<b>財務收入</b>	<b>47,918</b>	<b>13,890</b>
Interest expense on loan from a former director	來自一名前董事的貸款之利息開支	-	(1,198)
Interest expense on loan from the immediate holding company	來自直接控股公司的貸款之利息開支	(3,721)	-
Interest expense on loan from an intermediate holding company	來自中間控股公司的貸款之利息開支	(1,009)	-
Interest expense on bank loans, overdrafts and bills payable	銀行貸款、透支及應付票據之利息開支	(36,816)	(38,624)
Interest expense on Note payable	票據應付款項的利息開支	(6,865)	-
Effective interest expenses on other borrowings	其他借款之實際利息開支	(22,732)	(17,264)
Effective interest expenses on convertible bonds (Note 29)	可換股債券之實際利息開支(附註29)	(10,863)	(60,297)
<b>Finance costs</b>	<b>財務成本</b>	<b>(82,006)</b>	<b>(117,383)</b>
<b>Finance costs, net</b>	<b>財務成本淨額</b>	<b>(34,088)</b>	<b>(103,493)</b>

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

11 INCOME TAX CREDIT/(EXPENSE)

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

11 所得稅抵免／（開支）

香港利得稅乃根據年內估計應課稅溢利按稅率 16.5%（二零一五年：16.5%）計提撥備。海外溢利之稅項乃按本集團經營所在國家現行稅率就年內估計應課稅溢利計算得出。

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Current tax:	即期稅項：		
The PRC	中國	–	(137)
Hong Kong	香港	(109)	(50)
Other jurisdictions	其他司法權區	(101)	(143)
		(210)	(330)
(Under)/over provision in prior years:	於過往年度（撥備不足）／超額撥備：		
The PRC	中國	(141)	8
Hong Kong	香港	(30)	20
		(171)	28
Deferred tax credit/(expense) (Note 31)	遞延稅項抵免／（支出）（附註 31）	765	(35)
Income tax credit/(expense)	所得稅抵免／（支出）	384	(337)

## 11 INCOME TAX CREDIT/(EXPENSE) (continued)

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

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Loss before tax	除稅前虧損	(443,568)	(1,143,684)
Tax calculated at domestic tax rates applicable to profits in the respective countries	按適用於相關國家溢利的本地稅率計算的稅項	(73,955)	(229,934)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	89,406	84,504
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(20,240)	(2,718)
Tax effect of deductible temporary differences not recognised	未確認的可扣減暫時差額的稅務影響	(16,833)	1,294
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	23,526	148,651
Tax effect of utilisation of tax losses previously not recognised	使用之前未確認稅項虧損的稅務影響	(2,459)	(1,432)
Under/(over) provision in respect of prior years	過往年度撥備不足／(超出)	171	(28)
Income tax (credit)/expense for the year	年內所得稅(抵免)／開支	(384)	337

The weighted average applicable tax rate was 16.7% (2015: 20%). The decrease is caused by a change in the distribution of profitability of the Group's subsidiaries in respective countries.

## 12 DIVIDENDS

No dividend was paid or proposed during 2016 and 2015, nor has any dividend been proposed by the Company since the end of the reporting period in respect of the year ended 31 December 2016 and 2015.

## 11 所得稅抵免／(開支)(續)

本集團除所得稅前虧損的稅項與使用適用於綜合試題溢利的加權平均稅率而產生的理論金額之差別如下：

加權平均適用稅率為16.7%（二零一五年：20%）。減少乃由於本集團相關國家之附屬公司之盈利能力分佈有變。

## 12 股息

本公司於二零一六年及二零一五年均無派付或建議派付任何股息，自截至二零一六年及二零一五年十二月三十一日止各年度的報告期末亦無建議派付任何股息。

### 13 LOSS PER SHARE

#### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
<b>Loss</b>	<b>虧損</b>		
Loss for the year attributable to owners of the Company	本公司權益持有人應佔本年度虧損	<b>(439,893)</b>	(1,138,804)
<b>Number of shares</b>	<b>股數</b>		
Weighted average number of ordinary shares in issues	已發行普通股加權平均數目	<b>1,612,911,939</b>	1,382,512,563
<b>Basic loss per share (expressed in HK\$)</b>	<b>每股基本虧損 (以港元列報)</b>	<b>(0.27)</b>	(0.82)

#### (b) Diluted

Diluted loss per share for the year equals basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

### 13. 每股虧損

#### (a) 基本

每股基本虧損乃按本公司權益持有人應佔本年度虧損除以已發行普通股加權平均數目計算得出。

#### (b) 攤薄

本年度每股攤薄虧損等於每股基本虧損，因為行使尚未行使購股權及可換股債券具有反攤薄影響。

## Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

## 14 PROPERTY, PLANT AND EQUIPMENT

## 14 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Office furniture and equipment 辦公傢俱及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日							
Cost	成本	103,902	208,403	23,861	11,278	60,046	307,575	715,065
Accumulated depreciation	累計折舊	(43,236)	(91,672)	(16,059)	(5,498)	(50,335)	-	(206,800)
Net book amount	賬面淨值	60,666	116,731	7,802	5,780	9,711	307,575	508,265
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度							
Opening net book amount	年初之賬面淨值	60,666	116,731	7,802	5,780	9,711	307,575	508,265
Additions	添置	-	7,375	1,134	869	-	137,294	146,672
Transfer upon completion	於完成後轉讓	183,295	387	-	-	-	(183,682)	-
Government grants	政府補助	(33,676)	(1,273)	-	-	-	-	(34,949)
Disposal	出售	-	(9,845)	(470)	(514)	(961)	-	(11,790)
Depreciation charge	折舊開支	(4,716)	(17,465)	(2,097)	(1,600)	(3,080)	-	(28,958)
Currency translation differences	匯兌差額	(9,490)	(4,346)	(227)	(184)	(137)	(16,727)	(31,111)
Closing net book amount	年末之賬面淨值	196,079	91,564	6,142	4,351	5,533	244,460	548,129
At 31 December 2015	於二零一五年十二月三十一日							
Cost	成本	241,313	181,408	22,343	10,480	51,494	244,460	751,498
Accumulated depreciation	累計折舊	(45,234)	(89,844)	(16,201)	(6,129)	(45,961)	-	(203,369)
Net book amount	賬面淨值	196,079	91,564	6,142	4,351	5,533	244,460	548,129

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註 (續)

14 PROPERTY, PLANT AND EQUIPMENT (continued) 14 物業、廠房及設備(續)

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Office furniture and equipment 辦公傢俱及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日							
Cost	成本	241,313	181,408	22,343	10,480	51,494	244,460	751,498
Accumulated depreciation	累計折舊	(45,234)	(89,844)	(16,201)	(6,129)	(45,961)	-	(203,369)
Net book amount	賬面淨值	196,079	91,564	6,142	4,351	5,533	244,460	548,129
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度							
Opening net book amount	年初之賬面淨值	196,079	91,564	6,142	4,351	5,533	244,460	548,129
Acquisition of subsidiaries (Note 39)	收購子公司(附註39)	1,685,428	756,015	69,939	1,957	-	52,959	2,566,298
Additions	添置	8,856	28,040	3,500	-	237	86,552	127,185
Transfer upon completion	於完成後轉讓	148,278	82,642	-	-	-	(230,920)	-
Transfer to land use rights (Note 15)	轉撥至土地使用權(附註15)	-	-	-	-	-	(92,092)	(92,092)
Transfer to investment properties (Note 16)	轉撥至投資物業(附註16)	(44,231)	(12,100)	-	-	-	-	(56,331)
Transfer to asset held for sale (Note 21)	轉撥至持作出售資產(附註21)	(943)	-	-	-	-	-	(943)
Government grants	政府補助	-	(1,173)	-	-	-	-	(1,173)
Disposal	出售	-	(1,842)	(157)	(283)	(26)	-	(2,308)
Depreciation charge	折舊開支	(11,447)	(23,214)	(3,194)	(1,910)	(2,153)	-	(41,918)
Currency translation differences	匯兌差額	(21,713)	(13,608)	(431)	(197)	(91)	(7,948)	(43,988)
Closing net book amount	年末之賬面淨值	1,960,307	906,324	75,799	3,918	3,500	53,011	3,002,859
At 31 December 2016	於二零一六年十二月三十一日							
Cost	成本	1,975,495	1,006,291	93,649	9,616	48,313	53,011	3,186,375
Accumulated depreciation	累計折舊	(15,188)	(99,967)	(17,850)	(5,698)	(44,813)	-	(183,516)
Net book amount	賬面淨值	1,960,307	906,324	75,799	3,918	3,500	53,011	3,002,859

## 14 PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

Depreciation expense of HK\$13,590,000 has been charged in cost of sales, HK\$5,105,000 in distribution and selling expenses and HK\$23,223,000 in administrative expenses.

Construction in progress as at 31 December 2015 and 2016 mainly comprises new metal scrap manufacturing plant being constructed in the PRC.

Buildings and plant with a net book value of HK\$694,717,000 (2015: HK\$126,892,000) were pledged to banks to secure the banking facilities granted to the Group (Note 33).

Plant and machinery includes the following amounts where the Group is a lessee under a finance lease:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Cost — capitalised finance leases	成本 — 已變現融資租約	145,527	—
Accumulated depreciation	累計折舊	—	—
Net book amount	賬面淨值	145,527	—

The Group leases various plant and machinery under non-cancellable finance lease agreements. The leases are between 1 and 5 years, ownership of the assets lie within the Group.

## 14 物業、廠房及設備（續）

附註：

折舊開支13,590,000港元於銷售成本扣除，5,105,000港元於分銷及銷售開支扣除及23,223,000港元於行政開支扣除。

於二零一五年及二零一六年十二月三十一日的在建工程主要包括現時在中國建設中的新金屬廢料生產工廠。

賬面淨值694,717,000港元（二零一五年：126,892,000港元）的樓宇及工廠已抵押予銀行，作為本集團獲授銀行融資的抵押（附註33）。

廠房及機器包括以下金額，本集團為當中一項融資租約的承租人。

本集團根據不可撤銷融資租賃協議租賃多項廠房及機器。租約介乎一至五年，而資產擁有權為本集團所有。



Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

15 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
At 1 January	於一月一日	520,456	432,081
Additions	添置	17,312	120,507
Acquisition of subsidiaries (Note 39)	收購子公司(附註39)	19,766	-
Amortisation	攤銷	(14,802)	(10,542)
Disposal	出售	(45,134)	-
Transfer from property, plant and equipment (Note 14)	轉撥自物業、廠房及設備(附註14)	92,092	-
Transfer to assets classified as held for sale (Note 21)	轉撥至分類為持作出售資產(附註21)	(157)	-
Transfer to investment properties (Note 16)	轉撥至投資物業(附註16)	(31,949)	-
Currency translation differences	匯兌差額	(28,254)	(21,590)
At 31 December	於十二月三十一日	529,330	520,456

The Group has pledged land use rights with a net book value of HK\$317,578,000 (2015: HK\$186,856,000) to secure banking facilities granted to the Group (Note 33).

15 租賃土地及土地使用權

本集團於土地使用權的權益指預付經營租賃付款及其賬面淨值分析如下：

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
At 1 January	520,456	432,081
Additions	17,312	120,507
Acquisition of subsidiaries (Note 39)	19,766	-
Amortisation	(14,802)	(10,542)
Disposal	(45,134)	-
Transfer from property, plant and equipment (Note 14)	92,092	-
Transfer to assets classified as held for sale (Note 21)	(157)	-
Transfer to investment properties (Note 16)	(31,949)	-
Currency translation differences	(28,254)	(21,590)
At 31 December	529,330	520,456

本集團已抵押賬面淨值為317,578,000港元(二零一五年：186,856,000港元)的土地使用權，作為本集團獲授的銀行融資的抵押(附註33)。

## Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

## 16 INVESTMENT PROPERTIES

## 16 投資物業

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
At 1 January	於一月一日	20,954	22,351
Transfer from property, plant and equipment (Note 14)	轉撥自物業、廠房及設備(附註14)	56,331	-
Transfer from land use rights (Note 15)	轉撥自土地使用權(附註15)	31,949	-
Depreciation	折舊	(4,049)	(1,397)
Transfer to assets classified as held for sale (Note 21(a))	轉撥至分類為持作出售資產(附註21(a))	(19,619)	-
Currency translation differences	匯兌差額	(3,812)	-
At 31 December	於十二月三十一日	81,754	20,954

## Notes:

- (i) The above investment properties, which are situated in PRC (2015: Hong Kong) are depreciated on a straight-line basis over the remaining useful lives.
- (ii) At 31 December 2016, the Group has pledged investment properties with a net book value of HK\$55,641,000 to secure banking facilities granted to the Group (2015: Nil) (Note 33).
- (iii) The fair value of the Group's investment properties at 31 December 2016 was HK\$259,800,000 (2015: HK\$40,300,000).
- (iv) Rental income from these investment properties recognised in the consolidated statement of profit or loss for the year ended 31 December 2016 amounted to HK\$4,337,000 (2015: HK\$1,208,000) (Note 6).
- (v) Depreciation expense has been charged to administrative expenses.

## 附註：

- (i) 上述位於中國(二零一五年：香港)持有的物業按餘下使用年期以直線基準折舊。
- (ii) 於二零一六年十二月三十一日，本集團已抵押賬面淨值為55,641,000港元的投資物業，作為本集團獲授的銀行融資的抵押(二零一五年：無)(附註33)。
- (iii) 本集團投資物業於二零一六年十二月三十一日的公平值為259,800,000港元(二零一五年：40,300,000港元)。
- (iv) 於截至二零一六年十二月三十一日止年度在綜合損益表內確認的來自該等投資物業租金收入為4,337,000港元(二零一五年：1,208,000港元)(附註6)。
- (v) 折舊開支已於行政開支中扣除。

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

17 INTANGIBLE ASSETS

17 無形資產

		Goodwill	Computer software	Brandnames, patents and licenses 品牌、專利及授權	Suppliers' relationship 供應商關係	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 1 January 2016 and 31 December 2015</b>	於二零一六年一月一日及二零一五年十二月三十一日					
Cost	成本	-	-	-	-	-
Accumulated amortisation	累計攤銷	-	-	-	-	-
Net book amount	賬面淨值	-	-	-	-	-
<b>Year ended 31 December 2016</b>	截至二零一六年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	-	-	-	-	-
Acquisition of subsidiaries (Note 39)	收購子公司(附註39)	848,341	9,921	238,948	114,202	1,211,412
Closing net book amount	年末賬面淨值	848,341	9,921	238,948	114,202	1,211,412
<b>At 31 December 2016</b>	於二零一六年十二月三十一日					
Cost	成本	848,341	9,921	238,948	114,202	1,211,412
Accumulated amortisation	累計攤銷	-	-	-	-	-
Net book amount	賬面淨值	848,341	9,921	238,948	114,202	1,211,412

## 17 INTANGIBLE ASSETS (continued)

## Impairment tests for goodwill

Goodwill is recognised through the acquisition of Yantai Liheng Environmental Protection Technology Co., Ltd.\* (煙台立衡環保科技有限公司) (“Yantai Liheng”) and Scholz Group during the year.

Management tentatively plans to review the business performance based on geography. It has tentatively identified Asia, Europe and America as the main geographies for future operation. Goodwill arising from the acquisition of Yantai Liheng is tentatively allocated to Asian region and that arising from the acquisition of Scholz Holding is tentatively allocated to Asian, European and American regions.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the metal recycling business in which the CGU operates.

For the impairment test for goodwill, the key assumptions, long term growth rate and discount rate used in the value-in-use calculations in 2016 are disclosed below.

## 17 無形資產(續)

## 商譽之減值測試

商譽乃透過於年內收購煙台立衡環保科技有限公司(「煙台立衡」)及順爾茨集團而確認。

管理層暫時擬根據地理位置審閱業務表現。其已就將來營運暫時識別亞洲、歐洲及美國作為主要地區。來自收購煙台立衡的商譽暫時被分配至亞洲地區及來自收購順爾茨控股的商譽暫時被分配至亞洲、歐洲及美國地區。

現金產生單位可收回金額根據使用價值計算法釐定，而有關計算乃使用基於管理層批准的五年期財政預算的除稅前現金流預測。超出五年期的現金流則使用下文所述的估計增長率推算。增長率不會超過再生金屬業務(現金產生單位經營所在的業務)的長期平均增長率。

就商譽減值測試，於二零一六年使用價值計算中使用的主要假設、長期增長率及折現率披露於下文。

		Asia 亞洲	Europe 歐洲	America 美國
Long term growth rate (Note (i))	長期增長率(附註(i))	2.0%	2.0%	2.0%
Pre-tax discount rate (Note (ii))	除稅前折現率(附註(ii))	10.3%	9.3%	9.3%
Gross profit margin	毛利率	9.1% to 9.9%	13.4% to 13.5%	16.5%
		9.1% 至 9.9%	13.4% 至 13.5%	
Revenue growth rate	收益增長率	9.1%	4%	4%

Notes:

- (i) The long term growth rates used are consistent with the forecasts included in industry reports.
- (ii) Pre-tax discount rate applied to the pre-tax cash flow forecast.

附註：

- (i) 所用的長期增長率與行業報告內所載的預測一致。
- (ii) 除稅前折現率適用於除稅前現金流預測。

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Interest in an associate

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Cost of unlisted investment in an associate (Note)	於聯營公司之非上市投資成本（附註）	2,325	2,325
Share of post-acquisition profits/(losses)	應佔收購後溢利／（虧損）	182	(261)
		<b>2,507</b>	<b>2,064</b>

Note:

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity 實體名稱	Place of incorporation and principal business 註冊成立地點及主要業務	Proportion of ownership interest held by the Group	
		本集團所持 擁有權權益比例	Principal activity 主要業務
Poly Metals Company Limited ("Poly Metals") 寶勵金屬有限公司（「寶勵」）	Hong Kong 香港	20%	Trading of metal scrap 廢金屬交易

Poly Metals is a private company and there is no quoted market price available for its shares.

附註：

本集團於報告期末的聯營公司詳情如下：

寶勵為私人公司及其股份並無可得的市場報價。

There are no contingent liabilities relating to the Group's interest in an associate.

並無有關本集團於聯營公司之權益之或然負債。

**Summarised financial information for an associate**

Set out below is the summarised financial information for Poly Metals which is accounted using the equity method.

一間聯營公司之財務資料概要  
下文列載寶勵之財務資料概要，其使用權益法列賬。

18 使用權益法列賬的投資

(a) 於聯營公司之權益

附註：

本集團於報告期末的聯營公司詳情如下：

寶勵為私人公司及其股份並無可得的市場報價。

並無有關本集團於聯營公司之權益之或然負債。

一間聯營公司之財務資料概要  
下文列載寶勵之財務資料概要，其使用權益法列賬。

## Notes to the Consolidated Financial Statements (continued)

### 綜合財務報表附註（續）

#### 18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

##### (a) Interest in an associate (continued)

###### Summarised balance sheet

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Total current assets	流動資產總值	12,668	11,500
Total non-current assets	非流動資產總值	770	668
Total current liabilities	流動負債總額	(8,644)	(9,590)
Total non-current liabilities	非流動負債總額	-	-

###### Summarised statement of comprehensive income

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Revenue	收益	122,914	143,768
Profit/(loss) and total comprehensive income/(loss)	溢利／(虧損)及全面 收益／(虧損)總額	2,216	(2,726)

#### 18 使用權益法列賬的投資（續）

##### (a) 於聯營公司之權益（續）

###### 資產負債表概要

###### 全面收益表概要

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註 (續)

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Interest in an associate (continued)

Summarised statement of comprehensive income (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Poly Metals recognised in the consolidated financial statements:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Opening carrying value	年初賬面值	4,794	2,578
Proportion of the Group's ownership interest in Poly Metals	本集團於寶勵之擁有權權益比例	20%	20%
Share of net assets of Poly Metals	應佔寶勵資產淨值	959	516
Goodwill	商譽	1,548	1,548
Closing carrying value	年末賬面值	2,507	2,064

The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies between the Group and the associate.

(b) Interests in Joint Ventures

18 使用權益法列賬的投資(續)

(a) 於聯營公司之權益(續)

全面收益表概要(續)

上述財務資料概要與於寶勵權益之賬面值(於綜合財務報表內確認)之對賬如下:

上述資料反映本集團與該聯營公司之會計政策差異作調整後該聯營公司財務報表呈列之金額。

(b) 於合營企業之權益

		2016 二零一六年 HK\$'000 千港元
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	-
Acquisition of subsidiaries (Note 39(c))	收購子公司(附註39(c))	423,430
Net assets attributable to the Group's interest	本集團權益應佔資產淨值	423,430
At 31 December 2016	於二零一六年十二月三十一日	423,430

## 18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

## (b) Interests in Joint Ventures (continued)

Particulars of the significant joint ventures are set out below:

Name of entity 實體名稱	Place of establishment principal/place of business 成立地點/ 主要營業地點	% of ownership interest 擁有權益百分比		Nature of the relationship 關係性質	Measurement Method 計量方法
		2016 二零一六年	2015 二零一五年		
Schrott und Metallhandel M. Kaatsch GmbH	Germany 德國	75%	–	Note (i) 附註(i)	Equity 權益
Scholz Austria GmbH	Austria 奧地利	63%	–	Note (ii) 附註(ii)	Equity 權益
Kalischatarra, S.de R.L. de C.V.	Mexico 墨西哥	50%	–	Note (iii) 附註(iii)	Equity 權益

Note (i): Schrott und Metallhandel M. Kaatsch GmbH is a private company and there is no quoted market prices for its shares. It engages in collection, processing and trading of scrap metal in Germany.

Note (ii): Scholz Austria GmbH is a private company and there is no quoted market prices for its shares. It engages in metal recycling business in Austria.

Note (iii): Kalischatarra, S.de R.L. de C.V. is a private company and there is no quoted market prices for its shares. It engages in collection, processing and trading of scrap metal in Mexico.

## 18 使用權益法列賬的投資（續）

## (b) 於合營企業之權益

主要合營企業之詳情列載如下：

附註(i)：Schrott und Metallhandel M. Kaatsch GmbH為一間私人公司及其股份並無市場報價。該公司於德國從事收集、加工及買賣廢金屬。

附註(ii)：Scholz Austria GmbH為一間私人公司及其股份並無市場報價。該公司於奧地利從事再生金屬業務。

附註(iii)：Kalischatarra, S.de R.L. de C.V.為一間私人公司及其股份並無市場報價。該公司於墨西哥從事收集、加工及買賣廢金屬。



18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Interests in joint ventures (continued)

Summarised financial information for joint ventures

Set out below is the summarised financial information for Schrott und Metallhandel M. Kaatsch GmbH, Scholz Austria GmbH and Kalischatarra, S.de R.L. de C.V. which are accounted for using the equity method. In the opinion of the directors, these joint ventures are material to the Group. The Group has not accounted for their share of their profit or loss during the year as the acquisition of Scholz Holding was completed at the end of the year.

Summarised balance sheet as at 31 December 2016

		<b>Schrott und Metallhandel M. Kaatsch GmbH</b>	<b>Scholz Austria GmbH</b>	<b>Kalischatarra, S.de R.L. de C.V.</b>
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Current</b>	<b>流動</b>			
Total current assets	流動資產總值	119,920	405,324	185,155
Total current liabilities	流動負債總額	(112,626)	(450,204)	(146,453)
Total net current assets/ (liabilities)	流動資產／(負債) 總淨額	7,294	(44,880)	38,702
<b>Non-current</b>	<b>非流動</b>			
Total non-current assets	非流動資產總值	119,033	254,796	191,669
Total non-current liabilities	非流動負債總額	(3,484)	(34,635)	(21,231)
Net assets	資產淨值	122,843	175,281	209,140
Proportion of the Group's ownership interest in joint ventures	本集團於合營企業擁有 權權益百分比	75%	63%	50%
Closing carrying value	年末賬面值	92,133	111,041	104,570

18 使用權益法列賬的投資（續）

(b) 於合營企業之權益（續）

合營企業之財務資料概要

下文列載 Schrott und Metallhandel M. Kaatsch GmbH、Scholz Austria GmbH 及 Kalischatarra, S.de R.L. de C.V. 之財務資料概要，其按權益法列賬。董事認為，該等合營企業對本集團而言屬重大。本集團並未將其應佔該等公司年內損益列賬，因為收購順爾茨控股乃於年末完成交易。

於二零一六年十二月三十一日之資產負債表概要

## 18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

## (b) Interests in joint ventures (continued)

## Summarised balance sheet as at 31 December 2016 (continued)

The information above reflects the amounts presented in the consolidated financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures.

## 19 MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2016, the Group acquired entire equity interest of Dalian New Green Recycle & Resources Corporation\* (大連新綠再生資源加工有限公司) (“DNG”) by issuance of ordinary shares of the Company. Details are set out in Note 39 (b).

## 20 OTHER NON-CURRENT ASSETS

## 18 使用權益法列賬的投資（續）

## (b) 於合營企業之權益（續）

## 於二零一六年十二月三十一日之資產負債表概要（續）

上述資料反映於合營企業財務報表呈列於綜合財務報表之金額已就本集團與合營企業之會計政策差異作調整。

## 19 重大非現金交易

於截至二零一六年十二月三十一日止年度，本集團透過發行本公司普通股收購大連新綠再生資源加工有限公司（「大連新綠」）全部股權。詳情載於附註39(b)。

## 20 其他非流動資產

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Deposits and prepayments	按金及預付款項	18,804	25,546
Available-for-sale financial assets	可供出售金融資產	52,139	-
		<b>70,943</b>	<b>25,546</b>

## 21 ASSETS CLASSIFIED AS HELD FOR SALE

## 21 分類為持作出售之資產

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Investment property (Note a)	投資物業（附註a）	19,619	-
Investment in a joint venture (Note b)	於合營企業之投資（附註b）	126,719	-
Land use rights (Note c)	土地使用權（附註c）	157	-
Property, plant and equipment (Note c & Note d)	物業、廠房及設備（附註c及附註d）	14,739	-
		<b>161,234</b>	<b>-</b>

## 21 ASSETS CLASSIFIED AS HELD FOR SALE (continued)

- (a) On 15 December 2016, the Group entered into a provisional sale and purchase agreement for the sale of an investment property located in Hong Kong to an independent third party at a cash consideration of HK\$48,000,000. The transaction has been completed on 27 February 2017.
- (b) Scholz Group has a 51.43% owned joint venture, C.I.O.S.d.o.o (“CIOS”), which engages in a metal recycling business in Croatia. Pursuant to the Articles of Association of CIOS, the other joint venture partner has a right to purchase Scholz Group’s 51.43% equity interest in CIOS at a price to be negotiated between two parties when certain conditions are fulfilled. In December 2016, the other joint venture partner has indicated its intention to exercise the right and has commenced the negotiation on the transaction and consideration with Scholz Group. As at 31 December 2016, the net assets valued by CIOS was EUR15.5 million (approximately HK\$126,719,000) and the management considers that it approximates to the fair value based on the current status of negotiation and a reference to an independent valuation report.
- (c) During the year ended 31 December 2016, a compensation agreement was entered into between the Group and local government where the Group would surrender certain buildings and land use rights with carrying amount of RMB985,000 (approximately HK\$1,100,000) to the local government in return for a compensation of RMB 9,650,000 (approximately HK\$11,276,000). Accordingly, that land use right was reclassified as asset held for sale as at 31 December 2016.
- (d) Two parcels of land owned by Scholz Group located in the United States with carrying amounts of US\$1,779,000 (approximately HK\$13,796,000) are expected to be sold within one year subsequent to 31 December 2016.

## 21 分類為持作出售之資產（續）

- (a) 於二零一六年十二月十五日，本集團就向一名獨立第三方銷售一項位於香港的投資物業訂立臨時買賣協議，現金代價為48,000,000港元。該交易已於二零一七年二月二十七日完成。
- (b) 順爾茨集團擁有一間51.43%股權之合營企業C.I.O.S.d.o.o（「CIOS」），該公司於克羅地亞從事金屬回收業務。根據CIOS之組織章程細則，另一名合營企業合夥人有權於若干條件滿足時購買順爾茨集團於CIOS的51.43%，價格由雙方磋商而定。於二零一六年十二月，另一名合營企業合夥人表示其有意行使該權利，並已就交易及代價與順爾茨集團展開磋商。於二零一六年十二月三十一日，CIOS所估算之資產淨值為15,500,000歐元（約126,719,000港元），管理層根據目前磋商情況，以及參考獨立估值報告，認為代價與公平值相若。
- (c) 截至二零一六年十二月三十一日止年度，本集團與地方政府訂立補償協議，據此本集團將向地方政府交出賬面值為人民幣985,000元（約1,100,000港元）之若干樓宇及土地使用權，以換取人民幣9,650,000元（約11,276,000港元）之補償。因此，該土地使用權於二零一六年十二月三十一日重新分類為持作出售資產。
- (d) 順爾茨集團於美國擁有賬面值為1,779,000美元（約13,796,000港元）的兩塊土地預期將於二零一六年十二月三十一日後一年內出售。

## Notes to the Consolidated Financial Statements (continued)

### 綜合財務報表附註（續）

#### 22 INVENTORIES

#### 22 存貨

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Raw materials	原材料	957,106	485,919
Work-in-progress	在製品	21,854	-
Finished goods	製成品	829,798	489,865
		<b>1,808,758</b>	975,784

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$2,802,082,000 (2015: HK\$2,973,841,000), which included utilisation for inventory provision of HK\$75,982,000 (2015: allowance of HK\$64,290,000).

確認為開支並計入銷售成本的存貨成本價值2,802,082,000港元(二零一五年: 2,973,841,000港元), 包括動用存貨撥備75,982,000港元(二零一五年: 撥備64,290,000港元)。

As 31 December 2016, the Group has pledged inventories with a net book value of HK\$428,491,000 to secure bank borrowings to the Group (2015: Nil) (Note 33).

於二零一六年十二月三十一日, 本集團有賬面淨值為428,491,000港元之已抵押存貨, 以擔保本集團獲授的銀行借款(二零一五年: 無)(附註33)。

#### 23 TRADE AND OTHER RECEIVABLES

#### 23 貿易及其他應收款項

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Trade receivables	貿易應收款項	1,475,173	72,672
Less: Provision for impairment	減: 減值撥備	(17,564)	(26,886)
Trade receivables, net	貿易應收款項淨額	1,457,609	45,786
Bills receivables	票據應收款項	1,217	-
Other receivables	其他應收款項	73,953	6,530
Deposits and prepayments	按金及預付款項	67,718	21,113
Deposits paid for purchase of raw materials	購買原料之已付按金	25,429	99,230
VAT recoverable	可退回增值稅	126,453	42,571
		<b>1,752,379</b>	215,230

## Notes to the Consolidated Financial Statements (continued)

### 綜合財務報表附註 (續)

#### 23 TRADE AND OTHER RECEIVABLES (continued)

At 31 December 2016, the Group has pledged trade receivables with a net book value of HK\$1,527,061,000 to secure bank and other borrowings to the Group (Note 33).

The Group generally grants credit terms ranging from 30 to 90 days to customers upon the approval of management according to the credit quality of individual customers. At 31 December 2016 and 2015, the aging analysis of the trade receivables based on invoice date were as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
0-90 days	0至90日	1,304,704	13,321
91-180 days	91至180日	33,658	30,871
Over 180 days	超過180日	136,811	28,480
		<b>1,475,173</b>	<b>72,672</b>

As of 31 December 2016, trade receivables of HK\$358,607,000 (2015: HK\$32,465,000) were past due but not impaired. The aging analysis of these trade receivable, is as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Overdue 1 day to 90 days	逾期1至90日	351,462	11,767
Overdue 91 day to 180 days	逾期91至180日	6,978	-
Overdue over 181 days	逾期超過181日	167	20,698
		<b>358,607</b>	<b>32,465</b>

#### 23 貿易及其他應收款項(續)

於二零一六年十二月三十一日，本集團有賬面淨值為1,527,061,000港元之已抵押貿易應收款項，以擔保本集團獲授的銀行及其他借款(附註33)。

在獲得管理層批准後，本集團一般根據個別客戶的信貨質素，向客戶授出介乎30至90日的信貨期。於二零一六年及二零一五年十二月三十一日，貿易應收款項按發票日期的賬齡分析如下：

於二零一六年十二月三十一日，價值358,607,000港元(二零一五年：32,465,000港元)之貿易應收款項已逾期但尚未減值。該等貿易應收款項之賬齡分析如下：

## 23 TRADE AND OTHER RECEIVABLES (continued)

Movements on the Group's allowance for impairment for doubtful debts of trade receivables are as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
At 1 January	於一月一日	26,886	4,674
Provision for impairment	減值撥備	417	22,308
Receivables written off during the year as uncollectable	年內撇銷作不可收回之應收款項	(1,272)	-
Reversal of impairment of trade receivable	貿易應收款項減值撥回	(6,969)	(96)
Currency translation differences	貨幣換算差異	(1,498)	-
At 31 December	於十二月三十一日	17,564	26,886

As at 31 December 2016, provision for impairment of other receivables of approximately HK\$360,000 (2015: HK\$385,000) has been provided for impaired other receivables.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

## 23 貿易及其他應收款項(續)

本集團貿易應收款項之呆賬減值撥備之變動如下：

於二零一六年十二月三十一日，已就已減值的其他應收款項計提其他應收款項減值撥備約360,000港元(二零一五年：385,000港元)。

貿易及其他應收款項內其他類別並不包含已減值資產。於報告日期之最高信貸風險為上述各類應收款項之賬面值。本集團並無持有任何抵押品作擔保。

### 23 TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
RMB	人民幣	86,955	70,179
HK\$	港元	20,570	33,714
EUR	歐元	1,218,521	2,794
US\$	美元	316,509	108,543
Other currencies	其他貨幣	109,824	-
		<b>1,752,379</b>	215,230

The carrying amounts of the trade and other receivables approximate their fair values.

### 24 FIXED RETURN INVESTMENT

As at 31 December 2016, the fixed return investment of HK\$316,800,000 (2015: nil) represented investment carries fixed interest at 7% per annum and will mature on 14 March 2017. The principal amount and fixed return are guaranteed by a private equity firm and the director of the private equity firm.

### 23 貿易及其他應收款項(續)

本集團之貿易及其他應收款項之賬面值乃以下列貨幣計值：

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
RMB	人民幣	86,955	70,179
HK\$	港元	20,570	33,714
EUR	歐元	1,218,521	2,794
US\$	美元	316,509	108,543
Other currencies	其他貨幣	109,824	-
		<b>1,752,379</b>	215,230

貿易及其他應收款項之賬與其公平值相若。

### 24 固定回報投資

於二零一六年十二月三十一日，固定回報投資316,800,000港元(二零一五年：零)指按每年7%之固定利率計息及將於二零一七年三月十四日到期的投資。本金及固定回報均由該私募股權公司及私募股權公司之董事提供擔保。

## Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註（續）

## 25 DERIVATIVE FINANCIAL INSTRUMENTS

## 25 衍生金融工具

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
<b>Derivative financial assets</b>	<b>衍生金融資產</b>		
Metal commodities future contracts	金屬商品期貨合約	3,011	-
Foreign currency forward contracts	外幣遠期合約	4,917	73
		<b>7,928</b>	<b>73</b>
<b>Derivative financial liabilities</b>	<b>衍生金融負債</b>		
Metal commodities future contracts	金屬商品期貨合約	(17,618)	-
Foreign currency forward contracts	外幣遠期合約	(142)	-
Interest swap contracts	利率掉期合約	(13,743)	-
Embedded derivatives in convertibles bonds (Note 29(b))	可換股債券的內嵌入式衍生工具 (附註 29(b))	(4)	(9,615)
		<b>(31,507)</b>	<b>(9,615)</b>
Less: Non-current portion	減：非流動部分		
Interest swap contracts	利率掉期合約	(11,944)	-
Embedded derivatives in convertible bond (Note 29(b))	可換股債券的內嵌入式衍生工具 (附註 29(b))	-	(9,615)
Current portion	流動部分	<b>(19,563)</b>	-

Notes:

**(i) Metal commodities future contracts**

As at 31 December 2016, the Group enters into copper and other metal future contracts in order to manage its exposure to the price risk of inventories. The fair value of metal commodities future contracts are set out in Note 3.3.

The notional principle amount of the outstanding metal commodities future contracts were approximately HK\$429,912,000 (2015: Nil).

附註：

**(i) 金屬商品期貨合約**

於二零一六年十二月三十一日，本集團訂立銅及其他金屬期貨合約，以管理金屬存貨的價格風險。金屬商品期貨合約之公平值載於附註 3.3。

金屬商品遠期合約的名義本金額為約 429,912,000 港元 (二零一五年：無)。



## 25 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Notes: (continued)

### (ii) Foreign currency forward contracts

The Group entered into foreign currency forward contracts in order to minimise its exposure to the foreign currency risk. These contracts were measured at fair value using quoted forward exchange rates at the end of the reporting period, with gain or loss recognised directly in consolidate statement of profit or loss.

The notional principle amount of the outstanding foreign currency forward contracts were approximately HK\$878,409,000 (2015: HK\$21,136,000).

### (iii) Interest swap contracts

The Group entered into interest rate swap contracts in order to minimise its exposure to the interest risk. These contracts were measured at fair value using observed yield curves at the end of the reporting period, with gain or loss recognised directly in consolidate statement of profit or loss.

The notional principle amount of the outstanding interest rate swap contracts was approximately HK\$256,955,000 (2015: Nil). The fair values of interest rate swap contracts are classified as non-current liabilities if the remaining maturities are more than 12 months, and as current liabilities, if the maturities are less than 12 months.

## 26 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

Pledge bank deposits represents deposits pledged to banks to secure general banking facilities granted to the Group. Deposits amounting to HK\$422,732,000 (2015: HK\$132,022,000) have been pledged to secure short-term bank borrowings, of which none (2015: HK\$21,136,000) are used as collaterals for foreign currency forward contracts, and are therefore classified as current assets.

## 25 衍生金融工具(續)

附註：(續)

### (ii) 外幣遠期合約

本集團訂立外幣遠期合約以減低外匯風險。該等合約於報告期末遠期報價匯率按公平值計量，相關損益直接於綜合損益表中確認。

未結算外幣遠期合約之名義本金約為878,409,000港元(二零一五年：21,136,000港元)。

### (iii) 利率掉期合約

本集團已訂立利率掉期合約，以將利率風險降至最低。該等合約於報告期末使用觀察所得孳息曲線按公平值計量，其收益或虧損直接於綜合損益表確認。

利率掉期合約的名義本金額為約256,955,000港元(二零一五年：無)。倘餘下到期日超過十二個月，則利率掉期合約的公平值分類為非流動負債；倘到期日少於十二個月，則分類為流動負債。

## 26. 已抵押銀行存款及現金及現金 等值項目

已抵押銀行存款指向銀行抵押以為向本集團授出的一般銀行信貸作出擔保的存款。422,732,000港元(二零一五年：132,022,000港元)的存款已抵押作短期銀行借款的擔保，其中概無存款(二零一五年：21,136,000港元)已用作外幣遠期合約的抵押，因此被分類為流動資產。

## Notes to the Consolidated Financial Statements (continued)

### 綜合財務報表附註（續）

#### 26 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalent represents cash and short-term bank deposits with an original maturity of three months or less.

#### 26. 已抵押銀行存款及現金及現金等值項目（續）

現金及現金等值項目指原到期日為三個月或以下的現金及短期銀行存款。

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Cash at bank and on hands	銀行及手頭現金	1,676,196	3,585,720
Margin deposits (Note)	保證金(附註)	7,253	-
Cash and cash equivalents (excluding bank overdrafts)	現金及現金等值項目 (不包括銀行透支)	1,683,449	3,585,720
Bank overdrafts	銀行透支	(26,748)	-
<b>Total cash and cash equivalents</b>	<b>現金及現金等值項目總額</b>	<b>1,656,701</b>	<b>3,585,720</b>

Note: The balance represents deposits placed with financial institutions to secure the Group's margin accounts with these financial institutions for trading metal commodities future contracts. The margin deposits are non-interest bearing.

附註：結餘指存放於金融機構的存款，以擔保本集團就金屬商品期貨買賣於該等金融機構設立之保證金賬戶。該等保證金不計息。

#### 27 SHARE CAPITAL Authorised share capital

#### 27 股本 法定股本

		Number of shares 股份數目 (Thousands) (千股)	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 at 31 December 2015 and 2016	於二零一五年及二零一六年十二月三十一日每股面值0.01港元之普通股	5,000,000	50,000

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註 (續)

27 SHARE CAPITAL (continued)  
Issued and fully paid

27 股本(續)  
已發行及繳足

		Number of shares 股份數目 (Thousands) (千股)	Share capital 股本 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	1,049,443	10,494
Issue of subscription shares (Note a)	發行認購股份(附註a)	456,900	4,569
Conversion of convertible bonds (Note 29(b))	兌換可換股債券(附註29(b))	72,600	726
Exercise of share options (Note b)	行使購股權(附註b)	9,572	96
At 31 December 2015	於二零一五年十二月三十一日	1,588,515	15,885
Issue of subscription shares (Note c)	發行認購股份(附註c)	31,038	310
Exercise of share options (Note b)	行使購股權(附註b)	186	2
As at 31 December 2016	於二零一六年十二月三十一日	1,619,739	16,197

Notes:

- (a) On 21 March 2015, the Company entered into the first and second subscription agreements with an independent investor, USUMHK for the first subscription of 203,900,000 shares and second subscription of 253,000,000 shares respectively at the subscription price of HK\$9.01 per share. The first subscription and second subscription were completed on 30 April 2015 and 29 May 2015 respectively, 203,900,000 shares and 253,000,000 shares were allotted and issued to USUMHK respectively. After deducting all relevant costs and expenses, the net proceeds from the first and second subscriptions amounted to HK\$1,826,089,000 and HK\$2,268,480,000 respectively. Upon the completion of the first and second subscriptions, USUMHK becomes a controlling shareholder of the Company since 29 May 2015.
- (b) During the year ended 31 December 2016, 186,000 share options under the Scheme (as defined in Note 42) (2015: 2,460,000 and 7,112,000 share options under the Scheme (as defined in Note 42) were exercised at a subscription price of HK\$4.186 per share (2015: HK\$6.388 and HK\$4.186 per share respectively), resulting in the issue of 186,000 (2015: 9,572,000) ordinary shares of HK\$0.01 each in the Company.
- (c) The Company issued 31,037,585 shares on 21 March 2016 to acquire 100% equity interest in DNG (Note 39(b)), as part of the consideration. All the above-mentioned new shares rank pari passu with the existing shares in all respects. The fair value of the shares issued amounted to HK\$112 million (HK\$3.60 per share).

附註：

- (a) 於二零一五年三月二十一日，本公司與一名獨立投資者渝商香港訂立第一份及第二份認購協議，以按認購價每股股份9.01港元分別第一批認購203,900,000股股份及第二批認購253,000,000股股份。第一批認購及第二批認購分別已於二零一五年四月三十日及二零一五年五月二十九日完成，而203,900,000股股份及253,000,000股股份分別配發及發行予渝商香港。於扣除所有相關成本及開支後，第一批認購及第二批認購所得款項淨額分別為1,826,089,000港元及2,268,480,000港元。於完成首次及第二次認購後，渝商香港自二零一五年五月二十九日起成為本公司之控股股東。
- (b) 於截至二零一六年十二月三十一日止年度，計劃(定義見附註42)項下的186,000份購股權(二零一五年：計劃(定義見附註42)項下2,460,000份及7,112,000份)按認購價每股4.186港元(二零一五年：分別每股6.388港元及4.186港元)獲行使，導致本公司發行186,000股(二零一五年：9,572,000股)每股面值0.01港元的普通股。
- (c) 本公司於二零一六年三月二十一日發行31,037,585股股份，作為部分代價，以收購大連新綠(附註39(b))100%股權。上述所有新股份在所有方面均與現有股份享有同等地位。已發行股份之公平值為112,000,000港元(每股3.60港元)。

## 28 TRADE AND OTHER PAYABLES

## 28 貿易及其他應付款項

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Trade payables	貿易應付款項	919,923	48,042
Bills payable	應付票據	–	6,072
Other taxes payable	其他應付稅項	37,012	7,129
Accrued salaries	應計薪金	111,661	12,231
Provision for claims and contingencies	索償及或然事項撥備	70,748	48,460
Accrued professional expenses	應計專業開支	50,718	2,275
Asset retirement obligations	資產報廢責任	71,660	–
Other payables and accruals	其他應付款項及應計費用	521,264	98,142
		<b>1,782,986</b>	<b>222,351</b>
Less: Non-current portion	減：非流動部分		
Other payables	其他應付款項	<b>(279,485)</b>	–
		<b>1,503,501</b>	<b>222,351</b>

The aging analysis of the trade payables based on invoice date was as follows:

貿易應付款項根據發票日期之賬齡分析如下：

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
0–90 days	0–90日	825,561	35,357
91–180 days	91–180日	23,127	407
Over 180 days	180日以上	71,235	12,278
		<b>919,923</b>	<b>48,042</b>

The carrying amounts of the trade and other payables approximate their fair values.

貿易及其他應付款項之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

29 BORROWINGS

29 借款

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
<b>Non-current</b>	<b>非流動</b>		
Bank borrowings (Note a)	銀行借款(附註a)	333,905	-
Other borrowings (Note a)	其他借款(附註a)	-	44,775
Convertible bonds (Note b)	可換股債券(附註b)	-	58,812
Note payable (Note c)	應付票據(附註c)	1,464,862	-
Finance lease liabilities (Note d)	融資租賃責任(附註d)	131,356	-
		<b>1,930,123</b>	<b>103,587</b>
<b>Current</b>	<b>流動</b>		
Bank borrowings (Note a)	銀行借款(附註a)	2,849,715	1,095,156
Other borrowings (Note a)	其他借款(附註a)	110,573	161,559
Convertible bonds (Note b)	可換股債券(附註b)	66,971	-
Finance lease liabilities (Note d)	融資租賃責任(附註d)	76,946	-
		<b>3,104,205</b>	<b>1,256,715</b>
<b>Total borrowings</b>	<b>總借款</b>	<b>5,034,328</b>	<b>1,360,302</b>

## 29 BORROWINGS (continued)

Notes:

**(a) Bank and other borrowings**

Bank borrowings mature at various dates up to 2023 and bear average coupons ranging from 1.55% to 6.50% per annum (2015: 2.20% to 5.06% per annum).

As at 31 December 2016 and 2015, the Group's bank and other borrowings were repayable as follows:

	Bank borrowings 銀行借款		Other borrowings 其他借款		Total 總計	
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 year 一年內	2,849,715	1,095,156	110,573	161,559	2,960,288	1,256,715
Between 1 and 2 years 一至兩年	13,569	–	–	44,775	13,569	44,775
Between 2 and 5 years 兩至五年	309,838	–	–	–	309,838	–
Over 5 years 五年以上	10,498	–	–	–	10,498	–
	333,905	–	–	44,775	333,905	44,775
	3,183,620	1,095,156	110,573	206,334	3,294,193	1,301,490

Total borrowings include secured liabilities. Bank borrowings are secured by property, plant and equipment, leasehold land and land use rights, investment properties, trade receivables, pledged bank deposits and inventories of the Group of HK\$3,446,220,000 (2015: HK\$445,770,000) (Note 33).

The carrying amounts of the bank and other borrowings are denominated in the following currencies:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
EUR 歐元		2,228,656	123,529
US\$ 美元		675,517	770,505
RMB 人民幣		257,519	201,122
Czech Koruna ("CZK") 捷克克朗(「捷克克朗」)		52,119	–
HK\$ 港元		44,775	206,334
Polish Zloty ("PLN") 茲羅提(「茲羅提」)		35,607	–
		3,294,193	1,301,490

## 29 借款(續)

附註:

**(a) 銀行及其他借款**

銀行借款於不同日期到期，直至二零二三年為止，平均年利率介乎1.55%至6.50% (二零一五年：2.20%至5.06%)。

於二零一六年及二零一五年十二月三十一日，本集團之銀行及其他借款須按以下方式償還：

總借款包括有抵押負債。銀行借款由本集團價值3,446,220,000港元(二零一五年：445,770,000港元)之物業、廠房及設備、租賃土地及土地使用權、投資物業、貿易應收款項、已抵押銀行存款及存貨作擔保(附註33)。

銀行及其他借款之賬面值乃以下列貨幣計值：

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 29 BORROWINGS (continued)

Notes: (continued)

**(a) Bank and other borrowings (continued)**

As at 31 December 2016, the Group had aggregate banking facilities of approximately HK\$4,143,712,000 for loans and bank guarantees. Unused facilities as at the same date amounted to approximately HK\$960,092,000 of which HK\$445,437,000 represented committed facilities that could be drawn down at the discretion of the Group and HK\$514,655,000 represented uncommitted facilities. These facilities are secured/guaranteed by certain land use rights, property, plant and equipment, inventories, trade receivables, pledged bank deposits and investment properties of HK\$317,578,000, HK\$694,717,000, HK\$428,491,000, HK\$1,527,061,000, HK\$422,732,000 and HK\$55,641,000, respectively (Note 33).

The carrying amounts of the borrowings approximate their fair values.

**(b) Convertible bonds**

### 29 借款(續)

附註：(續)

**(a) 銀行及其他借款(續)**

於二零一六年十二月三十一日，本集團就貸款及銀行擔保之銀行信貸總額約為4,143,712,000港元。同日未動用信貸約為960,092,000港元，其中445,437,000港元為本集團可酌情提取之承諾信貸，514,655,000港元為未承諾信貸。該等信貸乃由若干土地使用權、物業、廠房及設備、存貨、貿易應收款項、已抵押銀行存款及投資物業分別價值317,578,000港元、694,717,000港元、428,491,000港元、1,527,061,000港元、422,732,000港元及55,641,000港元作抵押/擔保(附註33)。

借款賬面值與其公平值相若。

**(b) 可換股債券**

		Debt component 債務部分 HK\$'000 千港元	Embedded derivative components 嵌入衍生部分 HK\$'000 千港元
Carrying amount at 1 January 2015	於二零一五年一月一日之賬面值	816,421	-
Derecognition of the Convertible Bonds I (Note (i))	終止確認可換股債券I(附註(i))	(815,800)	-
Issuance of Convertible Bonds II (Note (i))	發行可換股債券II(附註(i))	655,771	161,239
Interest charge (Note 10)	利息支出(附註10)	60,297	-
Reclassified as other borrowing (Note (ii))	重新分類為其他借款(附註(ii))	(287,048)	-
Interest paid	已付利息	(22,673)	-
Conversion during the year (Note (iii))	年內兌換(附註(iii))	(348,156)	(457,087)
Fair value loss (Note 7)	公平值虧損(附註7)	-	305,463
<b>Carrying amount at 31 December 2015</b>	<b>於二零一五年十二月三十一日之賬面值</b>	<b>58,812</b>	<b>9,615</b>
Carrying amount at 1 January 2016	於二零一六年一月一日之賬面值	58,812	9,615
Interest charge (Note 10)	利息支出(附註10)	10,863	-
Interest paid	已付利息	(2,704)	-
Fair value gain (Note 7)	公平值收益(附註7)	-	(9,611)
<b>Carrying amount at 31 December 2016</b>	<b>於二零一六年十二月三十一日之賬面值</b>	<b>66,971</b>	<b>4</b>

## 29 BORROWINGS (continued)

Notes: (continued)

**(b) Convertible bonds (continued)**

On 1 March 2012 (the "Issue Date"), the Company issued convertible bonds to HWH Holdings Limited ("HWH"), Delco Participation B.V. ("Delco") and Sims Metal Management Dragon Holdings Limited ("Sims") with an aggregate principal sum of HK\$815,800,000 (the "Convertible Bonds I") with detachable three-year warrants (the "Warrants") at total consideration of HK\$815,800,000. On 16 January 2013, HWH transferred a portion of its convertible bonds with the principal amount of HK\$120,000,000 to an independent third party, Greenwoods China Alpha Master Fund ("Greenwoods"). No exercise of the Warrants had taken place since the Issue Date. On 1 March 2015, the Warrants were expired.

The major terms of Convertible Bonds I are as below:

The Convertible Bonds I carry 4% coupon interest per annum payable in arrears semi-annually. Unless previously converted, the Convertible Bonds I would be fully redeemed by the Company at its principal amount upon maturity on 1 March 2015 (the "Maturity Date").

The holders of the Convertible Bonds I had the right to convert the principal amount of the Convertible Bonds I into shares of HK\$0.01 each of the Company at an initial conversion price of HK\$6 per share (subject to anti-dilutive adjustments) at any time during the period from the second anniversary of the Issue Date up to 10 business days prior to the Maturity Date, subject to the minimum public float requirement.

*(i) Derecognition of Convertible Bond I and Issuance of Convertible Bonds II*

On 3 and 4 March 2015, the Company signed extension agreements with all bond holders with the modification of terms of convertible bonds include:

the Convertible Bonds I with principal amount of HK\$383,200,000 held by Sims and HWH together with the respective conversion options were extended for a further two years to 1 March 2017. On 22 July 2015, HWH transferred its entire convertible bonds with a principal amount of HK\$67,600,000 to Great Roc Capital Limited ("Great Roc");

the Convertible Bonds I with principal amount of HK\$312,600,000 held by Delco ("Delco Convertible Bonds") will be repaid in seven quarterly instalments commencing on 1 September 2015 till 1 March 2017;

## 29 借款(續)

附註：(續)

**(b) 可換股債券(續)**

於二零一二年三月一日(「發行日期」)，本公司向HWH Holdings Limited(「HWH」)、Delco Participation B.V.(「Delco」)及Sims Metal Management Dragon Holdings Limited(「Sims」)發行三年期可拆分認股權證(「認股權證」)且本金總額為815,800,000港元之可換股債券(「可換股債券I」)，總代價為815,800,000港元。於二零一三年一月十六日，HWH以120,000,000港元之本金額轉讓部分可換股債券予獨立第三方，Greenwoods China Alpha Master Fund(「Greenwoods」)。自發行日期起概無行使認股權證。於二零一五年三月一日，認股權證已到期。

可換股債券I的主要條款載列如下：

可換股債券I附有4%的年票息，每半年支付一次。除非先前兌換，否則本公司將於二零一五年三月一日到期時(「到期日」)以本金額贖回全部可換股債券I。

可換股債券I持有人有權於發行日期第二週年至到期日前10個營業日之期間任何時間以初步兌換價每股6港元(可予反攤薄調整)將可換股債券I的本金額兌換成本公司每股面值0.01港元的股份，惟須遵守最低公眾持股量的規定。

*(i) 終止確認可換股債券I及發行可換股債券II*

於二零一五年三月三日及四日，本公司與所有債券持有人簽訂延長協議，可換股債券的修訂條款包括：

Sims與HWH合共持有的本金額為383,200,000港元的可換股債券I連同各自的兌換權再延期兩年於二零一七年三月一日。於二零一五年七月二十二日，HWH以67,600,000港元之本金額轉讓其全部可換股債券予Great Roc Capital Limited(「Great Roc」)；

Delco持有的本金額為312,600,000港元的可換股債券(「Delco可換股債券」)將於二零一五年九月一日至二零一七年三月一日分七期償還：



# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 29 BORROWINGS (continued)

Notes: (continued)

#### (b) Convertible bonds (continued)

(i) *Derecognition of Convertible Bond I and Issuance of Convertible Bond II (Continued)*

the Convertible Bonds I with the principal amount of HK\$120,000,000 held by Greenwoods were extended to 1 March 2017 and Greenwoods shall have the right to demand for full repayment of principal and accrued interest on any of these date: 1 September 2015, 1 March 2016 or 1 September 2016. The Convertible Bonds I with modified terms is hereinafter collectively referred to as the "Convertible Bonds II" and considered as substantial modification. Except for as stated above, the major terms of Convertible Bonds I discussed above remain unchanged in the Convertible Bonds II.

Upon the derecognition of the Convertible Bonds I of HK\$815,800,000 and recognition of the Convertible Bonds II, the difference between the carrying amount of Convertible Bonds I and the fair value of Convertible Bonds II is recognised as loss on derecognition of Convertible Bonds I in the profit or loss.

On 9 April 2015, USUMHK purchased the Convertible Bonds II from Sims in the aggregate principal amount of HK\$315,600,000. The purchase of the Sims Convertible Bonds was completed on 3 June 2015.

The fair value of the debt component of the Convertible Bonds II on initial recognition was calculated using the present value of contractually determined stream of future cash flows discounted at the effective interest rates of ranging from 16.957% to 17.492%.

In subsequent periods, the debt component of the Convertible Bonds II is carried at amortised cost using the effective interest method.

The fair value of the embedded derivative components of the Convertible Bonds II (including conversion options and early redemption option) was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

#### The Convertible Bonds II, excluding Delco Convertible Bonds

		At 31 December 2016 於二零一六年 十二月三十一日	At 31 December 2015 於二零一五年 十二月三十一日	On issuance 發行時
Stock price	股價	HK\$5.32 港元	HK\$5.17 港元	HK\$5.47 港元
Exercise price	行使價	HK\$6.00 港元	HK\$6.00 港元	HK\$6.00 港元
Expected volatility (Note I)	預計波幅(附註I)	11.328%	51.434%	31.404%
Dividend yield	股息收益率	0.000%	0.000%	0.000%
Option life	期權年期	3 months 個月	14 months 個月	24 months 個月
Risk free rate (Note II)	無風險利率(附註II)	0.178%	0.178%	0.498%

### 29 借款(續)

附註：(續)

#### (b) 可換股債券(續)

(i) 終止確認可換股債券I及發行可換股債券II(續)

由Greenwoods持有本金額為120,000,000港元的可換股債券延長至二零一七年三月一日，及Greenwoods可於下列任何日期要求悉數償還本金額及所產生的利息：二零一五年九月一日、二零一六年三月一日或二零一六年九月一日。具有修訂條款的可換股債券I此後統稱為「可換股債券II」，並被視為重大修訂。除上述者外，上文討論之可換股債券I之主要條款在可換股債券II維持不變。

於取消確認本金額為815,800,000港元之可換股債券I及確認可換股債券II後，可換股債券I的賬面值與可換股債券II的公平值之差額於損益內確認為取消確認可換股債券I的虧損。

於二零一五年四月九日，滙商香港向Sims購買本金總額為315,600,000港元之可換股債券II，購買Sims可換股債券已於二零一五年六月三日完成。

初始確認時，可換股債券II之債務部分的公平值，使用按實際利率介乎16.957%至17.492%貼現的合約釐定未來現金流的現值計算。

於其後期間，可換股債券II之債務部分乃按攤銷成本採用實際利率法列賬。

可換股債券II(包括兌換權及提早贖回權)嵌入式衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下：

#### 可換股債券II，不包括Delco可換股債券

## 29 BORROWINGS (continued)

Notes: (continued)

## (b) Convertible bonds (continued)

Notes:

- (I) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (II) The risk free rate was determined with reference to the Hong Kong Government Bond's and treasury bill's yield.
- (III) In subsequent periods, the embedded derivative components are measured at fair value with changes in fair value recognised in the consolidate statement of profit and loss.

## (ii) Reclassified as other borrowing

The conversion options of Delco Convertible Bonds held by Delco were waived after 31 July 2015 and therefore reclassified as other borrowing.

## The Delco Convertible Bonds

		On issuance 發行時
Stock price	股價	HK\$5.30 港元
Exercise price	行使價	HK\$6.00 港元
Expected volatility (Note I)	預計波幅 (附註I)	31.404%
Dividend yield	股息收益率	0.000%
Option life	期權年期	6 to 24 months 6至24個月
Risk free rate (Note II)	無風險利率 (附註II)	0.475%

Notes:

- (I) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (II) The risk free rate was determined with reference to the Hong Kong Government Bond's and treasury bill's yield.

## (iii) Conversion during the year

During the year ended 31 December 2015, the Convertible Bonds II held by Greenwoods and USUMHK were fully converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$6.00 per share.

On 1 March 2017, the Company redeemed all outstanding Convertible Bond II due 2017 in the aggregate initial principal amount of HK\$815,800,000 and the aggregate amount paid by the Company for the redemption of all of the remaining convertible Bond II was approximately HK\$115,000,000. All the certificates of the Convertible Bond II had been cancelled immediately upon the redemption.

## 29 借款(續)

附註：(續)

## (b) 可換股債券(續)

附註：

- (I) 預計波幅乃經參照本公司股份於估值日期之引伸波動而釐定。
- (II) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。
- (III) 於其後期間，嵌入式衍生工具部分按公平值計量，公平值之變動於綜合損益表內確認。

## (ii) 重新分類為其他借款

Delco 持有之 Delco 可換股債券兌換權已於二零一五年七月三十一日後獲豁免，因此重新分類為其他借款。

## Delco 可換股債券

		On issuance 發行時
Stock price	股價	HK\$5.30 港元
Exercise price	行使價	HK\$6.00 港元
Expected volatility (Note I)	預計波幅 (附註I)	31.404%
Dividend yield	股息收益率	0.000%
Option life	期權年期	6 to 24 months 6至24個月
Risk free rate (Note II)	無風險利率 (附註II)	0.475%

附註：

- (I) 預計波幅乃經參照本公司股份於估值日期之引伸波動而釐定。
- (II) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。

## (iii) 年內兌換

於截至二零一五年十二月三十一日止年度，Greenwoods 及渝商香港持有的可換股債券II已按兌換價每股6.00港元悉數兌換為本公司每股面值0.01港元之股份。

於二零一七年三月一日，本公司贖回所有於二零一七年到期的已發行債券II，本金總額為815,800,000港元，而本公司贖回所有餘下的可換股債券II所支付的總金額約為115,000,000港元。所有可換股債券II的證書緊隨贖回後已合部銷銷。

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 29 BORROWINGS (continued)

Notes: (continued)

**(c) Note payable**

On 20 December 2016, the Company issued a 8% note with a principal amount of US\$200 million to an independent third party (the "Subscriber"). The note matures in 2 years from the issue date and can be extended for one year subject to agreement of both parties.

Pursuant to the subscription agreement, Mr. Tu and USUMHK shall also provide a personal guarantee and a corporate guarantee, respectively, in favour of the Subscriber to secure, among others, the due and punctual observance and performance by the Company under the subscription agreement and other documents.

The Company is subject to certain restrictive financial and non-financial covenants. In addition, there are undertakings on ownership including (i) USUMHK shall beneficially own (directly or indirectly) at all times a shareholding in the Company representing the single largest shareholding in the Company, and (ii) USUMHK shall at all times be controlled by Mr. Tu and Mr. Tu shall be the single largest shareholder of USUMHK.

**(d) Finance lease liabilities**

The Group has finance leases and hire purchase contracts for various items of plant and machinery. The rights to the leased asset are reverted to the lessor in the event of default of the lease liabilities by the Group.

### 29 借款(續)

附註：(續)

**(c) 應付票據**

於二零一六年十二月二十日，本公司向一名獨立第三方(「認購人」)發行本金額為200,000,000美元的8%票據。票據由發行日期起計兩年內到期，倘若雙方同意，可延長一年。

根據認購協議，涂先生及渝商香港亦須向認購人分別提供個人擔保及公司擔保，包括擔保本公司妥善及準時履行及執行認購協議及其他文件。

本公司受制於若干受限制財務及非財務契約。此外，還有關於擁有權的承諾，包括(i)渝商香港須於所有時間實益擁有(直接或間接)本公司股權，為本公司單一最大股東；及(ii)渝商香港須於所有時間由涂先生控制，以及涂先生為渝商香港的單一最大股東。

**(d) 融資租賃責任**

本集團就不同廠房及機器擁有融資租賃及租購合約。倘本集團違反租賃負債，則租賃資產的權利歸還出租人。

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
<b>Gross finance lease liabilities — minimum lease payments</b>	<b>總融資租賃責任 — 最低租賃付款</b>		
No later than 1 year	不遲於一年	76,946	—
Later than 1 year and no later than 5 years	遲於一年但不遲於五年	159,644	—
		236,590	—
Future finance charges on finance leases	融資租賃的未來租賃支出	(28,288)	—
<b>Present value of finance lease liabilities</b>	<b>融資租賃責任的現值</b>	<b>208,302</b>	<b>—</b>
<b>The present value of finance lease liabilities is as follows:</b>	<b>融資租賃責任的現值如下：</b>		
No later than 1 year	不遲於一年	76,946	—
Later than 1 year and no later than 5 years	遲於一年但不遲於五年	131,356	—
		<b>208,302</b>	<b>—</b>

## 30 NON-CONTROLLING INTERESTS

## 30 非控股權益

		Share of net liabilities of subsidiaries 所佔附屬公司淨負債	
		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
At 1 January	於一月一日	(74,141)	(80,694)
Capital contribution	注資	38,145	7,240
Non-controlling interest arising from business combination (Note 39(c))	業務合併產生之非控股權益 (附註 39(c))	3,710	-
Share of loss for the year	年內所佔虧損	(3,291)	(5,217)
Share of foreign currency translation reserve	所佔外幣匯兌儲備	2,827	4,530
At 31 December	於十二月三十一日	(32,750)	(74,141)

## 31 DEFERRED TAXATION

## 31 遞延稅項

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

遞延所得稅資產及遞延所得稅負債之分析如下：

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Deferred income tax assets:	遞延所得稅資產：		
Deferred tax asset to be recovered after 12 months	將於十二個月後收回的遞延稅項資產	90,211	322
Deferred tax asset to be recovered within 12 months	將於十二個月內收回的遞延稅項資產	59,357	164
		149,568	486
Deferred income tax liabilities:	遞延所得稅負債：		
Deferred tax liability to be recovered after 12 months	將於十二個月後收回的遞延稅項負債	(410,362)	(29,833)
Deferred tax liability to be recovered within 12 months	將於十二個月內收回的遞延稅項負債	(36,884)	-
		(447,246)	(29,833)
<b>Deferred tax liabilities, net</b>	<b>遞延稅項負債淨額</b>	<b>(297,678)</b>	<b>(29,347)</b>

### 31 DEFERRED TAXATION (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

### 31 遞延稅項(續)

年內遞延所得稅資產及負債之變動(未計及同一稅務司法權區內的結餘抵銷)如下：

Deferred income tax liabilities	遞延所得稅負債	Accelerated tax depreciation	Change in fair value of derivative financial instruments	Others	Total
		加速 稅項折舊 HK\$'000 千港元	衍生 金融工具之 公平值變動 HK\$'000 千港元	其他 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	10,805	4,214	29,776	44,795
(Credit)/charge to the consolidated statement of profit or loss	於綜合損益表(計入)/扣除	2,788	(4,118)	-	(1,330)
Currency translation differences	貨幣換算差異	(9)	(78)	-	(87)
At 31 December 2015	於二零一五年十二月三十一日	13,584	18	29,776	43,378
(Credit)/charge to the consolidated statement of profit or loss	於綜合損益表(計入)/扣除	(11,953)	1,065	(687)	(11,575)
Acquisition of subsidiaries	收購附屬公司	130,279	607	287,146	418,032
Currency translation differences	貨幣換算差異	(7)	-	93	86
At 31 December 2016	於二零一六年十二月三十一日	131,903	1,690	316,328	449,921

## 31 DEFERRED TAXATION (continued)

## 31 遞延稅項(續)

Deferred income tax assets	遞延所得稅資產	Tax losses	Change in fair value of derivative financial instruments	Provisions	Unrealised profit on inventories	Others	Total
		稅項虧損	衍生金融工具之公平值變動	撥備	未變現存貨溢利	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	(10,711)	-	(4,267)	(501)	-	(15,479)
(Credit)/charge to the consolidated statement of profit or loss	於綜合損益表(計入)/扣除	(2,834)	-	4,170	29	-	1,365
Currency translation differences	貨幣換算差異	-	-	79	4	-	83
At 31 December 2015	於二零一五年十二月三十一日	(13,545)	-	(18)	(468)	-	(14,031)
(Credit)/charge to the consolidated statement of profit or loss	於綜合損益表(計入)/扣除	10,870	-	18	(78)	-	10,810
Acquisition of subsidiaries	收購附屬公司	(60,530)	(7,866)	(55,709)	-	(24,917)	(149,022)
Currency translation differences	貨幣換算差異	-	-	-	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	(63,205)	(7,866)	(55,709)	(546)	(24,917)	(152,243)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$504,078,000 (2015: HK\$524,265,000) in respect of tax losses amounting to HK\$2,108,727,000 (2015: HK\$2,097,059,000). Unrecognised tax losses of HK\$468,660,000 (2015: HK\$329,600,000) have no expiry date and the remaining tax losses will expire at various dates up to and including 2021 (2015: 2020).

本公司已就結轉之稅項虧損確認遞延利得稅資產，惟僅以有關稅項福利可能透過日後之應課稅溢利變現者為限。本集團並無就稅項虧損2,108,727,000港元(二零一五年：2,097,059,000港元)確認遞延所得稅資產504,078,000港元(二零一五年：524,265,000港元)。未確認稅項虧損468,660,000港元(二零一五年：329,600,000港元)並無屆滿日期，而餘下稅項虧損將於二零二一年或之前屆時期滿(二零一五年：二零二零年)。

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

32 OTHER RESERVES

32 其他儲備

		Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Investment revaluation reserve	Foreign currency translation reserve	Total
		股份溢價	股本贖回儲備	購股權儲備	股本儲備	法定一般儲備	企業擴充基金	投資重估儲備	外幣換算儲備	總計
		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
					(Note (i)) (附註(i))	(Note (ii)) (附註(ii))	(Note (ii)) (附註(ii))			
At 1 January 2015	於二零一五年一月一日	909,061	224	20,383	222,760	105,046	105,046	-	161,751	1,524,271
Currency translation differences	貨幣換算差異	-	-	-	-	-	-	-	(42,996)	(42,996)
Fair value gain on available-for-sale investment	可供出售投資之公平值收益	-	-	-	-	-	-	4,606	-	4,606
Reclassification to profit or loss on disposal of available-for-sale investment	於出售可供出售投資時重新分類至損益	-	-	-	-	-	-	(4,606)	-	(4,606)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	-	-	(42,996)	(42,996)
Issue of subscription shares	發行認購股份	4,112,100	-	-	-	-	-	-	-	4,112,100
Cost of issuance of subscription shares	發行認購股份之成本	(22,100)	-	-	-	-	-	-	-	(22,100)
Conversion of convertible bonds	兌換可換股債券	804,517	-	-	-	-	-	-	-	804,517
Exercise of share options	行使購股權	61,225	-	(15,836)	-	-	-	-	-	45,389
Lapse of share options	購股權失效	-	-	(3,621)	-	-	-	-	-	(3,621)
Recognition of equity-settled share-based payments	確認以權益結算股份為基礎付款	-	-	428	-	-	-	-	-	428
Transfer of reserves	轉撥儲備	-	-	-	-	43	43	-	-	86
At 31 December 2015	於二零一五年十二月三十一日	5,864,803	224	1,354	222,760	105,089	105,089	-	118,755	6,418,074

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 32 OTHER RESERVES (continued)

### 32 其他儲備(續)

		Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Investment revaluation reserve	Foreign currency translation reserve	Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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
					(Note (i))	(Note (ii))	(Note (ii))			
					(附註(i))	(附註(ii))	(附註(ii))			
At 1 January 2016	於二零一六年一月一日	5,864,803	224	1,354	222,760	105,089	105,089	-	118,755	6,418,074
Currency translation differences	貨幣換算差異	-	-	-	-	-	-	-	(43,385)	(43,385)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	-	-	(43,385)	(43,385)
Issue of subscription shares	發行認購股份	111,425	-	-	-	-	-	-	-	111,425
Exercise of share options	行使購股權	1,088	-	(311)	-	-	-	-	-	777
Lapse of share options	購股權失效	-	-	(1,043)	-	-	-	-	-	(1,043)
At 31 December 2016	於二零一六年十二月三十一日	5,977,316	224	-	222,760	105,089	105,089	-	75,370	6,485,848

Notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.
- (ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the PRC as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital. The statutory general reserve and enterprise expansion fund can be used to make up prior year losses or to increase share capital.

附註：

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。
- (ii) 本公司中國附屬公司的組織章程細則規定，須根據中國相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國附屬公司註冊資本的50%，則可終止撥備。法定一般儲備及企業發展基金可用於彌補過往年度虧損或增加股本。



### 33 PLEDGES OF ASSETS

At the end of the reporting period, the Group has pledged the following assets to banks to secure general banking facilities granted to the Group:

### 33 資產抵押

於報告期末，本集團已向銀行抵押以下資產，以擔保授予本集團之一般銀行信貸：

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Property, plant and equipment (Note 14)	物業、廠房及設備(附註14)	694,717	126,892
Leasehold land and land use rights (Note 15)	租賃土地及土地使用權(附註15)	317,578	186,856
Investment properties (Note 16)	投資物業(附註16)	55,641	-
Inventories (Note 22)	存貨(附註22)	428,491	-
Trade receivables (Note 23)	貿易應收款項(附註23)	1,527,061	-
Pledged bank deposits (Note 26)	已抵押銀行存款(附註26)	422,732	132,022
		<b>3,446,220</b>	<b>445,770</b>

## 34 COMMITMENTS

## (a) Capital commitments

As at 31 December 2016 and 2015, capital expenditure contracted for but not yet incurred is as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表中撥備的資本開支		
— acquisition of a subsidiary (Note)	— 收購一間附屬公司(附註)	—	419,007
— acquisition of property, plant and equipment	— 收購物業、廠房及設備	116,503	18,646
— additions in construction in progress	— 添置在建工程	13,366	38,842
— formation of subsidiaries	— 成立附屬公司	—	42,500
		<b>129,869</b>	<b>518,995</b>

Note: On 21 August 2015, the Group entered into an acquisition agreement with independent third parties in relation to the acquisition of the entire equity interest in DNG, at a consideration to be settled by way of shares of the Company. DNG is principally engaged in recycle processing and utilisation of scrap metals, discarded appliances, office machines and other wastes. The transaction has been completed in March 2016.

## 34 承擔

## (a) 資本承擔

於二零一六年及二零一五年十二月三十一日，已訂約但未產生之資本開支如下：

附註：於二零一五年八月二十一日，本集團與獨立第三方就收購大連新綠全部股權訂立收購協議，代價由本公司股份結算。大連新綠主要從事再生加工及使用廢舊金屬、廢舊家電、辦公機器及其他廢棄物。該交易已於二零一六年三月完成。

34 COMMITMENTS (continued)

(b) Operating lease commitments — as lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Land and buildings	土地及樓宇		
— No later than 1 year	— 不遲於一年	25,742	4,463
— Later than 1 year and no later than 5 years	— 遲於一年但不遲於五年	63,889	1,344
— Later than 5 years	— 遲於五年	50,618	—
		<b>140,249</b>	<b>5,807</b>
		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Property, plant and equipment	物業、廠房及設備		
— No later than 1 year	— 不遲於一年	24,212	—
— Later than 1 year and no later than 5 years	— 遲於一年但不遲於五年	25,308	—
		<b>49,520</b>	<b>—</b>

34 承擔(續)

(b) 經營租賃承擔 — 承租人

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

## 34 COMMITMENTS (continued)

## (c) Operating lease commitments — as lessor

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Land and buildings	土地及樓宇		
— No later than 1 year	— 不遲於一年	9,962	403
— Later than 1 year and no later than 5 years	— 遲於一年但不遲於五年	25,701	—
— Later than 5 years	— 遲於五年	38,055	—
		<b>73,718</b>	<b>403</b>

## 35 RETIREMENT BENEFIT PLANS

The table below outlines where the Group's post-employment amounts and activity are included in the consolidated financial statements.

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Consolidated balance sheet obligations for:	綜合資產負債表 就以下各項之責任：		
Defined benefit plans (Note b)	界定福利計劃(附註b)	24,086	—
Consolidated statement of profit or loss charges included in operating profit for:	綜合損益表就以下各項計入 經營溢利之支出：		
Defined contribution plans (Note a)	界定供款計劃(附註a)	4,848	4,747
		<b>4,848</b>	<b>4,747</b>
Remeasurements for:	就以下各項之計量：		
Defined benefit plans (Note b)	界定福利計劃(附註b)	—	—

## 34 承擔(續)

## (c) 經營租賃承擔 — 出租人

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

## 35 退休福利計劃

下表概述本集團計入綜合財務報表之退休金額及活動。

### 35 RETIREMENT BENEFIT PLANS (continued)

#### (a) Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

### 35 退休福利計劃（續）

#### (a) 界定供款計劃

本集團根據強制性公積金計劃（「強積金計劃」）條例為香港所有合資格僱員設立強積金計劃。強積金計劃之資產透過一名獨立受託人控制之基金與本集團所持資產分開持有。根據強積金計劃的規例，僱主及其僱員分別須按規定訂明的比率向計劃供款。本集團對強積金計劃之唯一責任為根據該計劃作出所需供款。並無已沒收供款可用作扣減日後應付供款。

於中國受僱之僱員可參與中國政府所運作之國家管理退休福利計劃。中國附屬公司須按僱員基本薪酬的若干百分比向該退休福利計劃供款，為該等福利提供資金。本集團對退休福利計劃之唯一責任為根據計劃作出所需供款。

## 35 RETIREMENT BENEFIT PLANS (continued)

## (b) Defined benefit plans

The Group operates four defined benefit pension plans in Europe, thereof one defined benefit plan is partially funded.

The assets of the defined benefit plans are held independently of the Group's assets in separate trustee administered funds. The Group's major plans are valued by qualified actuaries annually using the projected unit credit method. The amounts recognised in the consolidated statement of financial position are determined as follows:

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Present value of funded obligations 有補助責任的現值	12,321	-
Present value of unfunded obligations 無補助責任的現值	16,316	-
Fair value of plan assets 計劃資產的公平值	(4,551)	-
Liabilities in the consolidated balance sheet 綜合資產負債表的負債	24,086	-

The movement in the present values of defined benefit obligations over the year is as follows.

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
At 1 January 於一月一日	-	-
Acquisition of Scholz Holding (Note 39(c)) 收購順爾茨控股(附註39(c))	28,637	-
At 31 December 於十二月三十一日	28,637	-

## 35 退休福利計劃(續)

## (b) 界定福利計劃

本集團在歐洲營運四個界定福利退休金計劃，其中一個界定福利計劃為半補助形式。

界定福利計劃之資產在獨立信託管理基金與本集團之資產分開持有。本集團之主要計劃由合資格精算師使用預期單位記賬法估值。在綜合財務狀況表內確認之金額乃按以下方式釐定：

年內界定福利責任的現值變動如下。

35 RETIREMENT BENEFIT PLANS (continued)

(b) Defined benefit plans (continued)

The movement in the fair values of plan assets over the year is as follows.

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
At 1 January	於一月一日	-	-
Acquisition of Scholz Holding (Note 39(c))	收購順爾茨控股(附註39(c))	4,551	-
At 31 December	於十二月三十一日	4,551	-

There were no plan amendments and curtailments during the year.

年內並無修訂及減省計劃。

The principal actuarial assumptions used are as follows:

所採用的主要精算假設如下：

		2016 二零一六年	2015 二零一五年
Discount rate	貼現率	1.40%–1.80%	-
Future salary increase rate	未來加薪比率	0.00%	-

35 退休福利計劃(續)

(b) 界定福利計劃(續)

年內計劃資產的公平值變動如下。

年內並無修訂及減省計劃。

所採用的主要精算假設如下：

## 35 RETIREMENT BENEFIT PLANS (continued)

## (b) Defined benefit plans (continued)

The sensitivity of the defined benefit plans to changes in the weighted principal assumptions is:

## 35 退休福利計劃（續）

## (b) 界定福利計劃（續）

界定福利計劃對加權主要假設變動之敏感度如下：

		Impact on defined benefit plans obligations 對界定福利計劃責任的影響					
		2016 二零一六年			2015 二零一五年		
		Change in assumption 假設變動	Increase in assumption 假設增加 HK\$'000 千港元	Decrease in assumption 假設減少 HK\$'000 千港元	Change in assumption 假設變動	Increase in assumption 假設增加 HK\$'000 千港元	Decrease in assumption 假設減少 HK\$'000 千港元
Discount rate	貼現率	0.50%	(1,886)	2,104	-	-	-
Future salary increase rate	未來加薪比率	0.25%	830	795	-	-	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liabilities recognised within the consolidated balance sheet.

上述敏感度分析乃以一項假設出現變動而其他所有假設維持不變為基礎。實際上，這不大可能發生，且若干假設的變動可能互有關連。計算界定福利責任對重大精算假設之敏感度，與在綜合資產負債表計算確認之退休金責任之方法一致，即以預期單位記賬法計算於報告期末之界定福利責任現值。



Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

36 FINANCIAL INSTRUMENTS BY CATEGORY

36 按類別劃分之金融工具

		Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Assets at fair value through the profit or loss 按公平值計入 損益之資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>31 December 2016</b>	二零一六年十二月三十一日			
<b>Assets as per consolidated balance sheet</b>	<b>綜合資產負債表之資產</b>			
Trade and other receivables excluding prepayments	貿易及其他應收 款項，不包括預付款項	1,566,365	–	1,566,365
Fixed return investment	固定回報投資	216,802	–	216,802
Derivative financial instruments	衍生金融工具	–	7,928	7,928
Pledged bank deposits	已抵押銀行存款	422,732	–	422,732
Cash and cash equivalents	現金及現金等價物	1,656,701	–	1,656,701
Other non-current assets	其他非流動資產	18,804	–	18,804
Amount due from related parties	應收關聯方款項	262,336	–	262,336
<b>Total</b>	<b>總計</b>	<b>4,143,740</b>	<b>7,928</b>	<b>4,151,668</b>
<b>31 December 2015</b>	二零一五年十二月三十一日			
<b>Assets as per consolidated balance sheet</b>	<b>綜合資產負債表之資產</b>			
Trade, bills and other receivables excluding prepayments	貿易、票據及其他應收 款項，不包括預付款項	140,392	–	140,392
Derivative financial instruments	衍生金融工具	–	73	73
Pledged bank deposits	已抵押銀行存款	132,022	–	132,022
Cash and cash equivalents	現金及現金等價物	3,585,720	–	3,585,720
<b>Total</b>	<b>總計</b>	<b>3,858,134</b>	<b>73</b>	<b>3,858,207</b>

## Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註（續）

36 FINANCIAL INSTRUMENTS BY CATEGORY  
(continued)

## 36 按類別劃分之金融工具(續)

		<b>Other financial liabilities at amortised cost</b>	<b>Liabilities at fair value through the profit or loss</b>	<b>Total</b>
		按攤銷成本 列賬之其他 金融負債 HK\$'000 千港元	按公平值計入 損益之負債 HK\$'000 千港元	總計 HK\$'000 千港元
<b>31 December 2016</b>	二零一六年十二月三十一日			
<b>Liabilities as per consolidated balance sheet</b>	<b>綜合資產負債表之負債</b>			
Borrowings	借款	4,967,357	–	4,967,357
Derivative financial instruments	衍生金融工具	–	31,503	31,503
Trade and other payables excluding non-financial liabilities	貿易及其他應付 款項，不包括非金融 負債	1,238,169	158,086	1,396,255
Convertible bonds	可換股債券	66,971	4	66,975
Amounts due to related parties	應付關聯方款項	147,238	–	147,238
Amount due to the immediate holding company	應付直接控股公司款項	197,012	–	197,012
Amount due to an intermediate holding company	應付中間控股公司款項	10,061	–	10,061
<b>Total</b>	<b>總計</b>	<b>6,626,808</b>	<b>189,593</b>	<b>6,816,401</b>
<b>31 December 2015</b>	二零一五年十二月三十一日			
<b>Liabilities as per consolidated balance sheet</b>	<b>綜合資產負債表之負債</b>			
Borrowings	借款	1,301,490	–	1,301,490
Trade, bills and other payables excluding non-financial liabilities	貿易、票據及其他應付 款項，不包括非金融 負債	138,265	–	138,265
Convertible bonds	可換股債券	58,812	9,615	68,427
<b>Total</b>	<b>總計</b>	<b>1,498,567</b>	<b>9,615</b>	<b>1,508,182</b>

### 37 RELATED PARTIES TRANSACTIONS

The Group is controlled by USUMHK which owns approximately 62% of the Company's shares. The remaining approximately 38% of the shares are widely held. The ultimate holding company of the Group is Loncin Group Co., Ltd (incorporated in the PRC). The ultimate controlling party of the Group is Mr. Tu Jianhua.

#### (a) Transactions

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the years ended 31 December 2016 and 2015.

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They are summarized as follows:

### 37 關聯方交易

本集團由渝商香港控制，渝商香港擁有本公司約62%股份。其餘約38%股份由廣泛持有人持有。本集團最終控股公司為隆鑫集團有限公司（於中國註冊成立）。本集團最終控制方為涂建華先生。

#### (a) 交易

除已在綜合財務報表其他部分披露外，本集團於截至二零一六年及二零一五年十二月三十一日止年度曾與其關聯方進行以下交易。

所有交易均於本集團日常業務過程中按交易雙方所協定的條款進行，詳情概述如下：

	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Purchases of goods from an associate	(75,987)	(743)
Purchases of goods from then shareholders (Note)	-	(56,759)
Interest expense on convertible bond to then shareholders (Note)	-	(23,173)
Interest expense on loan to the immediate holding company	(3,721)	-
Interest expense on convertible bond to the immediate holding company	-	(1,606)
Interest expense on loan to an intermediate holding company	(1,009)	-
Interest expense on loan to a former director	-	(1,198)
Conversion of convertible bonds by the immediate holding company	-	315,600

Note: The then shareholders represent the shareholders prior to change to shareholding during the year ended 31 December 2015.

附註：當時的股東指股權於截至二零一五年十二月三十一日止年度出現變動前的股東

## 37 RELATED PARTIES TRANSACTIONS (continued)

## (b) Key management compensation

Key management includes executive directors, chief executive officer, chief financial officer, chief operation officer, chief investment officer and the chairman of the Company. The compensations paid or payable to key management for employee services are shown below:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Wages and salaries, including restructuring costs and other termination benefits	工資及薪金，包括重組成本及其他終止僱傭福利	10,717	7,372
Pension costs — defined contribution plans	退休金成本 — 界定供款計劃	96	79
Other employee benefits	其他僱員福利	719	—
<b>Total</b>	<b>總計</b>	<b>11,532</b>	<b>7,451</b>

## 37 關聯方交易（續）

## (b) 主要管理層薪酬

主要管理層包括執行董事、行政總裁、首席財務官、首席營運官、首席投資官及本公司主席。就提供僱員服務而已付或應付主要管理層的薪酬列示如下：

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

37 RELATED PARTIES TRANSACTIONS (continued)  
(c) Year-end balances

37 關聯方交易（續）  
(c) 年終結餘

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Receivables from:	應收以下各方款項：		
— An associate (Note (i))	— 聯營公司(附註(i))	14	—
— Joint ventures (Note (ii))	— 合營企業(附註(ii))	138,849	—
— Related parties (Note (ii))	— 關聯方(附註(ii))	123,473	—
		<b>262,336</b>	—
Payables to:	應付以下各方款項：		
— An associate (Note (iii))	— 聯營公司(附註(iii))	(6,641)	—
— Joint ventures (Note (iv))	— 合營企業(附註(iv))	(19,960)	—
— Related parties (Note (iv))	— 關聯方(附註(iv))	(120,637)	—
		<b>(147,238)</b>	—

Notes:

- (i) The receivable from an associate, Poly Metals, is a sundry income receivable. The receivable is unsecured, repayable on demand and non-interest bearing.
- (ii) The receivables from joint ventures and related parties include trade receivables and other receivables. Trade receivables are repayable within 60 days, and other receivables are repayable on demand. Both of them are unsecured and non-interest bearing.
- (iii) The payable to an associate, Poly Metals, is a trade payable. The payable is under normal payment terms.
- (iv) The payables to joint ventures and related parties include trade payables and other payables. Trade payables are repayable within 60 days, and other payable are repayable on demand. Both of them are unsecured and non-interest bearing.

附註：

- (i) 應收聯營公司寶勵款項為應收雜項收入。該應收款項為無抵押、須按要求償還及不計息。
- (ii) 應收合營企業及關聯方款項包括貿易應收款項及其他應收款項。貿易應收款項須於60日內償還，而其他應收款項則須按的要求償還。該兩類款項均為無抵押及不計息。
- (iii) 應付聯營公司寶勵款項為貿易應付款項。應付款項屬於一般支付條款。
- (iv) 應付合營企業及關聯方款項包括貿易應付款項及其他應付款項。貿易應付款項須於60日內償還，而其他應付款項則須按的要求償還。

## 37 RELATED PARTIES TRANSACTIONS (continued)

## (c) Year-end balances (Continued)

The carrying amounts of the related parties balances approximate their fair values.

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Amount due to:	應付以下各方款項：		
— Immediate holding company (Note (i))	— 直接控股公司(附註(i))	197,012	—
— Intermediate holding company (Note (ii))	— 中間控股公司(附註(ii))	10,061	—
		<b>207,073</b>	—

Notes:

- (i) The loan from USUMHK represents the US\$25,000,000 loan to the Group with interest at 3.5% per annum and maturity date on 17 July 2017.
- (ii) The loans from USUM Investment Group Limited represents the RMB9,000,000 loan to the Group with interest at 8% per annum and with maturity date on 23 October 2017.

## 37 關聯方交易(續)

## (c) 年終結餘(續)

關聯方結餘之賬面值與其公平值相若。

附註：

- (i) 渝商香港貸款指給予本集團年利率為3.5%之25,000,000美元貸款，於二零一七年七月十七日到期。
- (ii) 渝商投資集團股份有限公司貸款指給予本集團年利率為8%之人民幣9,000,000元貸款，於二零一七年十月二十三日到期。

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

38 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of the directors for the year ended 31 December 2016 is set out below:

38 董事福利及權益

(a) 董事酬金

截至二零一六年十二月三十一日止年度之董事薪酬載列如下：

Year ended		Fees	Salaries and allowances	Performance bonus	Retirement benefit contributions	Other benefits	Share-based payments	Total
截至二零一六年十二月三十一日止年度：		袍金	薪金及津貼	表現花紅	退休福利計劃供款	其他福利	以股份為基礎付款	總計
		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
<b>Executive directors:</b>	<b>執行董事：</b>							
Mr. Tu Jianhua ("Mr. Tu") (Note ii)	涂建華先生(「涂先生」) (附註ii)	-	1,539	300	18	-	-	1,857
Mr. Qin Yongming (Note v)	秦永明先生(附註v)	-	1,010	300	10	108	-	1,428
Mr. Liu Huaiyu (Note v)	劉懷宇先生(附註v)	-	348	150	5	-	-	503
Mr. Fang Ankong ("Mr. Fang") (Note i)	方安空先生(「方先生」) (附註i)	-	27	-	-	280	-	307
Mr. Meng Yi (Note ii)	孟怡先生(附註ii)	-	152	-	-	-	-	152
Mr. Zhang Jun (Note iv)	張軍先生(附註iv)	-	1,062	277	11	150	-	1,500
Mr. Zhang Mingjie (Note ii)	張明杰先生(附註ii)	-	300	-	-	-	-	300
<b>Non-executive directors:</b>	<b>非執行董事：</b>							
Dr. Loke Yu	陸海林博士	225	-	-	-	-	-	225
Ms. Qian Liping (Note vii)	錢麗萍女士(附註vii)	46	-	-	-	-	-	46
Mr. Zhu Dajian	諸大建先生	225	-	-	-	-	-	225
Ms. Zhang Jingdong (Note vi)	章敬東女士(附註vi)	179	-	-	-	-	-	179
		675	4,438	1,027	44	538	-	6,722

38 BENEFITS AND INTERESTS OF DIRECTORS  
(continued)

## (a) Directors' emoluments (continued)

The remuneration of the directors for the year ended 31 December 2015 is set out below:

Year ended		Salaries and allowances		Performance bonus	Retirement benefit scheme contributions	Other benefits	Share-based payments	Total
		Fees						
		袍金	薪金及津貼	表現花紅	退休福利計劃供款	其他福利	以股份為基礎付款	總計
		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
<b>Year ended</b>	<b>截至二零一五年</b>							
<b>31 December 2015:</b>	<b>十二月三十一日止年度：</b>							
<b>Executive directors:</b>	<b>執行董事：</b>							
Mr. Tu (Note ii)	涂先生(附註ii)	-	537	-	-	-	-	537
Mr. Fang (Note i)	方先生(附註i)	-	801	382	17	-	-	1,200
Mr. Gu Lijong (Note i)	顧李勇先生(附註i)	-	858	858	16	-	-	1,732
Mr. Meng Yi (note ii)	孟怡先生(附註ii)	-	216	-	-	-	-	216
Mr. Stephenus Maria Van Ooijen (Note iii)	Stephenus Maria Van Ooijen先生(附註iii)	-	215	-	-	-	-	215
Mr. Zhang Mingjie (Note ii)	張明杰先生(附註ii)	-	216	-	-	-	-	216
<b>Non-executive directors:</b>	<b>非執行董事：</b>							
Dr. Loke Yu	陸海林博士	150	-	-	-	-	3	153
Mr. Michael Charles Lion (Note iii)	Michael Charles Lion先生(附註iii)	-	-	-	-	-	-	-
Mr. Zhu Dajian	諸大建先生	150	-	-	-	-	-	150
Ms. Zhang Jingdong (Note vi)	章敬東女士(附註vi)	150	-	-	-	-	3	153
		450	2,843	1,240	33	-	6	4,572

Mr. Fang was also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive. Mr. Fang resigned and Mr. Tu was appointed as Chief Executive on 15 February 2016.

## 38 董事福利及權益(續)

## (a) 董事酬金(續)

截至二零一五年十二月三十一日止年度之董事薪酬載列如下：

方先生亦為本公司行政總裁，彼於上文所披露之酬金包括就彼擔任行政總裁所提供服務而支付之酬金。方先生及涂先生於二零一六年二月十五日分別辭任及獲委任為行政總裁。



## 38 BENEFITS AND INTERESTS OF DIRECTORS (continued)

### (a) Directors' emoluments (continued)

Mr. Qin Yongming is also the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as Chief Executive Officer. Mr. Qin Yongming was appointed as Chief Executive Officer on 24 October 2016.

Mr. Liu Huaiyu is also the Executive Vice President of the Company and his emoluments disclosed above include those for services rendered by him as the Executive Vice President.

- (i) Mr. Gu Liyong and Mr. Fang resigned on 30 November 2015 and 15 February 2016 respectively.
- (ii) Mr. Tu and, Mr. Zhang Mingjie and Mr. Meng Yi were appointed as executive directors on 29 April 2015, 22 August 2015 and 22 August 2015 respectively. Mr. Zhang Mingjie and Mr. Meng Yi resigned on 30 June 2016 and 1 April 2016 respectively.
- (iii) Mr. Michael Charles Lion and Mr. Stephanus Maria van Ooijen resigned on 16 February 2015 and 12 March 2015 respectively.
- (iv) Mr. Zhang Jun was appointed as executive director and Chief Executive Officer on 1 April 2016 and resigned on 24 October 2016.

## 38 董事福利及權益（續）

### (a) 董事酬金（續）

秦永明先生亦為本公司行政總裁，彼於上文所披露之酬金包括就彼擔任行政總裁所提供服務而支付之酬金。秦永明先生於二零一六年十月二十四日獲委任為行政總裁。

劉懷宇先生亦為本公司常務副總裁，彼於上文所披露之酬金包括就彼擔任常務副總裁所提供服務而支付之酬金。

- (i) 顧李勇先生及方先生分別於二零一五年十一月三十日及二零一六年二月十五日辭任。
- (ii) 涂先生及張明杰先生及孟怡先生分別於二零一五年四月二十九日、二零一五年八月二十二日及二零一五年八月二十二日獲委任為執行董事。張明杰先生及孟怡先生分別於二零一六年六月三十日及二零一六年四月一日辭任。
- (iii) Michael Charles Lion先生及Stephanus Maria van Ooijen先生分別於二零一五年二月十六日及二零一五年三月十二日辭任。
- (iv) 張軍先生於二零一六年四月一日獲委任為執行董事兼行政總裁，並於二零一六年十月二十四日辭任。

### 38 BENEFITS AND INTERESTS OF DIRECTORS (continued)

#### (a) Directors' emoluments (continued)

- (v) Mr. Liu Huaiyu and Mr. Qin Yongming were appointed as executive directors on 24 October 2016 and 30 June 2016 respectively.
- (vi) Ms. Zhang Jingdong resigned on 24 October 2016.
- (vii) Ms. Qian Liping was appointed as non-executive director on 24 October 2016.
- (viii) During both years, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during both years.

#### (b) Directors' retirement benefits and termination benefits

During the year ended 31 December 2016, the Company paid retirement benefits to Mr. Tu, Mr. Zhang Jun, Mr. Liu Huaiyu and Mr. Qin Yongming with HK\$18,000, HK\$11,000, HK\$5,000 and HK\$10,000 respectively (2015: HK\$33,000).

#### (c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2016, the Company does not pay consideration to any third parties for making available directors' services (2015: Nil).

### 38 董事福利及權益（續）

#### (a) 董事酬金（續）

- (v) 劉懷宇先生及秦永明先生分別於二零一六年十月二十四日及二零一六年六月三十日獲委任為執行董事。
- (vi) 章敬東女士於二零一六年十月二十四日辭任。
- (vii) 錢麗萍女士於二零一六年十月二十四日獲委任為非執行董事。
- (viii) 於兩個年度，本集團概無向任何董事或五名最高薪人士支付酬金作為吸引加入或於加入本集團時的獎勵或作為離職補償。概無董事於兩個年度放棄任何酬金。

#### (b) 董事退休福利及終止僱傭福利

於截至二零一六年十二月三十一日止年度，本公司向涂先生、張軍先生、劉懷宇先生及秦永明先生支付退休福利分別18,000港元、11,000港元、5,000港元及10,000港元（二零一五年：33,000港元）。

#### (c) 就提供董事服務而向第三方提供之代價

於截至二零一六年十二月三十一日止年度，本公司並無就提供董事服務而向任何第三方支付代價（二零一五年：無）。

### 38 BENEFITS AND INTERESTS OF DIRECTORS (continued)

#### (d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and controlled entities with such directors

As at 31 December 2016 and 2015, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors.

#### (e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the financial year (2015: nil).

### 39 BUSINESS COMBINATIONS

#### (a) Acquisition of Yantai Liheng

In January 2016, the Group acquired 100% equity interest in Yantai Liheng through a 60% owned subsidiary for approximately HK\$65,585,000 and obtained control of Yantai Liheng which principally engages in recycling of hazardous waste and sale of lubricating oil, gas oil, base oil, residual oil, fuel oil and the related additives.

As a result of the acquisition, the Group is expected to expand into the business relating to waste lubricating oil processing, thereby will increase the revenue base of the Group. The goodwill of approximately HK\$14,659,000 arising from the acquisition is attributable to the acquired market on the north eastern region of the PRC, and economies of scale expected from combining the operations of Yantai Liheng.

### 38 董事福利及權益(續)

#### (d) 有關惠及董事、由有關董事控制的團體公司及與有關董事共同控制的實體的貸款、類似貸款及其他交易的資料

於二零一六年及二零一五年十二月三十一日，概無以董事、由有關董事控制的團體公司及與有關董事共同控制的實體為受益人的貸款、類似貸款及其他交易安排。

#### (e) 董事於交易、安排或合約中之重大權益

本公司概無訂立任何與本集團業務有關而本公司董事於當中擁有重大權益(不論直接或間接)，且於年末或財政年度內任何時間存續之重大交易、安排及合約(二零一五年：無)。

### 39 業務合併

#### (a) 收購煙台立衡

於二零一六年一月，本集團以約65,585,000港元透過一家擁有60%之子公司收購煙台立衡100%股權及取得煙台立衡之控制權，煙台立衡主要從事回收危險廢物及銷售潤滑油、蠟油、基礎油料、渣油、燃料油及相關用品添加劑。

收購完成後，本集團預期擴展至有關處理廢潤滑油之業務，因此將提高本集團之收入基礎。收購產生之約14,659,000港元商譽乃歸因於中國東北地區的收購市場，以及合併煙台立衡業務預期帶來的經濟規模。

## 39 BUSINESS COMBINATIONS (continued)

## (a) Acquisition of Yantai Liheng (continued)

The following table summarises the consideration paid for acquisition of Yantai Liheng, the fair value of assets acquired, liabilities assumed on the acquisition date.

		HK\$'000 千港元
Consideration:	代價：	
— Cash consideration	— 現金代價	64,109
— Consideration payable	— 應付代價	1,476
<b>Total consideration transferred</b>	<b>已轉讓總代價</b>	<b>65,585</b>
Recognised amounts of identifiable assets acquired and liabilities assumed:	已收購可識別資產及所承擔負債 之確認金額：	
Property, plant and equipment	物業、廠房及設備	40,751
Land use rights	土地使用權	15,864
Deposits	按金	345
Inventories	存貨	3,543
Prepayments and other receivables	預付款項及其他應收款項	10,905
Cash and cash equivalents	現金及現金等價物	11,806
Trade and other payables	貿易及其他應付款項	(14,450)
Bank borrowings	銀行借貸	(17,838)
<b>Total identifiable net assets</b>	<b>可識別總資產淨值</b>	<b>50,926</b>
<b>Goodwill (Note 17)</b>	<b>商譽(附註17)</b>	<b>14,659</b>

## 39 業務合併(續)

## (a) 收購煙台立衡(續)

下表概述收購煙台立衡所支付之代價、於收購日期所收購資產及所承擔之負債之公平值。

### 39 BUSINESS COMBINATIONS (continued)

#### (a) Acquisition of Yantai Liheng (continued)

Acquisition-related costs of approximately HK\$347,000 have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2016.

The consideration payable of RMB1,241,000 (approximately HK\$1,476,000) is to be paid within 30 days right after first anniversary of completion of the acquisition pursuant to the sales and purchase agreement dated 16 January 2016. The amount was paid in January 2017.

The revenue contributed by Yantai Liheng included in the consolidated statement of profit or loss since the date of acquisition was approximately HK\$1,239,000. Yantai Liheng also contributed loss of approximately HK\$7,536,000 over the same period.

Had Yantai Liheng been consolidated from 1 January 2016, the consolidated statement of profit or loss would show pro-forma revenue of approximately HK\$1,239,000 and loss of approximately HK\$16,738,000.

#### (b) Acquisition of DNG

In March 2016, the Group acquired 100% equity interest in DNG for 31,037,585 ordinary shares of the Company and obtained control of DNG, a recycler specialised in mixed metal scrap recycling, disassembling and processing, and resource recycling.

As a result of the acquisition, the Group is expected to enhance the Group's processing coverage especially in the north-eastern region of the PRC.

### 39 業務合併(續)

#### (a) 收購煙台立衡(續)

收購相關的開支約347,000港元已計入截至二零一六年十二月三十一日止年度之綜合損益報表中的行政開支。

根據日期為二零一六年一月十六日之買賣協議，應付代價人民幣1,241,000元(約1,476,000港元)須於收購事項完成滿第一週年後30日內支付。該款項已於二零一七年一月支付。

自收購日期以來，煙台立衡為綜合損益表貢獻的收益約為1,239,000港元。煙台立衡亦為同期帶來虧損約7,536,000港元。

倘煙台立衡自二零一六年一月一日開始綜合入賬，則綜合損益表將顯示備考收益約1,239,000港元及虧損約16,738,000港元。

#### (b) 收購大連新綠

於二零一六年三月，本集團以31,037,585股本公司普通股收購大連新綠100%股權及取得大連新綠之控制權，大連新綠是專注回收、拆卸及處理混合廢金屬及回收資源之回收商。

收購完成後，本集團預期將可擴大本集團之加工處理範圍，尤其於中國東北地區。

## 39 BUSINESS COMBINATIONS (continued)

## (b) Acquisition of DNG (continued)

The following table summarises the consideration paid for acquiring DNG, the fair value of assets acquired, liabilities assumed on the acquisition date.

		HK\$'000 千港元
Consideration:	代價：	
— Issue of ordinary shares	— 發行普通股	111,735
— Consideration adjustment	— 代價調整	(6,062)
<b>Total consideration transferred</b>	<b>已轉讓總代價</b>	<b>105,673</b>
Recognised amounts of identifiable assets acquired and liabilities assumed:	已收購可識別資產及所承擔負債之確認金額：	
Property, plant and equipment	物業、廠房及設備	153,597
Land use rights	土地使用權	3,902
Inventories	存貨	4,195
Prepayments and other receivables	預付款項及其他應收款項	26,847
Cash and cash equivalents	現金及現金等價物	7,642
Trade and other payables	貿易及其他應付款項	(1,570)
<b>Total identifiable net assets</b>	<b>可識別總資產淨值</b>	<b>194,613</b>
Gain on bargain purchase (Note 7)	議價購買收益(附註7)	(88,940)

Acquisition-related costs of approximately HK\$817,000 have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2016.

## 39 業務合併(續)

## (b) 收購大連新綠(續)

下表概述收購大連新綠之代價、於收購日期已收購資產及所承擔之負債之公平值。

收購相關的開支約817,000港元已計入截至二零一六年十二月三十一日止年度之綜合損益報表中的行政開支。

### 39 BUSINESS COMBINATIONS (continued)

#### (b) Acquisition of DNG (continued)

The fair value of the 31,037,585 ordinary shares issued as part of the consideration paid for DNG (approximately HK\$111,735,000) was based on the published market price on 21 March 2016. Issuance cost totally HK\$38,000 have been settled against the proceeds, also contributed loss of approximately HK\$7,708,000 over the same period.

The Group recognised a gain on bargain purchase of approximately HK\$88,940,000 as a result of the business combination. The gain is included in other losses, net in the consolidated statement of profit or loss for the year ended 31 December 2016. The bargain purchase gain on acquisition of DNG is mainly attributable to the decrease in share price of the Company before the completion of the acquisition. The Company's share price on the date of sale and purchase agreement was HK\$5.60 and that on the date of completion in March 2016 was HK\$3.60.

During the current year, the plant and production facilities were under construction and it has not yet commenced operations. There was no revenue contributed by DNG included in the consolidated statement of profit or loss since 21 March 2016. DNG also contributed loss of approximately HK\$14,425,000 over the same period.

Had DNG been consolidated from 1 January 2016, no pro-forma revenue and loss of approximately HK\$16,359,000 would be shown in the consolidated statement of profit or loss.

### 39 業務合併(續)

#### (b) 收購大連新綠(續)

作為支付收購大連新綠之部分代價(約111,735,000港元)而發行之31,037,585股普通股之公平值乃根據二零一六年三月二十一日之已公佈市價釐定。發行成本合共38,000港元已由所得款項支付，亦導致同期招致虧損約7,708,000港元。

本集團就業務合併確認議價購買收益約88,940,000港元。收益計入截至二零一六年十二月三十一日止年度綜合損益表之其他虧損淨額中。收購大連新綠之議價購買收益主要由於本公司之收購完成前股價下跌。於買賣協議日期，本公司的股價為5.60港元，及後在二零一六年三月的交易完成日時的股價是3.60港元。

本年度，廠房及生產設施仍處於興建階段，尚未投產。自二零一六年三月二十一日以來，大連新綠概無為綜合損益表貢獻收益。大連新綠亦為同期帶來虧損約14,425,000港元。

倘大連新綠自二零一六年一月一日開始綜合入賬，則綜合損益表將顯示零備考收益及約16,359,000港元之虧損。

### 39 BUSINESS COMBINATIONS (continued)

#### (c) Acquisition of Scholz Holding

As part of a series of steps taken by the Group to acquire Scholz Holding, the Group has participated and completed the debt restructuring programme of Scholz Group during the year to revitalise the sustainable going concern of Scholz Group's business.

Pursuant to the German Debt Purchase Agreement signed in June 2016, the Group has paid EUR256 million to purchase the rights and obligations under certain loan agreements and promissory notes of Scholz Group with an aggregate principal amount of EUR524 million and accrued interest of EUR0.2 million from certain independent lenders comprising German financial institutions, international debt providers and funds, and to settle the Austrian Bond issued by Scholz Group with a principal amount of EUR182 million and accrued interest of EUR21 million. In addition, the Group and Scholz Group are obliged to pay EUR20.4 million to these independent tenders and EUR5.8 million to the bondholders, respectively, if Scholz Group's EBITDA, excluding amount attributable to non-controlling interest of Scholz Group, based on Scholz Group's consolidated financial statements prepared in accordance with generally accepted accounting principles in Germany is more than EUR100 million for either of the fiscal year 2016 or the fiscal year 2017. Formal closing of the German Debt Acquisition took place in July 2016.

Note: German Debt Purchase Agreement, Austrian Bond and EBITDA were defined in the Company's circular dated 22 November 2016.

Subsequent to the completion of the above debt restructuring programme, in December 2016, the Group acquired 100% of the share capital of Scholz Holding for a nominal purchase price of EUR1.

### 39 業務合併(續)

#### (c) 收購順爾茨控股

作為本集團收購順爾茨控股所採取的一系列步驟之一部分，本集團年內已參與及完成順爾茨集團債務重組，以振興順爾茨集團的業務以達致其能持續經營。

根據於二零一六年六月簽訂之德國債務購買協議，本集團支付256,000,000歐元購買若干貸款協議下之權利及義務以及本金總額為524,000,000歐元之順爾茨集團承兌票據及來自若干獨立貸款人(包括德國金融機構、國際性債務提供者及基金)之應計利息200,000歐元，以及結算由順爾茨集團發行之本金額為182,000,000歐元之奧地利債券及應計利息21,000,000歐元。此外，倘根據德國一般接納之會計政策所編制順爾茨集團綜合財務報表中順爾茨集團之EBITDA(不包括順爾茨集團非控股權益應佔金額)於二零一六財政年度或二零一七財政年度多於100,000,000歐元，本集團與順爾茨集團須向該等獨立貸款人及債券持有人分別支付20,400,000歐元及5,800,000歐元。德國債務購買協議於二零一六年七月正式結束。

附註：德國債務購買協議、奧地利債券及EBITDA之定義見本公司日期為二零一六年十一月二十二日之通函。

完成上述債務重組計劃後，於二零一六年十二月，本集團以1歐元之名義購買價收購順爾茨控股100%股本。



### 39 BUSINESS COMBINATIONS (continued)

#### (c) Acquisition of Scholz Holding (continued)

Scholz Group is one of the largest European-based global network of companies and affiliates focuses in the field of treating and processing scrap metal. It was founded in 1872. It operates in integrated scrap metal recycling supply chain, from collecting, gathering, sorting, and processing the scarp materials to its sale, utilisation, and recirculation. It has a global procurement network for recycling materials including end-of-life automobiles mainly located in Europe. It also carries out demolitions and gutting projects and takes apart railway vehicles and recovers resources from these materials which it then supplies to steel mills, foundries, and smelters worldwide. Scholz Group is one of the few service providers in recycling that handles all steps in the resource cycle.

As a result of the acquisition, the Group is expected to have direct and immediate access to its global customer base and stable upstream material supplies in the European and U.S. markets as well as leveraging on Scholz Group's business and know-how which, in turn, enhances the operating efficiency and create synergistic effects within the Group. Meanwhile, Scholz Group would also be benefited by gaining access to the Group's customer base and distributed channel in the PRC.

The goodwill of approximately HK\$833,682,000 arising from the acquisition is mainly attributable to the anticipated profitability and net cash inflows of the acquired business and the synergies created from the merger and acquisition of and the integration with newly-acquired business.

### 39 業務合併(續)

#### (c) 收購順爾茨控股(續)

順爾茨集團為全球其中一家最大的以歐洲為基地的公司和分支機構網絡，專注於廢金屬處理及加工領域。該集團成立於一八七二年，經營從收集、集中、分類及加工至銷售、使用及回流的整合廢金屬再生供應鏈。其擁有回收材料(包括廢舊汽車)的全球採購網絡，主要位於歐洲。其亦開展拆卸及卸除工程以及拆除鐵路車輛及從該等材料中回收資源，然後供應至全球的軋鋼廠、鑄造廠及冶煉廠。順爾茨集團是現時屈指可數處理資源回收所有步驟的回收服務供應商之一。

收購完成後，本集團預期可直接且即時獲得全球客戶群以及來自歐洲及美國市場的穩定上游材料供應以及憑藉順爾茨集團的業務及專業知識，加強本集團經營效率及創造協同效應。同時，順爾茨集團亦可從獲得本集團之中國客戶群及分銷渠道獲益。

收購所產生約833,682,000港元之商譽，主要源於所收購業務之預期盈利能力及淨現金流及併購產生的協同效應及對新收購業務之整合。

## 39 BUSINESS COMBINATIONS (continued)

## (c) Acquisition of Scholz Holding (continued)

The following table summarises the consideration paid for acquiring Scholz Holding, the fair value of assets acquired, liabilities assumed and the non-controlling interest on the acquisition date.

## 39 業務合併(續)

## (c) 收購順爾茨控股(續)

下表概述收購順爾茨控股之代價、於收購日期已收購資產、所承擔之負債及非控股權益之公平值。

		HK\$'000 千港元
Consideration:	代價:	
— Consideration and contingent consideration	— 代價及或然代價	158,086
Recognised amounts of identifiable assets acquired and liabilities assumed:	已收購可識別資產及所承擔負債之確認金額:	
Property, plant and equipment	物業、廠房及設備	2,371,950
Intangible assets	無形資產	363,071
Interests in joint ventures	合資公司權益	423,430
Other non-current assets	其他非流動資產	54,190
Assets classified as held for sale	分類為持作出售資產	140,515
Cash and cash equivalents	現金及現金等值項目	133,290
Pledged bank deposits	已抵押銀行存款	345,918
Tax recoverable	可退回稅項	11,322
Deferred income tax assets	遞延所得稅資產	149,022
Inventories	存貨	627,515
Trade and other receivables	貿易及其他應收款項	1,611,159
Amounts due from related parties, net	應收關聯方款項	122,365
Deferred income tax liabilities	遞延所得稅負債	(418,032)
Borrowings	借貸	(2,563,972)
Derivative financial instruments	衍生金融工具	(24,994)
Retirement benefit obligations	退休福利責任	(24,086)
Tax payables	應付稅項	(110,996)
Trade and other payables	貿易及其他應付款項	(1,171,695)
Non-controlling interests	非控股權益	(3,710)
Total identifiable net assets	可識別總資產淨值	2,036,262
Amount due to the Group, net	應付本集團款項淨額	(2,711,858)
Goodwill	商譽	833,682

### 39 BUSINESS COMBINATIONS (continued)

#### (c) Acquisition of Scholz Holding (continued)

The above purchase price allocation is on a provisional basis.

Acquisition-related costs of approximately HK\$97,107,000 have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2016.

There was no revenue or loss contributed by Scholz Group included in the consolidated statement of profit or loss since the acquisition date.

Had Scholz Group been consolidated from 1 January 2016, the consolidated statement of profit or loss would show pro-forma revenue of HK\$9,011,172,000 and loss of HK\$816,948,000.

### 39 業務合併(續)

#### (c) 收購順爾茨控股(續)

上述購買價乃按暫定基準分配。

收購相關的開支約97,107,000港元已計入截至二零一六年十二月三十一日止年度之綜合損益報表中的行政開支。

自收購日期以來，順爾茨集團並無為綜合損益表貢獻收益或虧損。

倘順爾茨集團自二零一六年一月一日開始綜合入賬，則綜合損益表將顯示備考收益9,011,172,000港元及虧損816,948,000港元。

## Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

## 40 CASH GENERATED FROM/(USED IN) OPERATIONS

Reconciliation from loss before income tax to cash generated from/(used in) operations:

## 40 經營所得/(所用)現金

除所得稅前虧損與經營所得/(所用)現金對賬:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
<b>Cash flows from/(used in) operating activities</b>	<b>經營活動所得/(所用)現金流量</b>		
Loss before income tax	除所得稅前虧損	<b>(443,568)</b>	(1,143,684)
Adjustments for:	就以下各項調整:		
Finance costs (Note 10)	財務成本(附註10)	<b>82,006</b>	117,383
Finance income (Note 10)	財務收入(附註10)	<b>(47,918)</b>	(13,890)
Dividend income on financial assets at fair value through profit or loss (Note 6)	按公平值計入損益之金融資產之股息收入(附註6)	<b>(8,468)</b>	-
Loss on fair value change of financial assets at fair value through profit or loss (Note 7)	按公平值計入損益之金融資產之公平值變化虧損(附註7)	<b>105,279</b>	-
Depreciation of investment properties (Note 16)	投資物業折舊(附註16)	<b>4,049</b>	1,397
Depreciation of property, plant and equipment (Note 14)	物業、廠房及設備折舊(附註14)	<b>41,918</b>	28,958
Amortisation of leasehold land and land use rights (Note 15)	租賃土地及土地使用權攤銷(附註15)	<b>14,802</b>	10,542
Loss on disposal of property, plant and equipment (Note 7)	出售物業、廠房及設備之虧損(附註7)	<b>875</b>	(2,084)
Loss on disposal of leasehold land and land use rights (Note 7)	出售租賃土地及土地使用權之虧損(附註7)	<b>37,391</b>	-
Reversal of impairment of trade receivables (Note 7)	貿易應收款項之減值撥回(附註7)	<b>(6,969)</b>	(1,613)
Provision for impairment on trade receivables (Note 7)	貿易應收款項減值之撥備(附註7)	<b>417</b>	22,308
Provision for impairment of deposits and prepayment (Note 7)	按金及預付款減值之撥備(附註7)	<b>-</b>	30,858
(Utilisation of)/provision for inventories (Note 8)	存貨(動用)/撥備(附註8)	<b>(75,982)</b>	64,290
Loss on derecognition of convertible bonds (Note 7)	取消確認可換股債券之虧損(附註7)	<b>-</b>	1,210
Bargain purchase on acquisition of a subsidiary (Note 7)	就收購附屬公司之議價購買收益(附註7)	<b>(88,940)</b>	-
Share-based payment expense (Note 9)	以股份為基礎付款開支(附註9)	<b>-</b>	428
Share of (profit)/loss of an associate	應佔聯營公司(溢利)/虧損	<b>(443)</b>	545
Reclassified to profit or loss on disposal of available-for-sale investment (Note 7)	出售可供出售投資時重新分類至損益(附註7)	<b>-</b>	(4,606)
(Gain)/loss on fair value of embedded derivative components of convertible bonds (Note 7)	可換股債券之嵌入式衍生部分之公平值(收益)/虧損(附註7)	<b>(9,611)</b>	305,463
Net foreign exchange losses	外匯虧損淨額	<b>296,171</b>	112,012
		<b>(98,991)</b>	(470,483)
Changes in working capital	營運資金變動		
(Increase)/decrease in inventories	存貨(增加)/減少	<b>(174,029)</b>	14,646
Decrease in trade and other receivables	貿易及其他應收款項減少	<b>125,016</b>	156,439
Increase in derivative financial instruments	衍生金融工具增加	<b>(1,345)</b>	(11,529)
Decrease in margin deposits	保證金存款減少	<b>-</b>	253,292
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加/(減少)	<b>241,258</b>	(172,860)
Cash generated from/(used in) operations	經營所得/(所用)現金	<b>91,909</b>	(230,495)

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

40 CASH GENERATED FROM/(USED IN) OPERATIONS  
(continued)

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Net book amount (Note 14)	賬面淨值(附註14)	2,308	11,790
(Loss)/profit on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/溢利	(875)	2,084
<b>Proceeds from disposal of property, plant and equipment</b>	<b>出售物業、廠房及設施所得款項</b>	<b>1,433</b>	<b>13,874</b>

In the statement of cash flows, proceeds from sale of leasehold land comprise:

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
Net book amount (Note 15)	賬面淨值(附註15)	45,134	-
Loss on disposal of leasehold land	出售租賃土地之虧損	(37,391)	-
Proceeds from disposal of leasehold land	出售租賃土地所得款項	7,743	-

40 經營所得/(所用)現金(續)

於該現金流量表，銷售物業、廠房及設施所得款項包括：

於該現金流量表，銷售租賃土地所得款項包括：

## 41 BALANCE SHEET AND RESERVE MOVEMENT

## Balance sheet of the Company

## 41 資產負債表及儲備變動

## 本公司之資產負債表

		Note 附註	2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment in subsidiaries, unlisted	於附屬公司之投資，非上市		10	—
Loan receivables from a subsidiary	應收附屬公司貸款		178,372	—
			178,382	—
<b>Current assets</b>	<b>流動資產</b>			
Other receivables	其他應收款項		317,279	370
Amounts due from subsidiaries	應收附屬公司款項		6,198,731	5,596,913
Cash and cash equivalents	現金及現金等價物		42,586	132,377
			6,558,596	5,729,660
<b>Total assets</b>	<b>資產總值</b>		<b>6,736,978</b>	<b>5,729,660</b>
<b>EQUITY AND LIABILITIES</b>	<b>權益及負債</b>			
<b>Equity attributable to owners of the company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	27	16,197	15,885
Reserves	儲備	(a)	4,565,116	5,432,767
<b>Total equity</b>	<b>總權益</b>		<b>4,581,313</b>	<b>5,448,652</b>

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

41 BALANCE SHEET AND RESERVE MOVEMENT  
(continued)

Balance sheet of the Company (continued)

41 資產負債表及儲備變動(續)

本公司之資產負債表(續)

		2016 二零一六年 HK'000 千港元	2015 二零一五年 HK'000 千港元
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Other borrowings	其他借款	1,464,862	44,775
Debt components of convertible bonds	可換股債券之債務部分	—	58,812
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生部分	—	9,615
		1,464,862	113,202
<b>Current liabilities</b>	<b>流動負債</b>		
Other current liabilities	其他流動負債	55,211	6,242
Amounts due to subsidiaries	應付附屬公司款項	324,841	5
Amount due to the immediate holding company	應付直接控股公司款項	197,012	—
Debt components of convertible bonds	可換股債券之債務部分	66,971	—
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生部分	4	—
Other borrowings	其他借款	44,775	161,559
Tax Payable	應付稅項	1,989	—
		690,803	167,806
<b>Total liabilities</b>	<b>總負債</b>	2,155,665	281,008
<b>Total equity and liabilities</b>	<b>總權益及負債</b>	6,736,978	5,729,660

The balance sheet of the Company was approved by the Board of Directors on 23 March 2017 and was signed on its behalf:

本公司之資產負債表已獲董事會於二零一七年三月二十三日批准並由以下董事代表簽署：

**Mr. Tu Jianhua**  
涂建華先生  
Director  
董事

**Mr. Qin Yongming**  
秦永明先生  
Director  
董事

## Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註(續)

41 BALANCE SHEET AND RESERVE MOVEMENT  
(continued)

Note (a): Reserve movement of the Company

## 41 資產負債表及儲備變動(續)

附註(a): 本公司之儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (Note (i)) (附註(i))	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	909,061	224	20,383	216,208	-	(325,836)	820,040
Loss for the year	年內虧損	-	-	-	-	-	(327,607)	(327,607)
Fair value gain on available-for-sale investment	可供出售投資之公平值收益	-	-	-	-	4,606	-	4,606
Reclassification to profit or loss on disposal of available-for-sale investment	出售可供出售投資時重新分類至損益	-	-	-	-	(4,606)	-	(4,606)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	(327,607)	(327,607)
Issue of subscription shares	發行認購股份	4,112,100	-	-	-	-	-	4,112,100
Cost of issuance of subscription shares	發行認購股份成本	(22,100)	-	-	-	-	-	(22,100)
Conversion of convertible bonds	兌換可換股債券	804,517	-	-	-	-	-	804,517
Exercise of share options	行使購股權	61,225	-	(15,836)	-	-	-	45,389
Lapse of share options	購股權失效	-	-	(3,621)	-	-	3,621	-
Recognition of equity-settled share-based payments	確認以權益結算股份為基礎付款	-	-	428	-	-	-	428
At 31 December 2015	於二零一五年十二月三十一日	5,864,803	224	1,354	216,208	-	(649,822)	5,432,767



# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 41 BALANCE SHEET AND RESERVE MOVEMENT (continued)

Note (a): Reserve movement of the Company (continued)

### 41 資產負債表及儲備變動(續)

附註(a): 本公司之儲備變動(續)

		Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Investment revaluation reserve	Accumulated losses	Total
		股份溢價	資本贖回儲備	購股權儲備	資本儲備	投資重估儲備	累計虧損	總計
		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
					(Note (i))			
					(附註(i))			
At 1 January 2016	於二零一六年一月一日	5,864,803	224	1,354	216,208	-	(649,822)	5,432,767
Loss for the year	年內虧損	-	-	-	-	-	(979,853)	(979,853)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	(979,853)	(979,853)
Issue of subscription shares	發行認購股份	111,425	-	-	-	-	-	111,425
Exercise of share options	行使購股權	1,088	-	(311)	-	-	-	777
Lapse of share options	購股權失效	-	-	(1,043)	-	-	1,043	-
At 31 December 2016	於二零一五年十二月三十一日	5,977,316	224	-	216,208	-	(1,628,632)	4,565,116

Notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.

附註

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購附屬公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。

## 42 SHARE-BASED PAYMENT

### Post-IPO Share Option Scheme

Pursuant to a written resolution of all shareholders of the Company on 23 June 2010, a post-IPO share option scheme (the “Scheme”) was adopted.

Pursuant to the Scheme, the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who the board considers, in its sole discretion, have contributed or will contribute to the Group (“Eligible Scheme Participants”). The Scheme is a share incentive scheme and is established to reward Eligible Scheme Participants who have contributed to the Group and to encourage Eligible Scheme Participants to work towards enhancing the value of the Company and the shares for the benefit of the Company and the shareholders as a whole. The Scheme is valid and effective for a period of ten years from 23 June 2010.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 10% of shares of the Company as of the date of the approval by the shareholders in general meeting, without approval from the Company's shareholders. The shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time. The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Scheme Participant in any twelve-month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant.

## 42 以股份為基礎付款

### 首次公開發售後購股權計劃

根據本公司全體股東於二零一零年六月二十三日通過的書面決議案，本公司採納首次公開發售後購股權計劃（「該計劃」）。

根據該計劃，本公司可向董事會全權酌情認為已為或將為本集團作出貢獻的本集團董事（包括執行董事、非執行董事及獨立非執行董事）及僱員、本集團任何成員公司的任何諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營業務夥伴、發起人或服務供應商（「合資格計劃參與者」）授出購股權。該計劃是一項股份獎勵計劃，為獎勵合資格計劃參與者對本集團作出的貢獻以及鼓勵合資格計劃參與者為本公司及股東的整體利益而提升本公司及股份的價值而設立。該計劃自二零一零年六月二十三日起計十年內有效。

因行使根據該計劃將予授出的所有購股權而可能發行的最高股份數目合共不得超過股東於股東大會批准日期的本公司股份的10%（無須本公司股東批准）。因行使根據該計劃及本公司任何其他購股權計劃所授出但尚未行使的所有購股權而可能發行的股份於任何時候不得超過不時已發行股份的30%。於任何十二個月期間直至授出日期，因行使根據該計劃及本公司任何其他購股權計劃向每名合資格計劃參與者授出的購股權（包括已行使及尚未行使的購股權）而發行及將予發行的最高股份數目不得超過於授出日期已發行股份的1%。

## 42 SHARE-BASED PAYMENT (continued)

### Post-IPO Share Option Scheme (continued)

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates is required to be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where granting of options to a substantial shareholder or any independent non-executive director or their respective associates which will result in the number of shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant exceed of 0.1% of the total number of shares in issue and have an aggregate value in excess of HK\$5 million, based on the official closing price of the shares at the date of each grant, such proposed grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting.

Options granted have to be taken up within a period of 28 days from the date of offer upon payment of HK\$1.

The exercise price is determined by the board of directors and but in any event shall not be less than the highest of:

- (a) the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange on the offer date, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (b) the average of the official closing price of the shares on the Stock Exchange as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date; and
- (c) the nominal value of the shares.

Options granted are exercisable for a period to be notified by the board of directors to each grantee and such period shall expire not later than 4 years from the date of grant of options.

## 42 以股份為基礎付款（續）

### 首次公開發售後購股權計劃（續）

向本公司董事、主要行政人員或主要股東（定義見上市規則）或彼等各自的任何聯繫人授出任何購股權，須經獨立非執行董事（不包括任何身為購股權承授人的獨立非執行董事）批准。當向主要股東或任何獨立非執行董事或彼等各自的任何聯繫人授出購股權，將導致於十二個月期間直至授出日期（包括該日）因行使向該等人士授出及將予授出的購股權（包括已行使、已註銷及尚未行使的購股權）而發行及將予發行的股份數目超過已發行股份總數的0.1%，且根據各授出日期股份的官方收市價計算，總值超過5,000,000港元，則須待本公司發出通函並經股東於股東大會上批准後，方可建議授出上述購股權。

所授購股權須於提呈日期起計28日內接納，接納時須支付1港元。

行使價由董事會釐定，惟無論如何不會低於下列各項之最高者：

- (a) 於提呈日期（該日須為聯交所辦理證券交易業務的日子）聯交所的每日報表所列股份在聯交所的官方收市價；
- (b) 緊接提呈日期前五個營業日聯交所的每日報表所列股份在聯交所的平均官方收市價；及
- (c) 股份的面值。

所授購股權可於董事會知會各承授人的期間行使，而該期間不得於授出購股權日期起計四年後屆滿。

42 SHARE-BASED PAYMENT TRANSACTIONS  
(continued)

## Post-IPO Share Option Scheme (continued)

Details of the share options granted under the Scheme and their subsequent movements are as follows:

Category of Eligible Scheme Participants	Date of grant	Exercise Price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2015	Exercised during the year	Lapsed/ forfeited during the year	Number of options outstanding as at 31.12.2015	Lapsed/ forfeited during the year	Number of options outstanding as at 31.12.2016
					於二零一五年一月一日			於二零一五年十二月三十一日		
合資格計劃參與者類別	授出日期	每股行使價	行使期	歸屬日期	尚未行使的購股權數目	年內行使	失效/沒收	尚未行使的購股權數目	年內行使	尚未行使的購股權數目
					(Note a) (附註a)	(Note b) (附註b)	(Note a) (附註a)	(Note c) (附註c)		
Directors 董事	3.5.2011 二零一一年五月三日	HK\$6.388 6.388 港元	4.5.2014-3.5.2015 二零一四年五月四日至 二零一五年五月三日	4.5.2014 二零一四年五月四日	470,000	(60,000)	(410,000)	-	-	-
Directors 董事	28.3.2012 二零一二年三月二十八日	HK\$4.186 4.186 港元	28.3.2013-27.3.2016 二零一三年三月二十八日至 二零一六年三月二十七日	28.3.2013 二零一三年三月二十八日	45,000	(45,000)	-	-	-	-
			28.3.2014-27.3.2016 二零一四年三月二十八日至 二零一六年三月二十七日	28.3.2014 二零一四年三月二十八日	45,000	(45,000)	-	-	-	-
			28.3.2015-27.3.2016 二零一五年三月二十八日至 二零一六年三月二十七日	28.3.2015 二零一五年三月二十八日	60,000	(60,000)	-	-	-	-
					620,000	(210,000)	(410,000)	-	-	-

## 42 以股份為基礎付款(續)

## 首次公開發售後購股權計劃(續)

根據該計劃授出的購股權及其後變動詳情如下：

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註 (續)

42 SHARE-BASED PAYMENT TRANSACTIONS  
(continued)

Post-IPO Share Option Scheme (continued)

42 以股份為基礎付款(續)

首次公開發售後購股權計劃(續)

Category of Eligible Scheme	Date of grant	Exercise Price per share	Exercisable period	Vesting date	Number of options outstanding as at 1.1.2015	Exercised during the year	Lapsed/forfeited during the year	Number of options outstanding as at 31.12.2015		Number of options outstanding as at 31.12.2016	
					於二零一五年一月一日尚未行使的購股權數目			於二零一五年十二月三十一日尚未行使的購股權數目	於二零一六年十二月三十一日尚未行使的購股權數目	於二零一六年十二月三十一日尚未行使的購股權數目	
參與者類別	授出日期	每股行使價	行使期	歸屬日期	購股權數目	年內行使	失效/沒收	購股權數目	購股權數目	購股權數目	購股權數目
						(Note a) (附註a)	(Note b) (附註b)	(Note a) (附註a)	(Note c) (附註c)		
Employees and other participants 僱員及其他參與者	3.5.2011 二零一一年五月三日	HK\$6.388 6.388 港元	4.5.2014-3.5.2015 二零一四年五月四日至二零一五年五月三日	4.5.2014 二零一四年五月四日	4,180,000	(2,400,000)	(1,780,000)	-	-	-	-
Employees and other participants 僱員及其他參與者	28.3.2012 二零一二年三月二十八日	HK\$4.186 4.186 港元	28.3.2013-27.3.2016 二零一三年三月二十八日至二零一六年三月二十七日	28.3.2013 二零一三年三月二十八日	2,805,000	(2,725,000)	-	80,000	(60,000)	(20,000)	-
			28.3.2013-27.3.2016 二零一三年三月二十八日至二零一六年三月二十七日	28.3.2014 二零一四年三月二十八日	2,805,000	(2,289,000)	-	516,000	(106,000)	(410,000)	-
			28.3.2013-27.3.2016 二零一三年三月二十八日至二零一六年三月二十七日	28.3.2015 二零一五年三月二十八日	3,740,000	(1,948,000)	(200,000)	1,592,000	(20,000)	(1,572,000)	-
					13,530,000	(9,362,000)	(1,980,000)	2,188,000	(186,000)	(2,002,000)	-
					14,150,000	(9,572,000)	(2,390,000)	2,188,000	(186,000)	(2,002,000)	-
Number of options exercisable at the end of the year 於年底行使的購股權數目					10,350,000			2,188,000			-
Weighted average exercise price 加權平均行使價					HK\$4.91 4.91 港元	HK\$4.75 4.75 港元	HK\$6.20 6.20 港元	HK\$4.19 4.19 港元	HK\$4.19 4.19 港元	HK\$4.19 4.19 港元	-

42 SHARE-BASED PAYMENT TRANSACTIONS  
(continued)

## Post-IPO Share Option Scheme (continued)

Notes:

- (a) In respect of the share options exercised during the year ended 31 December 2016, the share prices at the dates of exercise ranged from HK\$4.32 to HK\$4.35 (2015: HK\$5.05 to HK\$12.46).
- (b) 410,000 and 1,980,000 share options granted to directors and employees, respectively, were lapsed due to maturity of unexercised options in 2015 or forfeited due to resignation of certain employees.
- (c) 2,002,000 share options granted to employees were lapsed due to maturity of unexercised options in 2016 or forfeited due to resignation of certain employees.
- (d) The fair value of the options was calculated using the Binomial model. The inputs into the model were as follows:

		Share options granted on 3.5.2011 於二零一一年五月三日授出之購股權		
		Lot 1 第一批	Lot 2 第二批	Lot 3 第三批
Grant date share price	授出日期股價	HK\$6.20 6.20 港元	HK\$6.20 6.20 港元	HK\$6.20 6.20 港元
Exercise price	行使價	HK\$6.388 6.388 港元	HK\$6.388 6.388 港元	HK\$6.388 6.388 港元
Expected volatility	預期波幅	42.747%	53.510%	51.323%
Expected option period	預期購股權年期	1.503 years 1.503 年	2.503 years 2.503 年	3.503 years 3.503 年
Risk-free rate	無風險利率	0.406%	0.778%	1.195%
Expected dividend yield	預期股息率	1.448%	1.448%	1.448%

		Share options granted on 28.3.2012 於二零一二年三月二十八日授出之購股權		
		Lot 1 第一批	Lot 2 第二批	Lot 3 第三批
Grant date share price	授出日期股價	HK\$4.10 4.10 港元	HK\$4.10 4.10 港元	HK\$4.10 4.10 港元
Exercise price	行使價	HK\$4.186 4.186 港元	HK\$4.186 4.186 港元	HK\$4.186 4.186 港元
Expected volatility	預期波幅	44.334%	46.651%	51.539%
Expected option period	預期購股權年期	2.500 years 2.500 年	3.000 years 3.000 年	3.500 years 3.500 年
Risk-free rate	無風險利率	0.276%	0.338%	0.373%
Expected dividend yield	預期股息率	0.902%	0.902%	0.902%

## 42 以股份為基礎付款(續)

## 首次公開發售後購股權計劃(續)

附註:

- (a) 就於截至二零一六年十二月三十一日止年度行使的購股權而言，於行使日期的股份價格介乎4.32港元至4.35港元(二零一五年：5.05港元至12.46港元)。
- (b) 分別授予董事及僱員的410,000份及1,980,000份購股權因於二零一五年未行使的購股權到期而失效或因部分僱員辭職而被沒收。
- (c) 授予僱員的2,002,000份購股權因於二零一六年未行使的購股權到期而失效或因部分僱員辭職而被沒收。
- (d) 購股權之公平值乃使用二項式模型計算。該模型之輸入數據如下：

## 42 SHARE-BASED PAYMENT TRANSACTIONS (continued)

### Post-IPO Share Option Scheme (continued)

Notes: (continued)

(d) (continued)

Expected volatility was determined with reference to the historical volatility of certain comparable listed companies.

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.

In respect of the share options granted, taking into account of (i) the applicable vesting period and (ii) the number of options expected to ultimately vest, the Group recognised share-based payment expense of HK\$428,000 for the year ended 31 December 2015.

## 42 以股份為基礎付款 (續)

### 首次公開發售後購股權計劃 (續)

附註：(續)

(d) (續)

預期波幅乃參考若干可資比較上市公司之以往波幅釐定。

計算購股權公平值時使用之變數及假設乃根據董事之最佳估計。購股權價值因應若干主要假設之不同變數而改變。

就授出的購股權而言，鑒於(i)適用歸屬期及(ii)預期最終歸屬的購股權數目，截至二零一五年十二月三十一日止年度本集團確認以股份為基礎的付款開支428,000港元。

## 43 PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### (a) General information of principal subsidiaries

## 43 本公司之附屬公司詳情

### (a) 主要附屬公司一般資料

Name of subsidiary 附屬公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益 及投票權		Principal activities 主要業務
					2016 二零一六年	2015 二零一五年	
Delco Europe B.V.		The Netherlands 荷蘭	The Netherlands 荷蘭	EUR18,151 18,151 歐元	100%	100%	Purchasing agent of the Group 本集團之採購代理
Chiho-Tiande (HK) Limited 齊合天地(香港)有限公司		Hong Kong 香港	Hong Kong 香港	HK\$1 1 港元	100%	100%	Purchasing agent of the Group and wholesales of metal scrap without processing 為本集團採購及批發 未經加工之廢金屬
Chiho-Tiande (HK) Metals Recycling Co., Limited ("CTHK Metals") 齊合天地(香港)再生金屬有限公司 (「齊合香港金屬」)		Hong Kong 香港	Hong Kong 香港	HK\$35,000,000 35,000,000 港元	70%	70%	Trading of metal scrap 買賣廢金屬

## 43 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

## 43 本公司之附屬公司詳情(續)

## (a) General information of principal subsidiaries (continued)

## (a) 主要附屬公司一般資料(續)

Name of subsidiary 附屬公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益 及投票權		Principal activities 主要業務
					2016 二零一六年	2015 二零一五年	
Chiho-Tiande (Ningbo) Metals Recycling Co., Limited 齊合天地(寧波)再生金屬有限公司	(i)	The PRC 中國	The PRC 中國	US\$20,000,000 20,000,000美元	100%	100%	Processing and sales of metal scraps 加工及銷售廢金屬
Taizhou Chiho-Tiande Foundry Company Limited 台州齊合天地鑄造有限公司		The PRC 中國	The PRC 中國	US\$7,500,000 7,500,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及銷售金屬產品
Taizhou Chiho-Tiande Metals Company Limited 台州齊合天地金屬有限公司		The PRC 中國	The PRC 中國	US\$108,000,000 (2015: US\$62,382,000) 108,000,000美元 (二零一五年： 62,382,000美元)	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及銷售金屬產品
Shanghai Chiho-Tiande Resource Recycling Co., Limited ("CT Shanghai") 上海齊合天地再生資源有限公司		The PRC 中國	The PRC 中國	RMB52,000,000 人民幣52,000,000元	51%	51%	Processing and sales of metal scrap 加工及銷售廢金屬
Chiho-Tiande (Yantai) Resources Recycling Co. Limited 齊合天地(煙台)再生資源有限公司		The PRC 中國	The PRC 中國	US\$40,000,000 40,000,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Chiho-Tiande (Yantai) Environmental Technology Co., Limited 齊合天地(煙台)環保科技有限公司	(i)	The PRC 中國	The PRC 中國	US\$29,999,970 (2015: US\$18,999,970) 29,999,970美元 (二零一五年： 18,999,970美元)	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Dalian New Green Recycle & Resources Corporation 大連新綠再生資源加工有限公司		The PRC 中國	The PRC 中國	JPY8,566,011,000 8,566,011,000日圓	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬



Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

43 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

43 本公司之附屬公司詳情(續)

(a) General information of principal subsidiaries (continued)

(a) 主要附屬公司一般資料(續)

Name of subsidiary 附屬公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益 及投票權		Principal activities 主要業務
					2016 二零一六年	2015 二零一五年	
Yantai Liheng Environmental Protection Technology Co., Ltd 烟台立衡環保科技有限公司		The PRC 中國	The PRC 中國	RMB55,150,000 人民幣55,150,000元	60%	N/A 不適用	Processing and sales of lubricating oil 加工及銷售潤滑油
Chiho Eco Protection Limited 齊合綠色環保有限公司		Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100%	N/A 不適用	Investment, management and trading 投資、管理及貿易
Scholz Recycling GmbH		Germany 德國	Germany 德國	EUR20,000,000 20,000,000歐元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Fegert Recycling GmbH		Germany 德國	Germany 德國	EUR84,000 84,000歐元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
ESM Schrott- und Metallhandel GmbH		Germany 德國	Germany 德國	EUR230,000 230,000歐元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
SRT Schrott Recycling Thüringen GmbH		Germany 德國	Germany 德國	EUR30,000 30,000歐元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Metallaufbereitung Zwickau GmbH		Germany 德國	Germany 德國	EUR5,000,000 5,000,000歐元	100%	N/A 不適用	Renting of properties 租賃物業
Scholz Industrieservice GmbH		Germany 德國	Germany 德國	EUR50,000 50,000歐元	100%	N/A 不適用	Providing personnel services 提供人事服務

# Notes to the Consolidated Financial Statements (continued)

## 綜合財務報表附註 (續)

### 43 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

#### (a) General information of principal subsidiaries (continued)

### 43 本公司之附屬公司詳情(續)

#### (a) 主要附屬公司一般資料(續)

Name of subsidiary 附屬公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益 及投票權		Principal activities 主要業務
					2016 二零一六年	2015 二零一五年	
SRW metalfloat GmbH		Germany 德國	Germany 德國	EUR1,000,000 1,000,000 歐元	100%	N/A 不適用	Processing of shredder-light and shredder-heavy fraction 破碎後輕質及 重質碎料處理
Scholz Polska Sp. z.o.o.		Poland 波蘭	Poland 波蘭	PLN88,501,000 88,501,000 茲羅提	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Liberty Iron & Metal, LLC		USA 美國	USA 美國	US\$23,879,000 23,879,000 美元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Liberty Iron & Metal Southwest LLC		USA 美國	USA 美國	US\$8,419,800 8,419,800 美元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Diamond Hurwitz Scrap LLC		USA 美國	USA 美國	US\$7,095,600 7,095,600 美元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Premier Metals Group LLC		USA 美國	USA 美國	US\$952,100 952,100 美元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Mercer Co., LLC		USA 美國	USA 美國	US\$43,965,600 43,965,600 美元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬

Notes to the Consolidated Financial Statements (continued)  
綜合財務報表附註（續）

43 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

43 本公司之附屬公司詳情(續)

(a) General information of principal subsidiaries (continued)

(a) 主要附屬公司一般資料(續)

Name of subsidiary 附屬公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益 及投票權		Principal activities 主要業務
					2016 二零一六年	2015 二零一五年	
Interstate Shredding LLC		USA 美國	USA 美國	US\$100 100美元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Scholz Management Service GmbH		Germany 德國	Germany 德國	EUR25,000 25,000歐元	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
SIV Immobilien Verwaltungs-GmbH		Germany 德國	Germany 德國	EUR25,000 25,000歐元	100%	N/A 不適用	Renting of real estate 租賃地產
Uniscrap A/S		Denmark 丹麥	Denmark 丹麥	DKK20,003,000 20,003,000丹麥克朗	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Uniscrap Sverige AB		Sweden 瑞典	Sweden 瑞典	SEK100,000 100,000瑞典克朗	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Firemet s.r.o.		Czech Republic 捷克共和國	Czech Republic 捷克共和國	CZK5,200,000 5,200,000捷克克朗	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬
Scholz Recycling Kft.		Hungary 匈牙利	Hungary 匈牙利	HUF13,300,000 13,300,000匈牙利福林	100%	N/A 不適用	Processing and sales of metal scrap 加工及銷售廢金屬

Notes:

- (i) These entities are wholly-foreign owned enterprises established in the PRC.

附註：

- (i) 該等實體為於中國成立之外商獨立企業。

#### 43 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

##### (b) Details of non-wholly owned subsidiaries that have material non-controlling interest

The non-controlling interests of all non-wholly owned subsidiaries are individually not material to the Group.

#### 44 CONTINGENCIES

- (a) The Company is a defendant to a legal claim by Delco (the Claim") regarding an alleged non-payment of the loan advanced by Delco Asia Company Limited ("Delco Asia") to subsidiaries of the Company, amounting to approximately HK\$57,827,000 together with interest and costs. Delco alleged that it acquired the assets and liabilities of Delco Asia in 2011. Delco Asia was dissolved by deregistration in 2012. Each of Mr. Fang and HWH undertook to the Company to indemnify and hold the Company harmless on demand against all losses arising out of, inter alia, the Claim in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015 (the "Indemnity"). In addition, HWH has paid the amount of HK\$57,827,118 to a lawyer in an escrow account ("Escrow Account") as security for any liability of the Company in respect of, inter alia, the Claim.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers and in review of the Indemnity and the Escrow Account, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the Claim. Accordingly, no provision of the claim has been made.

#### 43 本公司之附屬公司詳情(續)

##### (b) 擁有重大非控股權益之非全資附屬公司之詳情

全部非全資附屬公司之非控股權益對本集團單獨而言並不重大。

#### 44 或然事項

- (a) 本公司為Delco就聲稱未償還Delco Asia Company Limited (「Delco Asia」)墊付予本公司附屬公司的貸款金額約57,827,000港元連同利息及相關費用而提起的法律索賠(「該訴訟」)的被告人。Delco稱其已於二零一一年收購Delco Asia的資產及負債。於二零一二年，Delco Asia以撤銷註冊方式解散。方先生及HWH各自向本公司承諾，根據方先生與HWH以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款，彌償本公司因其中包括該訴訟產生的所有損失及使本公司不受到損失(「彌償」)。此外，HWH已向律師支付57,827,118港元的信託賬戶(「信託賬戶」)，作為本公司有關(其中包括)該訴訟的任何責任的擔保。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見及審閱彌償及信託賬戶後，本公司董事認為履行該訴訟不可能導致經濟利益的流出因此，並無就索賠作出撥備。

#### 44 CONTINGENCIES (continued)

- (b) The Company is a defendant to a legal claim by Delco (the "Claim") regarding an alleged breach of a letter of undertaking in relation to a convertible bond issued by the Company and subscribed for by Delco. Delco further claimed against Chiho-Tiande (HK) limited ("CTHK") for a sum of US\$1,000,000, allegedly advanced by Delco Asia to CTHK. Delco further claims interests, costs and further or other relief of HK\$6,252,000.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the Claim. Accordingly, no provision of the claim has been made.

- (c) The Group has contingent liabilities of approximately HK\$27,460,000 which consist of non-financial guarantee in favour of investee entities.

#### 44 或然事項(續)

- (b) 本公司為Delco就聲稱違反本公司所發行及Delco所認購之可換股債券所涉及之承諾函件而提起的法律索賠(「該訴訟」)的被告人。Delco進一步向齊合天地(香港)有限公司(「齊合香港」)申索金額1,000,000美元，該款項聲稱是由Delco Asia墊付予齊合香港。Delco再申索利息、訟費及進一步或其他寬免，涉及金額6,252,000港元。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見後，本公司董事認為履行該訴訟不可能導致經濟利益的流出因此，並無就索賠作出撥備。

- (c) 本集團擁有或然負債約為27,460,000港元，由以被投資實體為受益人的非融資性擔保組成。

# 5-Year Financial Summary

## 五年財務摘要

### Summary of selected items of consolidated statement of profit and loss 綜合損益表選定項目概要

		For the year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Revenue	收益	3,211,431	3,136,633	5,877,970	7,222,003	8,202,702
(Loss)/profit before income tax	除所得稅前 (虧損)/溢利	(443,568)	(1,143,684)	(1,067,611)	(381,776)	72,034
Income tax credit/(expense)	所得稅抵免/(開支)	384	(337)	(3,629)	(25,742)	(32,683)
(Loss)/profit for the year attributable to:	以下各方應佔年內 (虧損)/溢利：					
Owners of the Company	本公司擁有人	(439,893)	(1,138,804)	(1,057,980)	(382,920)	88,591
Non-controlling interest	非控股權益	(3,291)	(5,217)	(13,260)	(24,598)	(49,240)
		(443,184)	(1,144,021)	(1,071,240)	(407,518)	39,351

### Summary of selected items of consolidated balance sheet 綜合資產負債表選定項目概要

		As at 31 December 於十二月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
<b>Asset</b>	<b>資產</b>					
Current assets	流動資產	6,400,213	4,920,289	2,659,117	4,063,369	4,496,007
Non-current assets	非流動資產	5,471,803	1,117,635	981,908	853,923	705,972
Total assets	資產總值	11,872,016	6,037,924	3,641,025	4,917,292	5,201,979
<b>Liabilities</b>	<b>負債</b>					
Current liabilities	流動負債	5,094,671	1,481,055	2,960,164	2,401,256	2,294,189
Non-current liabilities	非流動負債	2,692,884	143,035	37,505	809,347	834,248
Total liabilities	負債總值	7,787,555	1,624,090	2,997,669	3,210,603	3,128,437
		4,084,461	4,413,834	643,356	1,706,689	2,073,542
Equity attributable to:	以下各方應佔：					
Owners of the Company	本公司擁有人	4,117,211	4,487,975	724,050	1,774,360	2,115,005
Non-controlling interests	非控股權益	(32,750)	(74,141)	(80,694)	(67,671)	(41,463)
		4,084,461	4,413,834	643,356	1,706,689	2,073,542



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