

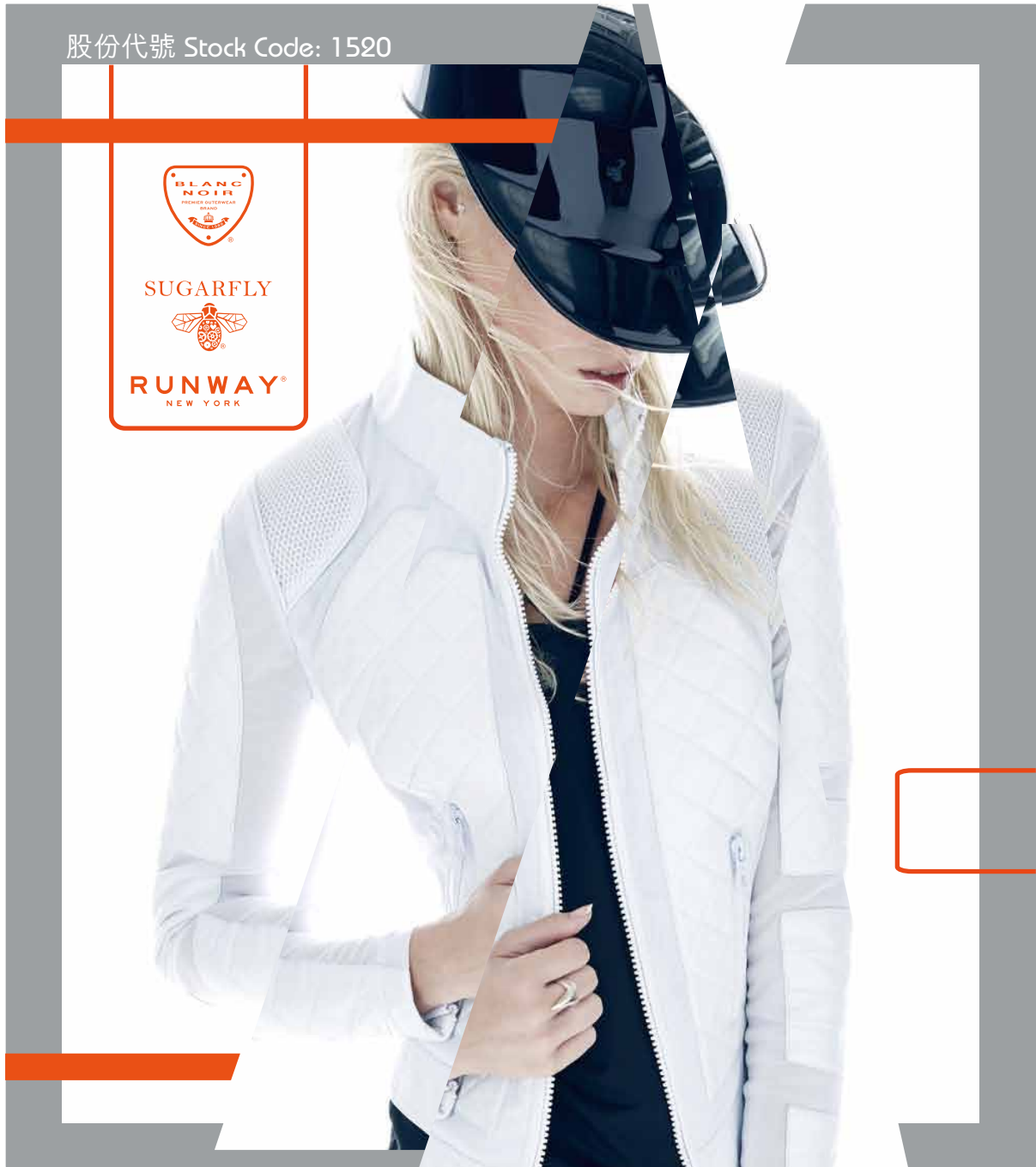
runway
global holdings company limited

時尚環球控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

股份代號 Stock Code: 1520



2016 ANNUAL REPORT 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Hubert Tien (*Chairman*)
Chen Gang
Qu Chengbiao
Yeung Kwok Leung
Cheng Tze Kit Larry
Liu Chun Fai

Independent Non-Executive Directors

Tang Shu Pui Simon
Tse Yuen Ming
Hon Ming Sang

Authorised Representatives

Hubert Tien
Chan Ka Yu

Company Secretary

Chan Ka Yu

Audit Committee

Hon Ming Sang (*Chairman*)
Tse Yuen Ming
Tang Shu Pui Simon

Remuneration Committee

Tse Yuen Ming (*Chairman*)
Cheng Tze Kit Larry
Liu Chun Fai
Hon Ming Sang
Tang Shu Pui Simon

Nomination Committee

Hon Ming Sang (*Chairman*)
Chen Gang
Liu Chun Fai
Tse Yuen Ming
Tang Shu Pui Simon

董事會

執行董事

田曉勃 (*主席*)
陳綱
瞿成彪
楊國良
鄭子傑
廖晉輝

獨立非執行董事

鄧澍煒
謝遠明
韓銘生

授權代表

田曉勃
陳家宇

公司秘書

陳家宇

審核委員會

韓銘生 (*主席*)
謝遠明
鄧澍煒

薪酬委員會

謝遠明 (*主席*)
鄭子傑
廖晉輝
韓銘生
鄧澍煒

提名委員會

韓銘生 (*主席*)
陳綱
廖晉輝
謝遠明
鄧澍煒

Corporate Information 公司資料

Corporate Governance Committee

Tse Yuen Ming (*Chairman*)
Liu Chun Fai
Hon Ming Sang
Tang Shu Pui Simon
Chan Ka Yu

Compliance Officer

Hubert Tien

Auditor

BDO Limited

Principal Bankers

Citibank, N.A., Hong Kong Branch
DBS Bank (Hong Kong) Limited
Cathay Bank, Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited

Registered Office

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

Head Office And Principal Place of Business in Hong Kong

14th Floor, PeakCastle
476 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

Principal Share Registrar and Transfer Office

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

企業管治委員會

謝遠明 (主席)
廖晉輝
韓銘生
鄧澍培
陳家宇

合規主任

田曉勃

核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

花旗銀行香港分行
星展銀行(香港)有限公司
國泰銀行香港分行
香港上海滙豐銀行有限公司
東亞銀行有限公司

註冊辦事處

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

總辦事處及香港主要營業地點

香港
九龍
長沙灣
青山道476號
PeakCastle14樓

主要股份登記及過戶辦事處

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

Corporate Information 公司資料

**Hong Kong Branch Share Registrar
and Transfer Office**

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

Website

www.runwayglobal.com

Stock Code

1520

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 22 樓

網頁

www.runwayglobal.com

股份代號

1520

Financial Summary

財務概要

Results	業績	2016 HK\$'000	Year ended 31 December 截至十二月三十一日止年度			
			2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue	收入	368,857	371,725	379,715	360,707	331,088
Gross profit	毛利	94,079	92,819	94,087	84,941	81,222
(Loss)/Profit before income tax	除所得稅前 (虧損)/溢利	(17,768)	19,386	31,567	18,365	28,301
(Loss)/Profit attributable to the owners of the Company	本公司擁有人 應佔(虧損)/ 溢利	(18,769)	15,732	25,679	13,529	23,152

Financial position	財務狀況	2016 HK\$'000 千港元	As at 31 December 於十二月三十一日			
			2015 HK\$'000 千港元	2014 HK\$'000 千港元	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Total assets	總資產	397,884	203,344	210,034	196,950	158,396
Interest-bearing borrowings	計息借貸	54,793	879	3,131	9,564	2,478
Total liabilities	總負債	133,732	67,587	87,265	99,685	101,663
Shareholders' equity	股東權益	264,152	135,757	122,769	97,265	56,733
Current ratio (note 1)	流動比率(附註1)	2.22	2.82	2.22	1.78	1.36
Quick ratio (note 2)	速動比率(附註2)	2.10	2.44	1.98	1.60	1.09
Return on assets (note 3)	資產回報率 (附註3)	(4.7%)	7.8%	12.2%	6.9%	14.6%
Return on equity (note 4)	股本回報率 (附註4)	(7.1%)	11.6%	20.9%	13.9%	40.8%
Gearing ratio (note 5)	資產負債比率 (附註5)	20.7%	0.6%	2.6%	9.8%	4.4%
Inventory turnover days (note 6)	存貨週轉天數 (附註6)	22 days/日	33 days/日	26 days/日	24 days/日	40 days/日
Trade receivables turnover days (note 7)	貿易應收款項週 轉天數(附註7)	60 days/日	63 days/日	57 days/日	72 days/日	46 days/日
Trade payables turnover days (note 8)	貿易應付款項週 轉天數(附註8)	50 days/日	47 days/日	67 days/日	78 days/日	92 days/日

Note:

1. Current ratio = current assets/current liabilities
2. Quick ratio = current assets less inventory/current liabilities
3. Return on assets = (Loss)/Profit attributable to the owners of the Company for the year/total assets
4. Return on equity = (Loss)/Profit attributable to the owners of the Company for the year/shareholders' equity
5. Gearing ratio = Interest-bearing borrowings/shareholders' equity
6. Inventory turnover days = Inventory balance/cost of sales for the year x number of days for the year
7. Trade receivables turnover days = Trade receivables/revenue for the year x number of days for the year
8. Trade payables turnover days = Trade payables/cost of sales for the year x number of days for the year

附註:

1. 流動比率 = 流動資產 / 流動負債
2. 速動比率 = 流動資產減存貨 / 流動負債
3. 資產回報率 = 本公司擁有人應佔年度(虧損) / 溢利 / 總資產
4. 股本回報率 = 本公司擁有人應佔年度(虧損) / 溢利 / 股東權益
5. 資產負債比率 = 計息借貸 / 股東權益
6. 存貨週轉天數 = 存貨結餘 / 年度銷售成本 x 年度天數
7. 貿易應收款項週轉天數 = 貿易應收款項 / 年度收入 x 年度天數
8. 貿易應付款項週轉天數 = 貿易應付款項 / 年度銷售成本 x 年度天數

Chairman's Statement

主席報告書

The economic environment was volatile and tough in 2016. Political and economic uncertainties continued to present challenging operating conditions to us. As the global trade environment further deteriorated in 2016, the Group's apparel operation experienced continuing unfavorable pressure.

In view of the above, in the year we explored new business opportunities in tertiary industry instead of relying solely on the secondary industry such that we could diversify our business scope and broaden revenue sources. In November 2016, we acquired Delta Wealth Finance Limited ("Delta Wealth") to exploring money lending business of which we believe money lending business will have a promising prospect.

APPAREL OPERATION

The revenue from apparel operation for the year 2016 was approximately HK\$368,116,000 (2015: HK\$371,725,000), declined by approximately 1%. The segment loss from apparel operation for the year 2016 was approximately HK\$2,259,000, compared with a segment profit of approximately HK\$21,536,000 for the year 2015.

The apparel industry is undergoing substantial changes. As a dynamic industry with intensive competition, apparel retailers are constantly evolving in terms of store formats, product categories, marketing trends and sales channels. One of the latest trends, e-commerce has intensified competition for apparel retailers and brands globally, leading to the highly price promotional landscape we saw in 2016.

On the other hand, despite China GDP's growth rate has slowed down in recent years, China's economic performance still outperformed other developed countries. As a result, the operating costs in China has been increasing over years at relatively rapid rates and this poses many challenges to our manufacturing operation which is located in China.

二零一六年經濟環境波動及艱難。政治及經濟不確定性持續為我們的經營情況帶來挑戰。隨著全球貿易環境在二零一六年進一步惡化，本集團的成衣營運持續不利受壓。

鑑於上述情況，本年度我們於第三產業開拓新商機，而非僅依賴第二產業，從而使我們的業務範圍多元化及擴闊收入來源。於二零一六年十一月，我們收購融富財務有限公司（前稱為濱海融富信貸有限公司）（「融富」），以開拓放債業務，我們相信放債業務前景樂觀。

成衣業務

二零一六年度成衣業務收入約為368,116,000港元（二零一五年：371,725,000港元），下跌約1%。二零一六年度成衣業務分部虧損約為2,259,000港元，而二零一五年度分部溢利約為21,536,000港元。

成衣行業正經歷重大變化。作為一個充滿活力而競爭激烈的行業，成衣零售商就商店模式、產品類別、營銷趨勢及銷售渠道不斷進化。電子商務作為最新趨勢之一，正加劇成衣零售商及品牌在全球的競爭，使我們在二零一六年目睹顯著的價格促銷格局。

另一方面，儘管中國GDP增長率近年來有所放緩，但中國的經濟表現仍然超越其他發達國家。因此，近年中國的經營成本一直以較快速度增長，對我們在中國的製造營運帶來眾多挑戰。

Chairman's Statement 主席報告書

MONEY LENDING OPERATION

Our newly acquired money lending business focuses on mortgage loans and secured loans and personal loans. The primary source of revenue is generated from interest received from loans provided to customers. The acquisition of money lending operation was completed on 28 November 2016, and the Group is accounted for income generated from Delta Wealth subsequent to the acquisition. The income from money lending business contributed approximately HK\$741,000 for the year. Including the impairment loss on goodwill of approximately HK\$11,453,000, the segment loss from money lending business was approximately HK\$11,259,000.

FUTURE PROSPECTS

In 2017, the global macroeconomic environment will be more complex and volatile. Global political uncertainties as well as the potential change of trade policy of United States after the change of presidency of the United States in 2017 also cast a shadow to our apparel operation as most of our customers are located in the United States. Despite the global uncertainties and challenges, the Group will continue to manage its existing businesses and explore new business opportunities with prudence to remain our competitiveness.

I would like to thank the Board of Directors and all our dedicated employees for their continued loyalty, diligence, professionalism and contributions to the Group.

Hubert Tien

Chairman

20 March 2017

放債業務

我們新收購的放債業務集中於按揭貸款及有抵押貸款及個人貸款。收入的主要來源為向客戶提供貸款所收取的利息。收購放債業務已於二零一六年十一月二十八日完成，本集團已計及收購後融富所產生的收入。本年度放債業務的收入約為741,000港元。包括商譽減值虧損約11,453,000港元，放債業務的分部虧損約為11,259,000港元。

未來展望

於二零一七年，全球宏觀經濟環境將更為複雜及波動。全球政治不確定性，以及二零一七年美國總統更替後美國貿易政策的潛在變化，亦對我們的成衣營運蒙上陰影，因我們大部分客戶位於美國。儘管面對全球不確定性及挑戰，本集團將繼續管理其現有業務，並謹慎開拓新商機，以保持我們的競爭力。

本人謹藉此衷心感謝董事會及所有專業員工對本集團持續忠誠、勤奮、敬業及貢獻。

田曉勃

主席

二零一七年三月二十日

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. Hubert TIEN, aged 48, was appointed as an executive Director (the "Director") on 19 June 2013. Mr. Tien is one of the founders of the Group and the chairman of the Board. He is responsible for overseeing the in-house operations, manufacturing and sourcing activities and devising business expansion plans of the Group. Mr. Tien has about 20 years of experience in garment trading, manufacturing and marketing in the United States, Australia and Canada markets. Mr. Tien was a director of Bright Cheer Company Limited ("Bright Cheer"), a textile company, from 1992 to 2004 prior to its dissolution. He ceased to participate in the operation of Bright Cheer in December 2000 and founded the Group with Mr. Farzad Gozashti in 2001. Bright Cheer ceased to carry on business afterwards and was dissolved by striking off in 2004 under section 291 of the Companies Ordinance. Mr. Tien is a brother of Ms. Winnie Tien, a member of the senior management of the Group.

Mr. CHEN Gang, aged 39, was appointed as an executive Director on 11 September 2015. Mr. Chen has years of experience in the banking and finance industries. He has worked for several positions in the Bank of Communications from November 2001 to May 2013, including customer service manager of the Wuxi Jiangyin Baihuayuan branch from November 2001 to October 2008, sub-branch deputy general manager of the Wuxi Jiangyin Baihuayuan branch from October 2008 to January 2010, sub-branch deputy general manager (in-charge) of the Wuxi Jiangyin Baihuayuan branch from January 2010 to May 2013. He has been the general manager of Shenzhen Yufenglong Factoring Company Limited, which is principally engaged in investment and asset management in China, since March 2014.

Mr. QU Chengbiao, aged 46, was appointed as an executive Director on 3 December 2015. Mr. Qu worked in Hubei Jianshi County Li Da Industrial Co., Ltd., which is principally engaged in property development and trading of building materials, from December 2010 to March 2015 where he served as the chief executive officer. He has been the chief executive officer of Hubei Jianshi County Jun Xing Mining Co., Ltd., which is principally engaged in processing and sales of coal, since April 2015. Mr. Qu graduated from Zhejiang A&F University (formerly known as, Zhejiang Agricultural College) in the People's Republic of China in July 1990.

Mr. Yeung Kwok Leung, aged 43, was appointed as an executive Director on 7 September 2016. Mr. Yeung holds a Bachelor's Degree in Accountancy and has over 20 years of experience in auditing, financial controlling, accounting, corporate developments as well as business strategies. He is a member of the Hong Kong Institute of Certified Public Accountants.

執行董事

田曉勃先生，48歲，於二零一三年六月十九日獲委任為本公司執行董事（「董事」）。田先生為本集團創辦人之一及董事會主席，負責監督本集團內部營運、生產及採購活動及制定業務擴展計劃。田先生就於美國、澳洲及加拿大市場貿易、生產及營銷成衣擁有約20年經驗。於一九九二年至二零零四年，紡織公司盈金紡織有限公司（「盈金紡織」）解散前，田先生為其董事。彼於二零零零年十二月停止參與盈金紡織之營運，並於二零零一年與Farzad Gozashti先生創辦本集團。盈金紡織其後停止經營業務，且於二零零四年根據公司條例第291條以註銷方式解散。田先生為本集團高級管理層成員田慧儀女士之胞兄。

陳綱先生，39歲，於二零一五年九月十一日獲委任為執行董事。陳先生擁有多多年銀行及金融行業從業經驗。彼曾於二零零一年十一月至二零一三年五月擔任交通銀行之若干職位，包括於二零零一年十一月至二零零八年十月擔任無錫市江陰百花園支行之對公客戶經理、於二零零八年十月至二零一零年一月擔任無錫市江陰百花園支行之支行副行長、於二零一零年一月至二零一三年五月擔任無錫市江陰百花園支行之支行副行長（主持工作）。彼自二零一四年三月起擔任深圳市煜豐隆保理有限公司之總經理，主要於中國從事投資及資產管理。

瞿成彪先生，46歲，於二零一五年十二月三日獲委任為執行董事。瞿先生自二零一零年十二月至二零一五年三月期間，任職於湖北建始縣麗達實業有限責任公司，該公司主要從事物業發展及建築材料買賣，彼擔任行政總裁。自二零一五年四月起，彼擔任湖北建始駿興礦業有限責任公司行政總裁，該公司主要從事煤炭加工及銷售。瞿先生於一九九零年七月畢業於中華人民共和國浙江農林大學（前稱浙江林學院）。

楊國良先生，43歲，於二零一六年九月七日獲委任為執行董事。楊先生持有會計專業學士學位，於核數、財務監控、會計、企業發展及業務策略方面具備逾二十年經驗。彼為香港會計師公會會員。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. Yeung was previously an executive director of The Hong Kong Building and Loan Agency Limited (stock code: 145). He was previously appointed as an executive director of Ceneric (Holdings) Limited (stock code: 542) in October 2010 and has been re-designated as a non-executive director in June 2015 and subsequently resigned in June 2016. Both The Hong Kong Building and Loan Agency Limited and Ceneric (Holdings) Limited are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. CHENG Tze Kit Larry, aged 60, was appointed as an executive Director on 24 November 2016. Mr. Cheng has over 26 years of experience in real estate development and mergers and acquisitions in Hong Kong, Canada and the PRC. He holds a Bachelor of Science (Hons) in Engineering from City University London, United Kingdom and a Master of Business Administration from the University of Management and Technology, Washington, D.C., United States. Mr. Cheng is a Chartered Engineer of United Kingdom and a member of the Institution of Mechanical Engineers, the Institution of Engineering and Technology and the Chartered Institution of Building Services Engineers.

Mr. Cheng was previously appointed as a non-executive director of Value Convergence Holdings Limited (stock code: 821) in November 2009 and was re-designated as an executive director in December 2009 and Mr. Cheng subsequently resigned in September 2016. Mr. Cheng was the Chief Investment Officer of Value Convergence Holdings Limited. Value Convergence Holdings Limited is a company listed on the Stock Exchange.

Mr. LIU Chun Fai, aged 29, was appointed as an executive Director on 24 November 2016. Mr. Liu obtained education in Canada. Mr. Liu has over five years of working experience in both legal and finance sectors. Mr. Liu is a member of the Racing Club of the Hong Kong Jockey Club and Hong Kong United Youth Association Limited. Mr. Liu also is a director of Jiangxi Overseas Friendship Association.

楊先生曾擔任香港建屋貸款有限公司(股份代號:145)之執行董事。彼曾於二零一零年十月獲委任為新嶺域(集團)有限公司(股份代號:542)之執行董事,並於二零一五年六月調任為非執行董事及於二零一六年六月辭任。香港建屋貸款有限公司及新嶺域(集團)有限公司均為香港聯合交易所有限公司(「聯交所」)上市公司。

鄭子傑先生, 60歲, 於二零一六年十一月二十四日獲委任為執行董事。鄭先生擁有逾二十六年的香港、加拿大及中國之房地產發展及併購經驗。彼持有英國倫敦城市大學工程學(榮譽)理學士學位及美國華盛頓特區美國管理科技大學工商管理碩士學位。鄭先生為英國特許工程師、機械工程師學會會員、工程技術學會會員及特許屋宇裝備工程師學會會員。

鄭先生曾於二零零九年十一月擔任滙盈控股有限公司(股份代號:821)出任非執行董事,並於二零零九年十二月獲調任為執行董事及於二零一六年九月辭任。鄭先生亦曾為滙盈控股有限公司之投資總監。滙盈控股有限公司為聯交所上市公司。

廖晉輝先生, 29歲, 於二零一六年十一月二十四日獲委任為執行董事。廖先生於加拿大獲得教育。廖先生在法律和金融行業有五年以上的工作經驗。劉先生是香港賽馬會賽馬競駿會之會員及香港青年聯會之會員。劉先生亦是江西省海外聯誼會理事。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. TANG Shui Pui Simon, aged 52, was appointed as independent non-executive Director on 22 August 2016. Mr. Tang is a solicitor and an accredited mediator with the Hong Kong International Arbitration Centre. Mr. Tang is a partner of P. C. Woo & Co., solicitors, a solicitor's firm with over 70 years of service in Hong Kong. Mr. Tang is a member of the Appeal Tribunal of the Hong Kong Federation of Insurers, Honorary Legal Advisor to the General Agents and Managers Association of Hong Kong, Founding Member and Vice President of the Hong Kong Institute Patent Attorneys, Senior Legal Adviser of the Hong Kong Brands Protection Alliance, Founding Member and Honorary legal Counsel of Hong Kong-ASEAN Economic Cooperation Foundation and member of the Standing Committee on Standards and Development of the Law Society of Hong Kong.

Mr. Tang was appointed on 22 November 2013 to be an independent non-executive Director of the Company. He was retired on 3 December 2015 as an independent non-executive director of the Company in order to devote more time for other personal pursuits. Other than the directorship of the Company, in the past three years, Mr. Tang was also a former non-executive director of Bestway International Holdings Limited (stock code: 718), which is listed on the Stock Exchange.

Mr. TSE Yuen Ming, aged 49, was appointed as independent non-executive Director on 2 November 2016. Mr. Tse is a partner of Messrs. Tung, Ng, Tse & Heung. He holds a bachelor of laws degree with honour from the University of Hong Kong and admitted to The Supreme Court of Hong Kong as a solicitor in 1993.

Mr. Tse has been an independent non-executive director of Daido Group Limited (stock code: 544), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Inno-Tech Holdings Limited (stock code: 8202) and Celebrate International Holdings Limited (stock code: 8212), both companies are listed on the Growth Enterprise Market of the Stock Exchange, since August 2003, November 2014 and November 2015 respectively. Mr. Tse is the Executive Vice President of Hong Kong Guangxi Chamber of Commerce Limited, the Chairman of Professional Service Committee of The Hong Kong General Chamber of Small and Medium Business and the Legal Adviser of Life Underwriters & Sales Executives Board (H.K.) Limited.

獨立非執行董事

鄧樹培先生，52歲，於二零一六年八月二十二日獲委任為獨立非執行董事。鄧先生為香港執業事務律師及香港國際仲裁中心認可調解員。鄧先生為香港胡百全律師事務所合夥人，該所為香港貢獻法律服務超過70年。鄧先生並為香港保險業聯會上訴裁判處委員、香港人壽保險經理協會名譽法律顧問、香港專利師協會創辦成員及副主席、香港工商品牌保護陣綫常務法律顧問、香港—東盟經濟合作基金會創辦會員及義務法律顧問及香港律師會專業水準及發展常務委員會委員。

鄧先生於二零一三年十一月二十二日獲委任為本公司獨立非執行董事。因為其他個人事務投放更多時間，彼於二零一五年十二月三日辭任本公司獨立非執行董事。除擔任本公司董事之外，鄧先生亦曾擔任百威國際控股有限公司（股份代號：718）的非執行董事（為聯交所上市公司）。

謝遠明先生，49歲，於二零一六年十一月二日獲委任為獨立非執行董事。謝先生為董吳謝律師事務所之合夥人。彼持有香港大學法律榮譽學士學位，於一九九三年獲香港最高法院確認為律師。

謝先生自二零零三年八月起出任大同集團有限公司（股份代號：0544，於香港聯合交易所有限公司（「聯交所」）主板上市之公司）之獨立非執行董事、自二零一四年十一月起出任匯創控股有限公司（股份代號：8202）之獨立非執行董事及自二零一五年十一月起出任譽滿國際（控股）有限公司（股份代號：8212）之獨立非執行董事，該兩間公司均於聯交所創業板上市。謝先生為香港廣西總商會有限公司之執行副主席、香港中小型企業總商會專業服務委員會主席及壽險營業委員會（香港）有限公司之法律顧問。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. Hon Ming Sang, aged 38, was appointed as independent non-executive Director on 2 November 2016. Mr. Hon obtained an honor degree of Professional Accountancy in the School of Accountancy from The Chinese University of Hong Kong. Mr. Hon is a CFA charter. He is also a member of The Hong Kong Society of Financial Analysts, a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators.

Mr. Hon is an executive director of China Smarter Energy Group Holdings Limited (stock code: 1004), a company listed on the main board of the Stock Exchange. He is also an executive director of Hanbo Enterprises Holdings Limited (stock code: 1367), a company listed on the main board of the Stock Exchange. From January 2010 to January 2014, Mr. Hon was an executive director, financial controller and qualified accountant of Carnival Group International Holdings Limited (stock code: 996), a company listed on the main board of the Stock Exchange.

SENIOR MANAGEMENT

Ms. Tin Yuen Sin Carol, aged 51, is the director of Delta Wealth Finance Limited, a wholly-owned subsidiary of the Company. Ms. Tin is an entrepreneur operating business including money lending business and fine dining business. Ms. Tin also has extensive experience in trading business in Hong Kong and China. Ms. Tin was an executive director of Carnival Group International Holdings Limited ("Carnival") (formerly known as Oriental Ginza Holding Limited and CASH Retail Management Group Limited) (stock code: 996) for the period from 2005 to 2011. Ms. Tin also served as chairperson of Carnival from 2006 to 2011 and was responsible for the overall strategic planning and policy making.

Ms. Winnie TIEN, aged 46, is the chief administration officer and head of quality control of the Group principally responsible for overseeing the Group's administrative matters and quality control. Ms. Tien joined the Group on 8 October 2001. Ms. Tien completed a professional diploma course in human resource management (PRC) organised by the Hong Kong Productivity Council in March 2009. Ms. Tien has been participating in the management of the Group's overall operation for over 10 years. She has been primarily responsible for the Group's supervision, quality control, administration and management. Ms. Tien is a sister of Mr. Tien, an executive Director.

韓銘生先生，38歲，於二零一六年十一月二日獲委任為獨立非執行董事。韓先生獲得香港中文大學會計學院專業會計榮譽學位。韓先生為特許財務分析師。彼亦為香港財經分析師學會會員、香港會計師公會會員、英國特許公認會計師公會資深會員、香港特許秘書公會會員以及英國特許秘書及行政人員公會會員。

韓先生現為中國智慧能源集團控股有限公司（股份代號：1004，於聯交所主板上市之公司）執行董事。彼亦為恒寶企業控股有限公司（股份代號：1367，於聯交所主板上市之公司）。由二零一零年一月起至二零一四年一月，韓先生曾為嘉年華國際控股有限公司（股份代號：996，於聯交所主板上市之公司）之執行董事、財務總監及合資格會計師。

高級管理層

田琬善女士，51歲，為本公司全資附屬公司融富之董事。田女士為經營包括放債業務及高級餐廳業務之企業家。田女士亦於中港貿易業務擁有豐富經驗。田女士自二零零五年至二零一一年期間曾擔任嘉年華國際控股有限公司（「嘉年華」）（前稱東方銀座控股有限公司及時惠環球控股有限公司）（股份代號：996）之執行董事。田女士自二零零六年至二零一一年亦曾擔任嘉年華之主席並負責整體策略規劃及政策制訂。

田慧儀女士，46歲，為本集團行政總監兼品質監控部主管，主要負責監督本集團行政事務及品質監控工作。田女士於二零零一年十月八日加盟本集團。田女士於二零零九年三月修畢由香港生產力促進局舉辦的國內人力資源管理專業文憑課程。田女士參與本集團整體營運管理工作超過10年，彼主要負責本集團的監督、品質監控、行政及管理工作。田女士為執行董事田先生之胞妹。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Mr. CHAN Ka Yu, aged 37, is the chief financial officer of the Group and company secretary of the Company and Runway Global limited, an indirect wholly owned subsidiary of the Company. Mr. Chan joined the Group in late June 2013. He is responsible for overseeing the Group's financial reporting and company secretarial matters of the Group. Mr. Chan graduated with a bachelor of commerce in accounting from the Hong Kong Shue Yan University in October 2009. He is a member of the Hong Kong Institute of Certified Public Accountants.

From September 2010 to April 2012, Mr. Chan was employed as a senior accountant of JBPB & Company ("JBPB") and his last position was senior associate at BDO Limited ("BDO") (due to merger of business between JBPB and BDO). From May 2012 to April 2013, he worked as an investor relations officer for Fantasia Group (China) Company Limited, a subsidiary of Fantasia Holdings Group Co., Limited (stock code: 1777), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. David BLITZ, aged 48, is the Group's head of sales and marketing for the United States. Mr. Blitz joined the Group in April 2006. He is primarily responsible for overseeing the Group's sales and marketing activities in the US market and in particular, establishing and maintaining customer relationship. Mr. David Blitz has accumulated about 20 years of experience in the fashion industry. Prior to joining the Group, Mr. David Blitz worked in G-III Apparel Group from June 1992 to January 1997. He worked in Amerex Group LLC, an international apparel company, from January 1997 to July 2006. Mr. David Blitz graduated from the University of South Florida with a Bachelor Degree of Science (Business Administration).

Ms. LI Yinzhen, aged 48, is the head of Jiaying Runway Global Garment Limited ("Runway Jiaying"), an indirect wholly owned subsidiary of the Company, principally responsible for overall management of the manufacturing operation of Runway Jiaying. Ms. Li has more than 12 years of experience in apparel manufacturing in the PRC. Before Ms. Li joined the Group in April 2006, she worked at Sky Voice International Company Limited, an apparel manufacturer, from 2000 to 2005.

陳家宇先生，37歲，為本集團財務總監兼本公司及時尚環球有限公司（本公司之間接全資附屬公司）之公司秘書。陳先生於二零一三年六月底加入本集團。彼負責監督本集團財務申報及公司秘書事務。於二零零九年十月，陳先生畢業於香港樹仁大學，獲頒會計學商學士學位。彼為香港會計師公會成員。

於二零一零年九月至二零一二年四月，陳先生於莊柏會計師行（「莊柏」）任職高級會計師，彼於離職前的職位為香港立信德豪會計師事務所有限公司（「立信德豪」）（源於莊柏與立信德豪進行業務合併）之資深會計師。二零一二年五月至二零一三年四月期間，彼曾擔任花樣年控股集團有限公司（股份代號：1777，其股份於聯交所主板上市）附屬公司花樣年集團（中國）有限公司的投資者關係主任。

David BLITZ先生，48歲，為本集團美國銷售及營銷主管。Blitz先生於二零零六年四月加入本集團。彼主要負責監察本集團於美國市場之銷售及市場推廣活動，尤其是建立及維持客戶關係。David Blitz先生於時裝界累積約20年經驗。加入本集團前，David Blitz先生曾於一九九二年六月至一九九七年一月於G-III Apparel Group工作。一九九七年一月至二零零六年七月期間，彼於國際服裝公司Amerex Group LLC任職。David Blitz先生畢業於南佛羅里達大學，獲頒科學（工商管理）學士學位。

李引珍女士，48歲，為時尚環球服飾（嘉興）有限公司（「時尚嘉興」，本公司間接全資附屬公司）主管，主要負責時尚嘉興生產業務的整體管理。李女士於中國服裝製造業擁有超過12年經驗。李女士於二零零六年四月加入本集團前，曾於二零零零年至二零零五年期間，於服裝生產商天歌國際有限公司工作。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

Ms. MA Wing Sze, aged 47, is the Group's assistant merchandising manager principally responsible for merchandising. Ms. Ma joined the Group on 22 October 2001. Ms. Ma has over 20 years of experience in merchandising and marketing in the apparel industry. Prior to joining of the Group, Ms. Ma worked as a merchandiser from 1991 to 2001 for companies including Atex Garments Limited and Rena Gabriel HK Limited.

Ms. Sue McBRIDE, aged 40, is the Group's senior designer. Ms. McBride joined the Group in July 2008. She is primarily responsible for the design and development of different types of apparel products of the Group. Ms. McBride has about 11 years of experience in design of garment. Prior to joining the Group, Ms. McBride was employed by Guess Manufacturing Inc. from August 2002 to May 2008 and she held the full-time position of senior designer.

馬詠詩女士，47歲，為本集團助理採購經理，主要負責採購工作。馬女士於二零零一年十月二十二日加入本集團。彼於服裝業擁有逾20年的採購及營銷經驗。加入本集團前，馬女士曾於一九九一年至二零零一年於Atex Garments Limited及宏基堡香港有限公司等公司任職採購員。

Sue McBRIDE女士，40歲，為本集團高級設計師。McBride女士於二零零八年七月加入本集團。彼主要負責設計及發展本集團各式各樣的服裝產品。McBride女士於成衣設計擁有約11年經驗。加入本集團前，McBride女士曾於二零零二年八月至二零零八年五月期間，受聘於Guess Manufacturing Inc.，擔任全職高級設計師。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in designing, manufacturing and trading of apparels and loan financing business.

APPAREL OPERATION

Revenue from apparel operation is principally derived from the sales of apparel products. The Group's products can be classified into two categories, namely, private label products and own brand products. Private label products are those designed and manufactured under the private labels owned or specified by the Group's customers, while own brand products are those designed and manufactured under the Group's proprietary labels.

Revenue from apparel operation slightly decreased from approximately HK\$371,725,000 in year 2015 to HK\$368,116,000 in year 2016, representing decline of approximately 1.0%, as impacted by lower revenue from certain major customers with long business relationship. On the other hand, we struggled in 2016 to seek out new customers and the revenue from those new customers offset the adverse impact from lost revenue from those major customers in certain extent.

PRIVATE LABEL PRODUCTS

The revenue from private label products decreased by approximately 20.2% to approximately HK\$231,560,000 (2015: HK\$290,311,000). Although the revenue from private label products declined in the year, private label products continued to be the core business of the Group, contributing to 62.9% (2015: 78.1%) of the total revenue from apparel operation for the year. In line with the decrease of revenue from private label products, gross profit earned from private label products also decreased by 22.8% to approximately HK\$50,184,000 (2015: HK\$65,041,000) and the gross profit margin slightly decreased to approximately 21.7% in 2016, compared with approximately 22.4% in 2015.

業務回顧

本集團主要從事成衣產品的設計、製造及貿易以及貸款融資業務。

成衣業務

成衣業務收入主要源自銷售成衣產品。本集團的產品可分為兩大類，即貼牌產品與自有品牌產品。貼牌產品是按本集團客戶擁有或指定的私有品牌設計製造的產品，而自有品牌產品則是在本集團專屬品牌名下設計和製造的產品。

成衣營運收入由二零一五年年度約371,725,000港元輕微下跌至二零一六年年度的368,116,000港元，減幅約1.0%，因受若干主要有長期業務關係的客戶收入下降所影響。另一方面，我們於二零一六年努力尋找新客戶，來自此等新客戶的收入一定程度上抵銷損失該等主要客戶收入的不利影響。

貼牌產品

貼牌產品的收入減少約20.2%至約231,560,000港元（二零一五年：290,311,000港元）。雖然本年度貼牌產品的收入下降，但貼牌產品仍然是本集團的核心業務，佔本年度成衣產品營運總收入62.9%（二零一五年：78.1%）。由於貼牌產品收入減少，貼牌產品的毛利亦減少22.8%至約50,184,000港元（二零一五年：65,041,000港元），而毛利率於二零一六年輕微下跌至約21.7%，而二零一五年則約為22.4%。

Management Discussion and Analysis 管理層討論及分析

OWN BRAND PRODUCTS

Own brand products accounted for 37.1% (2015: 21.9%) of the total revenue from apparel operation for the year. For the year 2016, revenue from own brand products increased by approximately 67.7% to approximately HK\$136,556,000 (2015: HK\$81,414,000) while gross profit also increased by 55.4% to approximately HK\$43,154,000 (2015: HK\$27,778,000). The gross profit margin for own brand products decreased from approximately 34.1% in 2015 to approximately 31.6% in 2016.

MONEY LENDING BUSINESS

Our newly acquired money lending business focuses on mortgage loans, secured loans and personal loans. The primary source of revenue was generated from interest received from loans provided to customers. The acquisition of Delta Wealth was completed on 28 November 2016, the interest income from money leading business was accounted for subsequent to the acquisition, and our interest income from money lending business contributed an insignificant portion and amounting to approximately HK\$741,000 for the year.

COST OF SALES

The cost of sales decreased by approximately 1.5%, from approximately HK\$278,906,000 to approximately HK\$24,778,000 for the year ended 31 December 2016. The decrease in cost of sales was mainly attributable to depreciation of Renminbi ("RMB") exchange rate against US\$ in the year as substantial portion of our cost of sales were denominated in RMB. On the other hand, staff cost of direct and indirect labour increased considerably in the year and this offset in certain extent of the favourable impact of depreciation of RMB on the cost of sales.

自有品牌產品

於本年度自有品牌產品佔本集團成衣營運總收入37.1% (二零一五年：21.9%)。於二零一六年年度，自有品牌產品的收入增加約67.7%至約136,556,000港元 (二零一五年：81,414,000港元)，而毛利亦增長55.4%至約43,154,000港元 (二零一五年：27,778,000港元)。自有品牌產品的毛利率由二零一五年的約34.1%下降至二零一六年的約31.6%。

放債業務

我們新收購的放債業務集中於按揭貸款、有抵押貸款及個人貸款。收入的主要來源為向客戶提供貸款所收取的利息。收購融富於二零一六年十一月二十八日完成，放債業務之利息收入已於收購後計及，本年度放債業務的利息收入貢獻不大，約為741,000港元。

銷售成本

截至二零一六年十二月三十一日止年度，銷售成本下降約1.5%，由約278,906,000港元下降至約24,778,000港元。銷售成本下降主要因為本年度人民幣(「人民幣」)兌美元匯率貶值，因我們銷售成本的主要部分以人民幣計值。另一方面，直接及間接勞工的員工成本在年內大幅增加，一定程度上抵銷人民幣貶值對銷售成本的可利影響。

Management Discussion and Analysis 管理層討論及分析

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit increased by approximately HK\$1,260,000 or 1.4% and the gross profit margin increased from approximately 25.0% to 25.5% for the year ended 31 December 2016. The increase in gross profit was primarily attributable to the decrease in cost of sales beneficial from the depreciation of RMB exchange rate in the year as stated in "COST OF SALES". In addition, higher proportion of own brand sales in the year also raised our gross profit as well as gross profit margin. The Group's apparel revenue was derived from the sales of private label products and own brand products, and the gross profit and gross profit margin of the apparel revenue were primarily affected by the mix of those of private label products and own brand products. The slight increase in the gross profit margin from approximately 25.0% in year 2015 to approximately 25.5% was primarily attributable to higher proportion of revenue generated from own brand products, which accounted for 37.1% (2015: 21.9%) of total revenue, which has higher gross profit margin.

OTHER INCOME AND GAINS

Other income and gains increased slightly by approximately HK\$18,000 or 3.0%, from approximately HK\$597,000 in year 2015 to approximately HK\$615,000 in year 2016.

IMPAIRMENT LOSS ON GOODWILL

Goodwill arose on the acquisition of Delta Wealth Finance Limited (the "Acquisition") in November 2016. Impairment loss on goodwill of approximately HK\$11,453,000 is the difference between the carrying amount of CGU on our money lending business and its recoverable amount.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses mainly consist of (i) import duty and transportation costs for delivery of the products; (ii) staff cost for our sales representative; and (iii) rental costs of our showroom. The selling and distribution expenses incurred in the reporting period were approximately HK\$46,060,000 (2015: HK\$33,967,000), representing an increase of approximately HK\$12,093,000 or 35.6% on year to year basis. The increase in selling and distribution expenses was primarily attributable to (i) an increase of approximately HK\$9,168,000 import duty and transportation costs for delivery of the products; and (ii) an increase of approximately HK\$1,529,000 in staff cost for our sales representative.

毛利及毛利率

截至二零一六年十二月三十一日止年度，毛利增加約1,260,000港元或1.4%，毛利率由約25.0%上升至25.5%。毛利增加主要因受惠於本年度人民幣匯率貶值而使銷售成本減少（如「銷售成本」所述）。此外，本年度自有品牌產品銷售比例較高，亦提升我們的毛利及毛利率。本集團成衣收入乃來自銷售貼牌產品及自有品牌產品，成衣收入的毛利及毛利率主要受貼牌產品及自有品牌產品的組合所影響。毛利率由二零一五年年度的約25.0%輕微上升至約25.5%，主要是由於自有品牌產品收入所佔比例較高，佔總收入的37.1%（二零一五年：21.9%），而自有品牌產品具較高毛利率。

其他收入及收益

其他收入及收益輕微增加約18,000港元或3.0%，由二零一五年年度約597,000港元增加至二零一六年年度約615,000港元。

商譽減值虧損

商譽於二零一六年十一月收購融富財務有限公司（「收購事項」）時產生。商譽減值虧損約11,453,000港元為我們放債業務現金產生單位的賬面值及其可收回金額間的差額。

銷售及分銷費用

銷售及分銷費用主要包括：(i) 就交付產品的進口關稅及運輸費用；(ii) 銷售代表的員工成本；及(iii) 我們陳列室的租金開支。於報告期內，產生的銷售及分銷費用約為46,060,000港元（二零一五年：33,967,000港元），即按年增加約12,093,000港元或35.6%。銷售及分銷費用上升的主因為(i) 就交付產品的進口關稅及運輸費用增加約9,168,000港元；及(ii) 銷售代表的員工成本增加約1,529,000港元。

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ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of (i) staff costs; (ii) rental expenses; (iii) bank charges and (iv) legal and professional expenses. The administrative expenses for the year ended 31 December 2016 were HK\$54,471,000 (2015: HK\$39,905,000), increased by approximately 36.5% or HK\$14,566,000. The increase in administrative expenses was mainly due to (i) provision of obsolete inventories of approximately HK\$6,334,000; and (ii) an increase of approximately HK\$4,261,000 in staff cost.

FINANCE COSTS

Finance costs represent interest expenses on the Group's bank borrowings and obligations under finance leases. The finance costs increased by approximately 202.5% or HK\$320,000 from approximately HK\$158,000 in 2015 to approximately HK\$478,000 in 2016, primarily due to increase in utilisation of banking facilities because as expansion of Group's business to loan financing business.

LOSS FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The loss attributable to the owners of the Company for the year was approximately HK\$18,769,000, whereas the Group recorded a consolidated net profit attributable to owners of the Company for the year ended 31 December 2015 of approximately HK\$15,732,000. The loss attributable to the owners of the Company for the year ended 31 December 2016 is primarily attributable to (i) impairment on goodwill arising on the acquisition of Delta Wealth; (ii) significant increase in the selling and distribution expenses and (iii) significant increase in administration expenses.

行政開支

行政開支主要包括(i)員工成本；(ii)租金開支；(iii)銀行費用；及(iv)法律及專業開支。截至二零一六年十二月三十一日止年度的行政開支為54,471,000港元（二零一五年：39,905,000港元），增幅約為36.5%或14,566,000港元。行政開支增加主要由於(i)過期存貨撥備約6,334,000港元；及(ii)員工成本增加約4,261,000港元。

融資成本

融資成本指本集團的銀行借款及融資租賃項下承擔的利息開支。融資成本增加約202.5%或320,000港元，由二零一五年約158,000港元增加至二零一六年約478,000港元，主要由於本集團業務擴展至貸款融資業務，令所動用的銀行融資增加。

本公司擁有人應佔年度虧損

本公司擁有人應佔年度虧損約為18,769,000港元，而本集團於截至二零一五年十二月三十一日止年度錄得本公司擁有人應佔年度綜合純利約為15,732,000港元。截至二零一六年十二月三十一日止年度本公司擁有人應佔虧損主要歸因於(i)收購融富所產生的商譽減值；(ii)銷售及分銷開支大幅增加及(iii)行政開支大幅增加。

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GOODWILL

Goodwill was identified on the acquisition of Delta Wealth in November 2016. Details of the Acquisition is contained in the paragraph "MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES".

INVENTORY

The following table set out a summary of the Group's inventory balances as at respective financial position dates below:

		As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Raw materials and consumables	原料及耗材	4,633	4,266
Work in progress	在製品	1,476	1,730
Finished goods	製成品	10,817	19,152
		16,926	25,148
Inventory turnover day	存貨週轉天數	22	33

The Group's inventories decreased by approximately HK\$8,222,000 or 32.7%, from approximately HK\$25,148,000 as at 31 December 2015 to approximately HK\$16,926,000 as at 31 December 2016. The inventory turnover date also decreased from 33 days as at 31 December 2015 to 22 days as at 31 December 2016. The decrease in inventories was primarily due to the provision of obsolete inventories of approximately HK\$6,334,000 in 2016.

商譽

商譽於二零一六年十一月收購融富時確定。收購事項的詳情乃載於「重大收購或出售附屬公司及聯屬公司」一段。

存貨

下表載列本集團於下列各財務狀況日期的存貨結餘概要：

本集團的存貨減少約8,222,000港元或32.7%，由二零一五年十二月三十一日約25,148,000港元減少至二零一六年十二月三十一日約16,926,000港元。存貨週轉天數亦由二零一五年十二月三十一日的33天減少至二零一六年十二月三十一日的22天。存貨減少主要由於二零一六年過期存貨撥備約6,334,000港元。

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TRADE AND BILLS RECEIVABLES

The following table set out a summary of the Group's trade and bills receivables balances as at respective financial position dates below:

		As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	60,202	64,379
Bills receivable	應收票據	3,283	6,822
		63,485	71,201
Trade receivables turnover day	貿易應收款項週轉天數	60	63

The Group's trade and bills receivable decreased by approximately HK\$7,716,000 or 10.8% from approximately HK\$71,201,000 as at 31 December 2015 to approximately HK\$63,485,000 as at 31 December 2016, as well as trade receivables turnover day decreased from 63 days as at 31 December 2015 to 60 days as at 31 December 2016.

LOANS AND INTEREST RECEIVABLES

The Group's loan receivables were approximately HK\$80,465,000 as at 31 December 2016, which was arisen from our newly acquired money lending business. The loan receivables as at 31 December 2016 were mainly comprised of mortgage loans and interest receivables, secured loans and interest receivables and personal loans and interest receivables.

DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The Group's deposits, prepayments and other receivables decreased by approximately HK\$4,476,000 or 16.4% from approximately HK\$27,279,000 as at 31 December 2015 to approximately HK\$22,803,000 as at 31 December 2016, primarily due to we placed less trade deposits to our suppliers to purchase raw materials and finished goods.

貿易應收款項及應收票據

下表載列本集團於下列各財務狀況日期的貿易應收款項及應收票據概要：

		As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收款項	60,202	64,379
Bills receivable	應收票據	3,283	6,822
		63,485	71,201
Trade receivables turnover day	貿易應收款項週轉天數	60	63

本集團的貿易應收款項及應收票據減少約7,716,000港元或10.8%，由二零一五年十二月三十一日約71,201,000港元減少至二零一六年十二月三十一日約63,485,000港元，而貿易應收款項週轉天數由二零一五年十二月三十一日的63天減少至二零一六年十二月三十一日的60天。

應收貸款及利息

本集團於二零一六年十二月三十一日的應收貸款約為80,465,000港元，乃由我們新收購之放債業務所產生。於二零一六年十二月三十一日，應收貸款主要包括應收按揭貸款及應收利息、應收有抵押貸款及應收利息及應收個人貸款及應收利息。

按金、預付款及其他應收款項

本集團的按金、預付款及其他應收款項減少約4,476,000港元或16.4%，由二零一五年十二月三十一日約27,279,000港元減少至二零一六年十二月三十一日約22,803,000港元，主要由於我們為購買原材料及製成品而向供應商支付的貿易按金減少。

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FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial asset at fair value through profit or loss was HK\$42,000,000 as at 31 December 2016, which was equity securities listed on the Stock Exchange.

TRADE AND BILLS PAYABLES

The following table set out a summary of the Group's trade and bills payables balances as at respective financial position dates below:

		As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付款項	37,753	35,659
Bills payable	應付票據	11,891	14,919
		49,644	50,578
Trade payables turnover day	貿易應付款項週轉天數	50	47

The Group's trade and bills payables decreased by approximately HK\$934,000 or 1.85% from approximately HK\$50,578,000 as at 31 December 2015 to approximately HK\$49,644,000 as at 31 December 2016. The trade payables turnover day increased from 47 days as at 31 December 2015 to 50 days as at 31 December 2016.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, pledged bank deposits and cash and cash equivalents amounted to approximately HK\$66,949,000 (2015: HK\$62,493,000). Total interest-bearing borrowings of the Group as at 31 December 2016 was approximately HK\$54,793,000 (2015: HK\$879,000), of which approximately HK\$54,410,000 (2015: HK\$242,000) would be repayable within one year and all the remaining interest-bearing borrowings of approximately HK\$383,000 (2015: HK\$637,000) would be repayable after one year. The current ratio of the Group was approximately 2.22 (2015: 2.79).

以公平值計量且變動計入當期損益的財務資產

於二零一六年十二月三十一日，本集團以公平值計量且變動計入當期損益的財務資產為42,000,000港元，為於聯交所上市之股本證券。

貿易應付款項及應付票據

下表載列本集團於下列各財務狀況日期的貿易應付款項及應付票據概要：

		As at 31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付款項	37,753	35,659
Bills payable	應付票據	11,891	14,919
		49,644	50,578
Trade payables turnover day	貿易應付款項週轉天數	50	47

本集團的貿易應付款項及應付票據減少約934,000港元或1.85%，由二零一五年十二月三十一日約50,578,000港元減少至二零一六年十二月三十一日約49,644,000港元。貿易應付款項週轉天數由二零一五年十二月三十一日的47天增加至二零一六年十二月三十一日的50天。

流動資金及財務資源

於二零一六年十二月三十一日，已抵押銀行存款和現金及現金等值項目為約66,949,000港元（二零一五年：62,493,000港元）。本集團於二零一六年十二月三十一日的計息借貸總額為約54,793,000港元（二零一五年：879,000港元），其中約54,410,000港元（二零一五年：242,000港元）須於一年內償還，及所有餘下計息借貸約383,000港元（二零一五年：637,000港元）須於一年後償還。本集團的流動比率為約2.22（二零一五年：2.79）。

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GEARING RATIO

The gearing ratio of the Group, calculated as total interest-bearing borrowings over total equity, was approximately 20.7% as at 31 December 2016 (2015: 0.6 %).

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group derives the majority of its revenue in US\$ while substantial portion of our costs are denominated in RMB. Appreciation of RMB against US\$ will therefore directly decrease the profit margin of the Group if the Group is unable to increase the selling prices of its products accordingly. If the Group increases the selling prices of its products as a result of the appreciation of RMB, it may in turn affect the Group's competitiveness against other competitors. To the extent that the Company needs to convert future financing into RMB for the Group's operations, appreciation of the RMB against the relevant foreign currencies would have an adverse effect on the purchasing power of the RMB amount that the Company would receive from the conversion.

The exchange rates between RMB and US\$ are subject to changes in the PRC Government's policies and international political and economic conditions.

資產負債比率

本集團於二零一六年十二月三十一日的資產負債比率（按計息借貸總額除以總股本計算）約為20.7%（二零一五年：0.6%）。

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在整個回顧期內維持健康的流動資金狀況。本集團致力透過進行持續的信貸評估及評估其客戶的財務狀況以降低信貸風險。為管理流動資金風險，董事會緊密監察本集團的流動資金狀況，以確保本集團的資產、負債及其他承擔的流動資金結構可應付其不時的資金需求。

外匯風險

本集團得到的大部分收入為美元，而其中重大部分成本以人民幣計值。因此，倘人民幣兌美元升值，而本集團無法相應調高產品售價，將直接降低本集團的毛利率。倘本集團因人民幣升值而調高產品售價，則可能影響本集團的競爭力，以致不及其他競爭對手。由於本公司需要將未來融資兌換成人民幣以供本集團營運之用，人民幣兌相關外幣升值將對本公司兌換而來的人民幣款項的購買力造成不利影響。

人民幣與美元之間的匯率受中國政府政策及國際政治及經濟狀況轉變影響。

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MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 5 September 2016, Smart Dream Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Favor Way Investments Limited to acquire (i) the entire issued share capital of Delta Wealth, and (ii) the sale loan of approximately HK\$4,546,000, representing all obligations, liabilities and debts owing by Delta Wealth to Favor Way Investments Limited, at the consideration of (i) cash consideration of HK\$25,000,001, and (ii) issuance and allotment of 110,000,000 ordinary shares of by the Company to Favor Way Investments Limited. Completion of the Acquisition took place on 28 November 2016.

Further details of the Acquisition are contained in the Company's announcements dated 5 September 2016, 21 November 2016 and 28 November 2016 and circular dated 4 November 2016 respectively.

PLACING OF SHARES

On 19 August 2016, the Company entered into a placing Agreement pursuant to which the Company has agreed to place up to 120,000,000 new shares (the "Placing Shares") at the placing Price of HK\$0.52 per Placing Share (the "Placing"). The gross and net proceeds from the Placing were approximately HK\$62 million and HK\$61 million respectively. Completion of the Placing took place on 2 September 2016.

Further details of the Placing are contained in the Company's announcement dated 19 August 2016 and 2 September 2016 respectively.

重大收購或出售附屬公司及聯屬公司

於二零一六年九月五日，本公司之全資附屬公司Smart Dream Limited與Favor Way Investments Limited訂立買賣協議，以收購(i)融富全部已發行股本，及(ii)銷售貸款約4,546,000港元，即融富欠付Favor Way Investments Limited之一切責任、負債及債務，代價為(i)現金代價25,000,001港元，及(ii)本公司向Favor Way Investments Limited發行及配發110,000,000股普通股。收購事項已於二零一六年十一月二十八日完成。

收購事項之進一步詳情分別載於本公司日期為二零一六年九月五日、二零一六年十一月二十一日及二零一六年十一月二十八日之公告以及日期為二零一六年十一月四日之通函。

配售股份

於二零一六年八月十九日，本公司訂立配售協議，據此，本公司已同意配售最多120,000,000股新股份（「配售股份」），配售價為每股配售股份0.52港元（「配售事項」）。配售事項之所得款項總額及淨額分別約為62百萬港元及61百萬港元。配售事項已於二零一六年九月二日完成。

配售事項之進一步詳情分別載於本公司日期為二零一六年八月十九日及二零一六年九月二日之公告。

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THE SUBSCRIPTION AND THE POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

The Company entered into a memorandum of understanding on 23 December 2016 (the “MOU”) regarding the possible investment in the shares of the Company (the “Shares”) and the possible mandatory general offer to the holders of the Shares (the “Shareholders”).

On 26 January 2017, the Company entered into the Subscription Agreement with New Seres CEFC Investment Fund LP (the “Subscriber”) pursuant to which and subject to the conditions precedent thereunder, the Company has agreed to allot and issue to the Subscriber an aggregate of 860,000,000 shares at a total consideration of HK\$204,680,000 at the subscription price of HK\$0.238 per share (the “Subscription Share”) (the “Subscription”).

In accordance with the Rule 26.1 of the Code on Takeovers and Mergers (the “Takeovers Code”), the Subscriber will make an unconditional mandatory cash offer for all issued shares (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) at HK\$0.745 in cash per share immediately after the completion of the Subscription, provided that the Subscription materialises and is completed.

Further details of the Subscription and the possible unconditional mandatory cash offer are contained in the Company’s announcement dated 15 February 2017.

Up to the date of this report, the Subscription has not yet been completed.

CAPITAL COMMITMENTS

As at 31 December 2016, the Group did not have any significant capital commitment (2015: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2016, the Group had a total of 410 employees (2015: 402 employees). Total staff costs (including Directors’ emoluments) were approximately HK\$64,174,000, as compared to approximately HK\$56,896,000 for the year ended 31 December 2015. Remuneration is determined with reference to market norms as well as individual employees’ performance, qualification and experience.

認購事項及可能無條件強制性現金要約

本公司於二零一六年十二月二十三日就可能投資本公司股份（「股份」）及可能向股份持有人（「股東」）作出強制性全面要約訂立一份諒解備忘錄（「諒解備忘錄」）。

於二零一七年一月二十六日，本公司與New Seres CEFC Investment Fund LP（「認購人」）訂立認購協議，據此，根據該協議項下的先決條件，本公司已同意向認購人配發及發行合共860,000,000股股份，總代價為204,680,000港元，認購價為每股0.238港元（「認購股份」）（「認購事項」）。

根據收購及合併守則（「收購守則」）規則26.1，緊隨認購事項完成後，認購人將就所有已發行股份（不包括認購人及其一致行動人士已經擁有或同意收購的已發行股份）作出無條件強制性現金要約，每股現金0.745港元，須待認購事項落實及完成後，方可作實。

認購事項及可能無條件強制性現金要約之進一步詳情載於本公司日期為二零一七年二月十五日之公告。

截至本報告日期，認購事項尚未完成。

資本承擔

於二零一六年十二月三十一日，本集團並無任何重大資本承擔（二零一五年：無）。

僱員及薪酬政策

於二零一六年十二月三十一日，本集團共有410名僱員（二零一五年：402名僱員）。總員工成本（包括董事酬金）為約64,174,000港元，而截至二零一五年十二月三十一日則為約56,896,000港元。酬金乃參照市場標準及個別僱員的表現、資歷及經驗釐定。

Management Discussion and Analysis 管理層討論及分析

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 25 January 2017, the Group entered into a sale and purchase agreement with a vendor in relation to the acquisition of the entire share capital of Prior Securities Limited ("Prior Securities") and Prior Asset Management Limited ("Prior Asset"). Prior Securities is licensed to carry out type 1 (dealing in securities) regulated activity under the SFO. Prior Asset is licensed to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

As at the date of this report, the acquisition of Prior Securities and Prior Asset have not yet been completed. Approximately HK\$28,900,000 are outstanding for the settlement of the outstanding consideration for the acquisition of Prior Securities and Prior Asset. Depending on the then market environment and the business performance of Prior Securities and Prior Asset, further capital needs may be required in the future for the operation of the financial services business. As at the date of this report, save for disclosed herein, the Company has no further plans for future fund raising for the financial services business of the Group. Following the completion of the above acquisition, Prior Securities and Prior Asset will formulate their marketing strategy to retain and deal with potential and existing clients.

FINAL DIVIDEND

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

日後重大投資計劃或資本資產

於二零一七年一月二十五日，本集團就收購昇悅證券有限公司（「昇悅證券」）及昇悅資產管理有限公司（「昇悅資產」）的全部已發行股本與一名賣方訂立買賣協議。昇悅證券獲發牌可從事證券及期貨條例項下第1類（證券交易）受規管活動。昇悅資產獲發牌可從事證券及期貨條例項下第4類（就證券提供意見）及第9類（提供資產管理）受規管活動。

於本報告日期，收購昇悅證券及昇悅資產尚未完成。未付金額約28,900,000港元用於支付收購昇悅證券及昇悅資產的未付代價。根據當時市場環境以及昇悅證券及昇悅資產的業務表現，未來可能需要進一步資本需求用於經營金融服務業務。於本報告日期，除本報告所披露者外，本公司於未來並無進一步計劃為本集團之金融服務業務進行集資。完成上述收購後，昇悅證券及昇悅資產將製定其營銷策略以保留及處理潛在及現有客戶。

末期股息

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的末期股息。

Corporate Governance Report

企業管治報告

The Board is pleased to present the corporate governance report for the year ended 31 December 2016.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the year. The Board of the Company will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

Throughout the year, the Company complied with the CG Code with the exception from the deviation from the code provisions A.1.8 as explained below:

Under the code provision A.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. No insurance cover has been arranged for directors up to the date of this report since the directors take the view that the Company shall support directors arising from corporate activities.

CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are four committees, namely audit committee, remuneration committee, nomination committee and corporate governance committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

董事會欣然呈報截至二零一六年十二月三十一日止年度的企業管治報告。

企業管治常規守則

本公司已於全年一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則及企業管治報告（「企管守則」）。本公司董事會將不時檢討及更新該等常規，以確保遵守法定及商業標準。

全年，本公司一直遵守企管守則，惟偏離守則條文A.1.8條，解釋如下：

根據守則條文A.1.8條，本公司應就其董事可能會面對的法律行動購買合適保險。由於董事認為本公司會就企業活動為董事提供支援，故截至本報告日期概無就董事安排購買保險。

企業管治架構

董事會主要負責制定策略、監管執行及管理本集團的風險。與此同時，其亦有責任提高本集團企業管治常規的效率。董事會下設四個委員會，即審核委員會、薪酬委員會、提名委員會及企業管治委員會。所有該等委員會根據彼等各自職權範圍條款履行彼等不同職能並協助董事會監管高級管理層的若干職能。

Corporate Governance Report 企業管治報告

THE BOARD AND BOARD COMMITTEES

The Board currently comprises nine Directors and their respective roles are set out as follows:

EXECUTIVE DIRECTORS

Hubert Tien (*Chairman*)
Chen Gang
Qu Chengbiao
Yeung Kwok Leung
Cheng Tze Kit Larry
Liu Chun Fai

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tang Shu Pui Simon
Tse Yuen Ming
Hon Ming Sang

Biographies of all directors are listed in Biographical Details of Directors and Senior Management set out on pages 8 to 13.

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but not limited to formulating the Group's business strategies, reviewing the Group's financial performance and results, deciding all significant financial and operational issues and monitoring; reviewing the Group's internal control system and corporate governance; and all other functions reserved to the Board under the Company's articles of association. In addition, the Board delegates to the Group's management certain functions include the implementation of general daily operation, strategies approved by the Board, the implementation of internal control procedures and ensuring of compliance with relevant requirements and other rules and regulations. The Board members have no financial, business, family or other material/relevant relationships with each other. All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and its shareholders at all times.

董事會及董事委員會

董事會現時由九名董事組成及彼等各自職能載列如下：

執行董事

田曉勃 (主席)
陳綱
瞿成彪
楊國良
鄭子傑
廖晉輝

獨立非執行董事

鄧澍培
謝遠明
韓銘生

所有董事的履歷乃列於第8頁至第13頁董事及高級管理層履歷詳情。

董事會主要負責監督及監管管理本集團的業務事宜及整體表現。董事會制定本集團的價值及標準並確保為本集團安排所需財務及人力資源以實現其目標。董事會履行的職能包括但不限於制定本集團的業務策略、審核本集團的財務表現及業績、決定所有重大財務及經營問題以及監管；檢討本集團的內部監控系統及企業管治；及本公司組織章程細則下所保留董事會的所有其他職能。此外，董事會授權本集團管理層的若干職能，包括實施一般日常經營、由董事會批准策略、執行內部控制程序及確保遵守相關規定以及其他規則及規例。董事會成員彼此間並無財務、業務、家族或其他重大／相關關係。全體董事均時刻本著真誠態度並遵守適用法律及法規履行職責，並客觀地作出決策以本公司及股東的利益為依歸。

Corporate Governance Report 企業管治報告

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors and Independent Non-executive Directors (the “INEDs”) has entered into a service contract with the Company for a period of three years. All Directors are subject to retirement by rotation at least once every three years and are eligible for election in accordance with the Articles of Association. A new Director is subject to re-election by the shareholders at the first general meeting after his or her appointment in accordance with the Articles of Association.

In accordance with the Articles of Association, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and being eligible offer themselves for re-election provided that every Director shall be subject to the retirement by rotation at least once every three years.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Hubert Tien, the Chairman, has provided leadership for the Board and ensured that the Board works effectively and that all important issues are discussed in a timely manner. The office of chief executive officer of the Company remains vacant. During the year, the responsibilities of the chief executive officer were shared amongst other Executive Directors

BOARD MEETINGS AND GENERAL MEETINGS

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

The Company held 18 board meetings, 1 annual general meeting (“AGM”) and 1 extraordinary general meeting (“EGM”) throughout the year.

委任及重選董事

各執行董事及獨立非執行董事已與本公司訂立服務合約，為期三年。所有董事須至少每三年輪值退任一次，並符合資格按照組織章程細則選舉。按照組織章程細則，新董事須於其獲委任後的首次股東大會上由股東重選。

根據組織章程細則，三分之一的董事須輪值退任或（倘彼等數目非三名或三之倍數）最接近數目但不少於三分之一將退任並合資格膺選連任，惟各董事須至少每三年輪值退任一次。

主席及行政總裁

主席田曉勃先生領導董事會以及確保董事會有效運作及所有重要事項均適時討論。本公司行政總裁之職位仍然懸空。於本年度內，行政總裁之職責由其他執行董事共同履行。

董事會會議及股東大會

董事會定期召開會議審閱及批准財務及經營表現，並考慮及批准本公司的整體策略及政策。於須討論及議決重大事件或重大問題時將舉行額外會議。

全年本公司已舉行十八次董事會會議、一次股東週年大會及一次股東特別大會。

Corporate Governance Report 企業管治報告

The attendance records of individual Director are set out as follows:

董事會會議出席記錄乃載列如下：

		Number of board meetings attended/ eligible to attend 董事會會議出席/合資格出席次數	Number of AGM attended/ eligible to attend 股東週年大會出席/合資格出席次數	Number of EGM attended/ eligible to attend 股東特別大會出席/合資格出席次數
EXECUTIVE DIRECTORS	執行董事			
Hubert Tien (<i>Chairman</i>)	田曉勃 (主席)	14/18	1/1	1/1
Farzad Gozashti (resigned on 2 November 2016)	Farzad Gozashti (於二零一六年十一月二日辭任)	1/11	0/1	0/0
Chen Gang	陳綱	1/18	0/1	0/1
Qu Chengbiao	瞿成彪	3/18	1/1	1/1
Yeung Kwok Leung (appointed on 7 September 2016)	楊國良 (於二零一六年九月七日獲委任)	8/9	0/0	1/1
Cheng Tze Kit Larry (appointed on 24 November 2016)	鄭子傑 (於二零一六年十一月二十四日獲委任)	3/5	0/0	0/0
Liu Chun Fai (appointed on 24 November 2016)	廖晉輝 (於二零一六年十一月二十四日獲委任)	5/5	0/0	0/0
INDEPENDENT NON-EXECUTIVE DIRECTORS	獨立非執行董事			
Tang Tsz Kai, Kevin (resigned on 2 November 2016)	鄧子楷 (於二零一六年十一月二日辭任)	8/11	1/1	0/0
Lai Man Sing (resigned on 2 November 2016)	黎文星 (於二零一六年十一月二日辭任)	3/11	1/1	0/0
Chan Kin Sang (resigned on 9 December 2016)	陳健生 (於二零一六年十二月九日辭任)	7/15	1/1	0/1
Luo Dan (resigned on 19 December 2016)	羅丹 (於二零一六年十二月十九日辭任)	9/16	0/1	0/1
Tang Shu Pui Simon (appointed on 22 August 2016)	鄧澍焯 (於二零一六年八月二十二日獲委任)	7/12	0/0	1/1
Tse Yuen Ming (appointed on 2 November 2016)	謝遠明 (於二零一六年十一月二日獲委任)	3/7	0/0	0/1
Hon Ming Sang (appointed on 2 November 2016)	韓銘生 (於二零一六年十一月二日獲委任)	2/7	0/0	0/1

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE

The Board established the audit committee on 22 November 2013. The audit committee currently consists of three independent non-executive Directors, namely, Mr. Tse Yuen Ming, Mr. Hon Ming Sang and Mr. Tang Shu Pui Simon. Mr. Hon Ming Sing is the chairman of the audit committee. The audited annual results of the Group for the year ended 31 December 2016 have been reviewed by the audit committee members who have provided advice and comments thereon.

The main duties of the audit committee include, among others:

- monitoring the integrity of the Company's financial statements, annual, quarterly and interim financial reports, and to review significant financial reporting judgments and accounting policies contained in them;
- satisfying themselves as to the effectiveness of the risk management and internal control systems of the Group and as to the adequacy of the external and internal audits;
- responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor;
- reporting the finding and recommendations to the Board on a regular basis

審核委員會

董事會已於二零一三年十一月二十二日成立審核委員會。審核委員會現時包括三名獨立非執行董事，即謝遠明先生、韓銘生先生及鄧澍培先生。韓銘生先生為審核委員會主席。本集團截至二零一六年十二月三十一日止年度的經審核年度業績已由審核委員會成員審閱且彼等就此提供意見及建議。

審核委員會的主要職責包括（其中包括）：

- 監管本公司財務報表、年度、中期及季度及中期財務報告的完整性，並審閱其中所載重大財務申報判斷及會計政策；
- 自身滿意本集團風險管理及內部控制的有效性以及外部內部審核的充足性；
- 負責向董事會就委任、重新委任及罷免外聘核數師提供推薦意見並批准外聘核數師的薪酬及委聘條款；
- 定期向董事會報告結果及提供推薦建議。

Corporate Governance Report 企業管治報告

Throughout the year, two audit committee meetings were held to review and discuss with the management of the Company and the external auditors the accounting principles and practices adopted by the Group, as well as internal controls and other financial reporting matters. The attendance records of individual committee members are set out below:

	Number of meeting attended/eligible to attend	出席／合資格 出席會議次數
Lai Man Sing (resigned on 2 November 2016)	2/2	黎文星 (於二零一六年十一月二日辭任) 2/2
Tang Tsz Kai, Kevin (resigned on 2 November 2016)	2/2	鄧子楷 (於二零一六年十一月二日辭任) 2/2
Chan Kin Sang (resigned on 9 December 2016)	2/2	陳健生 (於二零一六年十二月九日辭任) 2/2
Hon Ming Sang (appointed on 2 November 2016)	0/0	韓銘生 (於二零一六年十一月二日獲委任) 0/0
Tang Shu Pui Simon (appointed on 24 November 2016)	0/0	鄧樹培 (於二零一六年十一月二十四日獲委任) 0/0
Tse Yuen Ming (appointed on 2 November 2016)	0/0	謝遠明 (於二零一六年十一月二日獲委任) 0/0

REMUNERATION COMMITTEE

The Board established the remuneration committee on 22 November 2013. The remuneration committee currently consists of two Executive Director, namely Mr. Cheng Tze Kit, Larry and Mr. Liu Chun Fai, and three Independent Non-executive Directors, namely, Mr. Tse Yuen Ming, Mr. Hon Ming Sang, Simon. Mr. Tse Yuen Ming is the chairman of the remuneration committee.

The main duties of the remuneration committee include, among others:

- formulating remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, time commitment, employment conditions, and responsibilities, and individual performance of the directors, senior management, and the general staff;
- ensuring none of the Directors determine their own remuneration.

全年已舉行兩次審核委員會會議以與本公司管理層及外聘核數師檢討及討論本集團採納的會計原則及慣例，以及內部監控及其他財務申報事宜。個別審核委員會成員出席記錄乃載於下文：

薪酬委員會

董事會已於二零一三年十一月二十二日成立薪酬委員會。薪酬委員會現時包括兩名執行董事，即鄭子傑先生及廖晉輝先生，以及三名獨立非執行董事即謝遠明先生、韓銘生先生。謝遠明先生為薪酬委員會主席。

薪酬委員會的主要職責包括（其中包括）：

- 制定薪酬政策供董事會批准，薪酬政策將考慮若干因素，例如可資比較公司所付薪金、彼等投放的時間、聘用條件及職責，以及董事、高級管理及普通員工的個別表現；
- 確保概無董事釐定彼等自身薪酬。

Corporate Governance Report 企業管治報告

Throughout the year, five meeting of the remuneration committee was held to, amongst others, review and approve the remuneration packages of the Directors and senior management of the Company. The attendance records of individual committee members are as follows:

全年已舉行五次薪酬委員會會議（其中包括）審核及批准本公司董事及高級管理層的薪酬待遇。個別委員會成員的出席記錄如下：

	Number of meeting attended/eligible to attend		出席／合資格 出席會議次數
Chan Kin Sang (resigned on 9 December 2016)	4/5	陳健生（於二零一六年 十二月九日辭任）	4/5
Hubert Tien (resigned on 9 December 2016)	4/5	田曉勃（於二零一六年 十二月九日辭任）	4/5
Lai Man Sing (resigned on 2 November 2016)	1/4	黎文星（於二零一六年 十一月二日辭任）	1/4
Tang Tsz Kai, Kevin (resigned on 2 November 2016)	4/4	鄧子楷（於二零一六年 十一月二日辭任）	4/4
Tse Yuen Ming (appointed on 2 November 2016)	1/1	謝遠明（於二零一六年 十一月二日獲委任）	1/1
Cheng Tze Kit, Larry (appointed on 24 November 2016)	0/0	鄭子傑（於二零一六年 十一月二十四日獲委任）	0/0
Liu Chun Fai (appointed on 24 November 2016)	0/0	廖晉輝（於二零一六年 十一月二十四日獲委任）	0/0
Tang Shu Pui Simon (appointed on 24 November 2016)	0/0	鄧樹煒（於二零一六年 十一月二十四日獲委任）	0/0
Hon Ming Sang (appointed on 2 November 2016)	1/1	韓銘生（於二零一六年 十一月二日獲委任）	1/1

NOMINATION COMMITTEE

The Board established the nomination committee on 22 November 2013. The nomination committee currently consists of two Executive Directors, namely Mr. Chen Gang and Mr. Liu Chun Fai, and three Independent Non-executive Directors, namely, Mr. Tse Yuen Ming, Mr. Hon Ming Sang, and Mr. Tang Shu Pui Simon. Mr. Hon Ming Sang is the chairman of the nomination committee.

提名委員會

董事會已於二零一三年十一月二十二日成立提名委員會。提名委員會現時包括兩名執行董事，即陳綱先生及廖晉輝先生，以及三名獨立非執行董事即謝遠明先生、韓銘生先生及鄧樹煒先生。韓銘生先生為提名委員會主席。

The main duties of the nomination committee include, among others:

提名委員會的主要職責包括（其中包括）：

- reviewing the structure, size and composition of the Board;
 - make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors.
 - identify suitable and qualified individuals to become Board members.
- 審核董事會的架構、規模及組成；
 - 就有關委任或重新委任董事向董事會提供推薦建議。
 - 物色合適及合資格人士成為董事會成員。

Corporate Governance Report 企業管治報告

Throughout the year, five meetings of the nomination committee were held and the attendance records of individual committee members are as follows:

	Number of Meetings attended/eligible to attend	出席／合資格 出席會議次數
Lai Man Sing (resigned on 2 November 2016)	1/4	1/4
Hubert Tien (resigned on 9 December 2016)	4/5	4/5
Chen Gang	1/5	1/5
Tang Tsz Kai, Kevin (resigned on 2 November 2016)	4/4	4/4
Chan Kin Sang (resigned on 9 December 2016)	4/5	4/5
Hon Ming Sang (appointed on 2 November 2016)	1/1	1/1
Liu Chun Fai (appointed on 24 November 2016)	0/0	0/0
Tang Shu Pui Simon (appointed on 24 November 2016)	0/0	0/0
Tse Yuen Ming (appointed on 2 November 2016)	1/1	1/1

CORPORATE GOVERNANCE COMMITTEE

The Board established the nomination committee on 22 November 2013. The corporate governance committee currently consists of one Executive Director, namely Mr. Liu Chun Fai, three Independent Non-executive Directors, namely, Mr. Tse Yuen Ming, Mr. Hon Ming Sang and Mr. Tang Shu Pui Simon, and the Company Secretary, namely, Chan Ka Yu. Mr. Tse Yuen Ming is the chairman of the corporate governance committee.

The main duties of the corporate governance committee include, among others:

- develop and review Group's policies and practices on corporate governance and make recommendations to the board;
- review and monitor the training and continuous professional development of directors and senior management;

全年已舉行五次提名委員會會議及個別委員會成員的出席記錄如下：

黎文星 (於二零一六年十一月二日辭任)	1/4
田曉勃 (於二零一六年十二月九日辭任)	4/5
陳綱	1/5
鄧子楷 (於二零一六年十一月二日辭任)	4/4
陳健生 (於二零一六年十二月九日辭任)	4/5
韓銘生 (於二零一六年十一月二日獲委任)	1/1
廖晉輝 (於二零一六年十一月二十四日獲委任)	0/0
鄧澍煒 (於二零一六年十一月二十四日獲委任)	0/0
謝遠明 (於二零一六年十一月二日獲委任)	1/1

企業管治委員會

董事會已於二零一三年十一月二十二日成立企業管治委員會。企業管治委員會現時包括一名執行董事，即廖晉輝先生及三名獨立非執行董事即謝遠明先生、韓銘生先生及鄧澍煒先生以及公司秘書即陳家宇先生。謝遠明先生為企業管治委員會主席。

企業管治委員會的主要職責包括（其中包括）：

- 制定及檢討本集團的企業管治政策及常規並向董事會提供推薦建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；

Corporate Governance Report 企業管治報告

- review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
 - develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
 - review the Group's compliance with the Code and disclosure in the Corporate Governance Report.
- 檢討及監察本集團在遵守法律及監管規定方面的政策及常規；
 - 制定、檢討及監察僱員及董事適用的操守守則及合規手冊（如有）；及
 - 檢討本集團遵守守則及披露企業管治報告。

Throughout the year, one meeting of the corporate governance committee was held and the attendance records of individual committee members are as follows:

全年已舉行一次企業管治委員會會議及個別委員會成員的出席記錄如下：

	Number of Meetings attended/eligible to attend	出席／合資格 出席會議次數
Tang Tsz Kai, Kevin (resigned on 2 November 2016)	1/1	鄧子楷（於二零一六年十一月二日辭任） 1/1
Hubert Tien (resigned on 9 December 2016)	1/1	田曉勃（於二零一六年十二月九日辭任） 1/1
Lai Man Sing (resigned on 2 November 2016)	1/1	黎文星（於二零一六年十一月二日辭任） 1/1
Chan Kin Sang (resigned on 9 December 2016)	1/1	陳健生（於二零一六年十二月九日辭任） 1/1
Tse Yuen Ming (appointed on 2 November 2016)	0/0	謝遠明（於二零一六年十一月二日獲委任） 0/0
Chan Ka Yu	1/1	陳家宇 1/1
Liu Chun Fai (appointed on 24 November 2016)	0/0	廖晉輝（於二零一六年十一月二十四日獲委任） 0/0
Tang Shu Pui Simon (appointed on 24 November 2016)	0/0	鄧樹培（於二零一六年十一月二十四日獲委任） 0/0
Hon Ming Sang (appointed on 2 November 2016)	0/0	韓銘生（於二零一六年十一月二日獲委任） 0/0

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix 10 of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. The Company has confirmed, having made specific enquiry of the Directors, all the Directors have complied with the Model Code throughout the year.

董事之證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事買賣本公司證券的行為守則。本公司經董事作出特定查詢後確認，所有董事全年已遵守標準守則。

Corporate Governance Report 企業管治報告

AUDITOR REMUNERATION

For the year ended 31 December 2016, remuneration payable to the auditor of the Group is approximately HK\$730,000 for audit services.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the risk management and internal control systems of the Group. The Board has developed its systems of internal control and risk management and is also responsible for reviewing the systems on an annual basis and maintaining adequate internal control and risk management systems to safeguard the interests of the shareholders and the assets of the Company.

The Company currently does not have an internal audit department, and engages independent professional service provider to review the Group's internal control system, policy and procedures and report to the audit committee their findings and recommendations. The Board has reviewed the need for an internal audit function and is of the view that in light of the size and nature of the business of the Group, instead of setting up an internal audit department, it would be more cost effective to appoint external independent professionals to perform independent carry and evaluation to the internal control system, and the risk management system of the Group on an on-going basis. The Board will review at least annually the need for setting up an internal audit function.

The Board, having taken into account the recommendations of the independent professional service provider and the audit committee, has conducted a review of the effectiveness of the internal control and risk management systems of the Group for the year ended 31 December 2016, and considered the risk management and internal control systems effective and adequate. The systems of risk management and internal control are designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

核數師薪酬

截至二零一六年十二月三十一日止年度，就核數服務而應付予本集團核數師的薪酬約為730,000港元。

風險管理及內部監控

董事會全面負責本集團之風險管理及內部監控制度。董事會設立內部監控及風險管理制度，亦負責每年檢討該制度及維持足夠之內部監控及風險管理制度，以保障股東利益及本公司資產。

本公司目前並無設立內部審核部門，而是每年委聘獨立專業服務供應商檢討本集團之內部控制制度、政策及程序，並向審核委員會匯報其發現及建議。董事會已檢討是否需要成立內部審核部門，並認為考慮到本集團之規模及業務性質，相比起設立內部審核部門，委聘外部獨立專業人士獨立檢討及持續評估本集團內部監控制度及風險管理制度更具成本效益。董事會至少每年檢討一次是否需要設立內部審核部門。

截至二零一六年十二月三十一日止年度，經考慮獨立專業服務供應商及審核委員會的建議後，董事會已檢討本集團之內部監控及風險管理制度的效能，並認為風險管理及內部監控制度有效充足。風險管理及內部監控制度旨在管理而非消除未能達成業務目標的風險，並僅能合理但非絕對保證並無重大錯誤陳述或損失。

Corporate Governance Report 企業管治報告

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparation of the consolidated financial statements for the year ended 31 December 2016, which give a true and fair view of the state of affairs of the Group and the Group's results and cash flows for the year then ended and properly prepared on going concern basis in accordance with the applicable statutory requirements and accounting standards. The Directors were not aware of any material uncertainties which may affect the Group's business or cast significant doubt upon the Group's ability to continue as a going concern.

SHAREHOLDERS' RIGHTS

In accordance with the articles of association of the Company, shareholders holding not less than 10% of the paid up capital of the Company can convene an EGM by written requisition to the Board or the Secretary of the Company. In addition, shareholders can raise any questions relating to published information and latest strategic plan of the Group with the Directors. 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. Shareholders can also submit enquiries to the management and send proposals to be put forward at shareholders' meeting to the Board or senior management by sending e-mails to ir@runwayglobal.com

INVESTOR RELATIONS

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and public investors.

The Company maintains various communication channels with its shareholders and the investment public to ensure that they are kept abreast of the Company's latest news and development. The Company updates its shareholders on its development, financial results and major events through its annual, interim and quarterly reports. All published information is promptly uploaded to the website of the Company at www.runwayglobal.com.

董事就財務報表的責任

董事知悉彼等編製截至二零一六年十二月三十一日止年度的綜合財務報表的責任，為真實及公平反映截至該日止年度的本集團事務狀況及本集團的業績及現金流量，並根據適當法定規定及會計標準按持續基準妥為編製。董事並不知悉可能影響業務或對持續經營能力產生疑問的重大不確定因素。

股東權利

根據本公司組織章程細則，持有本公司繳足資本不少於10%的股東可透過向董事或公司秘書提交書面要求召開股東特別大會，此外，股東可向董事提出任何有關本集團公開資料及最新策略計劃的問題。本公司鼓勵股東出席該等大會或倘彼等不能出席大會可委派代表代其出席並於大會上投票。股東亦可發送電郵至 ir@runwayglobal.com 向管理層提出問題及向董事會或高級管理層提出於股東大會上提呈之建議。

投資者關係

董事會深知與全體股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。本公司承諾向其股東及公眾投資者公開且及時地披露公司資料。

本公司透過不同渠道與股東及公眾投資者通訊，以確保彼等能獲悉本公司的最新資料及發展。本公司透過其年報、中報及季報為其股東提供其發展、財務業績及重大事項的更新。所有刊登資料均會快速上傳至本公司網站 www.runwayglobal.com。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group is principally engaged in designing, manufacturing and selling apparel. During the year, the Group acquired a subsidiary engaged in small credit money lending, diversifying the Group's business and creating greater value.

The Group has strived to be an enterprise fulfilling social responsibilities. Over the years, we have delivered positive messages to key stakeholders and taken care of their interests, such as creating greater value for shareholders, providing high quality products and services to customers, and providing employees with appropriate and competitive benefits. These enable the Group to become an open, transparent and fair enterprise with social responsibility, and therefore increase the public understanding of the Group.

During the year, the Company first releases the Group's Environmental, Social and Governance Report. This report, which is included in the 2016 annual report, has been published in accordance with the Environmental, Social and Governance Reporting Guide of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In respect of the information on the financial performance and corporate governance of the Group, please refer to the website of the Group at www.runwayglobal.com and its annual report. Your opinions are very important to us. You are greatly welcomed to provide valuable opinions on the Group's environmental, social and governance performance. Please submit your opinions and suggestions via email to ir@runwayglobal.com or by post to 14th Floor, PeakCastle, 476 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong.

SUMMARY

The business of the Group mainly consists of two scopes: one is designing, manufacturing and trading of apparels, and the other one is the provision of money lending service. Both are operated mainly in our offices with relatively low energy consumption. During the garment production process, the relevant operating units have regard to relevant guidelines, aiming to use their best endeavours to minimise the impacts on the environment and to demonstrate good operating practices.

本集團主要從事成衣產品的設計、製造及貿易等業務。於本年度內，本集團收購從事小額錢債放債的子公司，令本集團的業務更多元化及創造更大價值。

本集團致力成為一所具有社會責任的企業，多年來向主要持份者傳遞正面訊息及顧及他們的利益，例如：對股東創造更大價值、對客戶提供高質素產品和服務、對僱員提供合適及具競爭力的福利，令本集團成為公開、透明、公平的社會責任企業，讓公眾對本集團更有深刻的了解。

本公司於本年度首次發佈本集團之環境、社會及管治報告。在二零一六年度之報告內，本報告依照香港聯合交易所有限公司證券上市規則之環境、社會及管治報告指引而發佈。

有關集團的財務表現及企業管治方面的資料，請參閱集團網站 www.runwayglobal.com 及年度報告。您的意見對我們非常重要，歡迎大家就本集團的環境、社會及管治表現提供寶貴意見。請將意見及建議電郵至 ir@runwayglobal.com，或郵寄至香港九龍長沙灣青山道476號PeakCastle14樓。

概況

本集團主要分為兩種業務，一是成衣產品的設計、製造及貿易，二是提供放債服務。以上兩種業務主要是在辦公室進行，耗用的能源相對不多。進行成衣生產時，相關營運單位有相關指引，確保彼等盡力減低對環境的影響，並擁有良好的營運慣例。

Environmental, Social and Governance Report 環境、社會及管治報告

The details of the Group's environmental, social and governance principles are set out below.

下文詳細闡述本集團在環境、社會及管治的方針。

The indexes of the environmental, social and governance reporting guide are as follows:

環境、社會及管治報告指引索引如下：

Aspect A	–	Environmental Protection
Aspect B1	–	Quality of Working Environment
Aspect B2	–	Health and Safety
Aspect B3	–	Development and Training
Aspect B4	–	Labour Standards
Aspect B5	–	Supply Chain Management
Aspect B6	–	Product Responsibility
Aspect B7	–	Anti-corruption
Aspect B8	–	Community Investment

層面 A	–	環境保護
層面 B1	–	工作環境質素
層面 B2	–	健康與安全
層面 B3	–	發展及培訓
層面 B4	–	勞工準則
層面 B5	–	供應鏈管理
層面 B6	–	產品責任
層面 B7	–	反貪污
層面 B8	–	社區投資

Aspect A: Environmental Protection

The Group is principally engaged in designing, manufacturing and selling apparel and the provision of money lending service. Such businesses have minimal direct impact on the environment, as they does not produce any harmful pollutants. Although the key sales geographies of apparel operation are located in North America, the Group keeps employing locals as its sales staffs. The management team and the headquarter staffs seldom take overseas business trips. Hence, the Group's carbon emissions are mainly indirect greenhouse gases emitted by electricity consumption and greenhouse gases emitted by plants.

層面 A：環境保護

本集團主要業務為成衣產品的設計、製造及貿易及提供放債服務，對環境的直接影響甚微，並無產生有害污染物。雖然成衣業務銷售地區以北美地區為主，但本集團的銷售員是聘請當地人員擔任，至於管理層與總部員工較少外地公幹，本集團的碳排放主要來自耗用電力所排放的間接溫室氣體及工廠排放的溫室氣體。

First of all, the Group has complied with energy saving scheme, adopting energy saving measures among our offices and work spaces. It includes adjusting the most suitable temperature of air-conditioning facilities, and switching off all of the unnecessary lightings or air conditioning systems during non-office hours. We also encourage employees to turn off the idle computers and other office equipment. At our plant site, the Group encourages employees working on site to turn off idle machines during unnecessary operating moment or non-office hours. In addition, in order to reduce greenhouse gas emissions, the Group stipulates that air-conditioners or heaters are available respectively only when the temperature in the plants is higher than 32 degrees Celsius, or lower than the specified temperature.

首先，本集團一向本著能源節省計劃，辦公室等地方採取節能措施，包括把空調裝置設於最適當溫度、在非辦公時間把非必要的照明及空調系統關掉，我們亦鼓勵員工關掉不使用的電腦及其他文儀裝置。在工廠地方，本集團鼓勵工廠員工在非必要或非辦公時間關掉不使用的機器，另外，本集團規定工廠高於攝氏三十二度或低於規定溫度才可使用冷氣或暖氣，以減少溫室氣體排放。

Environmental, Social and Governance Report 環境、社會及管治報告

The Group emphasizes energy saving and encourages employees to reduce water consumption. When purchasing fabrics, the Group also examines the suppliers' resource consumption records, such as water usages. We remind employees to consider whether it is necessary to print their documents. For those documents which are not statutory or important, employees are encouraged to print double-side and reuse all single-side printed paper.

Aspect B1: Quality of Working Environment

As an enterprise with social responsibility, we are not only responsible to consumers, but also responsible to employees. When pursuing economic goals, we also bear social and environmental responsibilities in order to achieve sustainable development. The Group places considerable value on staff management and has developed its human resources management procedures, striving to create a favourable working environment for employees and reduce labour and employment risks of the Company.

The Group is committed to labour legislation, providing employees with appropriate holidays and paid leave pursuant to various local labour legislations stipulated by the those national and local governments. The specific days of leave varies with reference to years of experience. The employees of the Group in mainland China enjoy the five major social insurance programs and housing provident fund and other benefits, providing better protection for employees.

Every year, the Board of the Group reviews and discusses the improvement measures and implementation of human resources management procedures. The remuneration committee is established for making appropriate annual update on remuneration policy.

The Group places considerable value on the career development of employees and has formulated a series of systems to provide institutional protection for the career development of employees together with enterprise development. Employee development has two aspects in accordance with their abilities, one is the promotion to management position, and the other is the enhancement of professional and technical position.

本集團強調節約能源，鼓勵員工減少耗水量，在採購布料時，本集團亦會審視供應商的資源消耗，例如用水量。我們提醒員工考慮文件是否需要列印，倘若文件不是法定文件或是重要文件，鼓勵員工使用雙面列印，以及循環再用所有單面已列印的紙張。

層面 B1：工作環境質素

作為一家有社會責任感的企業，不僅要對消費者負責，也對員工負責，當追求經濟目標同時，也承擔著社會和環境的責任，從而實現可持續發展。本集團重視員工管理，制定了人力資源管理程序，努力為員工創造良好工作環境的同時，也減少了公司的勞動用工風險。

本集團致力遵守勞工法例，並按當地國家和地方政府規定的勞工法例給予員工適當假期，並享受帶薪休假待遇，具體時間因工作年限不同而有差別。貴集團的內地員工享有五險一金及其他福利待遇，為員工提供更好的保障。

本集團董事局每年就人力資源管理程式及執行情況進行檢討及討論改善措施，並成立薪酬委員會，每年對薪酬政策作出適當的更新。

貴集團重視員工的職業發展，制定了一系列制度，為員工的職業發展與企業共同成長提供制度保障。員工根據工作能力可在兩方面的發展，一是提拔到管理崗位，二是提升專業技術職務。

Environmental, Social and Governance Report 環境、社會及管治報告

In respect of money lending service, the employees working in this sector are required to own higher qualification and knowledge, in line with higher entry requirements.

Aspect B2: Health and Safety

The Group attaches importance to the health and safety of its employees. Each subsidiary has established occupational safety and health guidelines to create a safe working environment for employees and protect them from occupational hazards.

The Group reviews the health and safety management system for its employees every year, and displays warnings on facilities, machines which are dangerous or prone to accidents. In addition, the Group actively strengthens the occupational safety awareness of employees to reduce accident.

In 2016, the Group did not have any material accidents regarding safety production, and the condition of safety production is stable.

Aspect B3: Development and Training

The Group attaches great importance to the working performance and development of employees during their employment period. The Group has clear training program, irrespective of money lending service or apparel supply management. All units are capable to provide training to new employees by following the guidelines, which encourage them to create values for the Group.

The Group mainly provides on-job training for its new entry-level employees. New employees are led by experienced staffs, giving new employees proper guidance on works and enhance their job knowledge and skills. They also promptly help new employees adapt to the Company's operation and culture.

借貸服務方面，由於員工需要擁有較高的學歷及知識，入職要求較高。

層面 B2：健康與安全

本集團重視員工的健康與安全，各附屬公司均建立職業安全及健康指引，努力為員工創造安全的工作環境並保障員工避免職業性危害。

本集團每年度會對公司員工的健康安全管理體系進行審核，並對危險或容易發生意外的設施、機器等加上警告字眼，另外，本集團積極加強員工對職業安全意識，減少意外發生。

二零一六年內，本集團未發生安全生產重大事故，安全生產形勢穩定。

層面 B3：發展及培訓

本集團十分重視員工在職期間的工作表現及發展。不論在借貸服務方面還是服裝供應管理上，本集團設有明確的培訓章程，讓每一單位都能跟指引培訓新進僱員，讓他們能為本集團創造價值。

本集團對新進的基層員工的培訓以在職訓練為主，由較有經驗的員工帶領新入職員工，並從旁指導新入職員工的工作，提升新僱員對工作的知識及技巧，亦盡快令新僱員適應公司的運作及文化。

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In respect of the plants located in mainland China, the human resources department is responsible for general training, providing group lecture or individual training for new employees.

The Group does not establish any fix training time. It is due to the Group's awareness on the employees' ability to acquire working knowledge and skills, instead of the employees' training time.

Aspect B4: Labour Standards

The Group is committed to abiding by the laws and regulations and providing a favourable working environment, including the workplace with elimination of discrimination and harassment, equal opportunities and favourable treatment for employees. Employee benefits include employee salaries, allowances, welfare and contributions to retirement schemes.

In addition, child labour is prohibited by the Group. The Company and its subsidiaries stipulate that the Group shall not recruit employees below statutory age and shall comply with local labour regulations, including the purchase of statutory insurance, social security and MPF for every staff. All wages and labour benefit expenses are verified by the head of the administrative department and the head of the financial department. The relevant statements from the financial department will be approved by a director. After approval of the director, the financial department will declare and pay the relevant amount to the Social Security Fund/MPF agencies in order to prevent the relevant units from contravening labour legislation.

Moreover, when the Group recruits new employees, we will follow the established recruitment procedures and will ensure that each procedure is legal, reasonable and open in order to prevent violation of law.

In respect of money lending service, as its business involves professional knowledge, the operating units will conduct initial interview by headhunting agencies. Basically, there will be no child labour and forced labour. The qualified candidates will be interviewed by the human resource department of the Company afterwards.

而在內地廠房方面，一般培訓工作是由人事部負責，為新進員工進行集體開班或是個別培訓。

本集團並沒有制定培訓時間，原因是本集團重視僱員能否掌握該工作知識及技能多於受訓時間。

層面 B4：勞工準則

本集團致力遵守法規，提供良好的工作環境，包括消除歧視和騷擾的工作環境、給予各員工同等的機會及優厚待遇。員工福利包括員工薪金、津貼、福利、退休計劃供款。

另外，本集團嚴禁使用童工。本公司及其附屬公司規定本集團不能聘請低於法定年齡的員工，並遵守當地的勞工法規，包括為每一位員工購買法定保險，社會保障金及強積金等，所有工資及勞工的福利開支並經行政部主管及財務部主管核實，由財務部將相關明細表給董事審批，董事審批後由財務部向社會保障基金／強積金機構申報及繳交相關金額，以防相關單位觸犯勞工法例。

另外，本集團聘請新僱員時，會按既定的聘請員工程序來聘請新僱員，並確保每一程序均是合法、合理及公開，以防墮入法網。

放債服務方面，基於業務涉及專業知識，營運單位會由獵頭公司作初部面試，基本上不會有童工及強制勞工情況出現，合資格的應徵者再由本公司的人力資源部進行面試。

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In respect of apparel supply management, if mainland plants recruit new employees, the operating units will check the identity card of the candidate and will conduct background checks at police station to prevent the operating units from employing child labour. The operating units have also formulated "Prohibition of Forced and Punitive Labour Program" and "Prohibition of Child Labour Employment Program" as the references for recruitment staff to reduce the likelihood of employing child labour.

Aspect B5: Supply Chain Management

In respect of money lending service, as money lending is a service industry, supply chain management is not suitable for this segment. Money lending mainly relies on customer's own needs to examine the related loan application.

In respect of apparel supply management, suppliers are mainly from mainland China. In view of the complexity of the supply chain, when the operating units select suppliers, different conditions and standards must be considered, including price, service, location, productivity (service capacity) and legal procedures, while the Group also considers special advice and the social responsibility and environmental protection of suppliers, etc.

Aspect B6: Product Responsibility

As a business diversified enterprise, the Group is committed to providing quality products and services to customers. The Group has formulated stringent policies and procedures to produce and sell products. In addition, the Group complies with all laws and regulations related to financial service industry regulatory system, in particular the applicable provisions, subsidiary rules and regulations of the Money lenders Ordinance, and the codes and guides issued by the SFC.

During the reporting period, the Group did not have product recall due to safety and health reasons.

而服裝供應管理中，如內地廠房招聘新僱員，營運單位會核對應徵者身份證及派出所進行背景調查，以防營運單位聘請童工。該營運單位內部亦制定《禁止強迫與懲罰勞動程式》以及《禁止僱用童工程式》供聘請人員參考，減低聘請童工機會。

層面 B5：供應鏈管理

放債服務方面，由於放債是服務行業，供應鏈管理並不合適於這行業，而放債主要是靠客戶自身需要而審核有關的貸款申請。

服裝供應管理方面，供應商大部分位於中國內地。鑒於供應鏈的複雜性，營運單位在選擇供應商時，不同的情況與標準必須被考慮，包括價格、服務、地點、生產能力(服務能力)、合法程序，同時本集團亦考慮專門意見及供應商的社會責任及環境保護方面等等。

層面 B6：產品責任

作為業務多元化的企業，本集團致力提供優質產品及服務給予客人，本集團制定了嚴謹的政策及程序生產產品及銷售產品，另外，本集團遵守與金融服務業監管制度相關的所有法例和規例，尤其是放債人條例所有適用條文、附屬規則和規例，以及證監會發出的守則和指引。

於報告期內，本集團並沒有發生任何出於安全和健康原因而回收的情況。

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As the money lending service has conducted risk assessment and signed loan agreement when customer applies for loan, the operating unit currently does not report the complaints and handling methods of loan service. However, in order to ensure the interests of stakeholders, the operating unit plans to report in the future. On the contrary, in respect of apparel supply, the Group has rigorous product complaint procedures. When customer complains about the product, the technical department will receive the quality feedback information and timely report to the quality control department, which will then report to the production department. The head of the production department will conduct an investigation and analysis in accordance with the content of customer complaint report, and will submit the analysis report to the quality control department within reasonable time. The quality control department will combine the correction action report conducted by the production department and the analysis of quality control, then will give feedback to the technical department. The technical department will conduct written reply report to the business department, which will reply to the customer subsequently.

Besides customer complaints, the Group itself has formulated quality inspection process and product recovery procedures. In the case of money lending service, as money lending service is governed by the Money Lenders Ordinance (Cap. 163), the operating unit complies with all applicable provisions, subsidiary rules and regulations of the Ordinance and the codes and guides issued by the SFC. In respect of apparel supply management, if the selling products of the Company do not meet product specification after customer feedback, or testing of the quality inspection and production department, or following customer requirements, or endangering personal safety, product recall will be initiated immediately.

In respect of the safeguarding and protection of intellectual property rights, there are no intellectual property rights and policies on money lending service. However, in respect of apparel supply management, as the Group has its own brand products, the Group has formulated regulations related to the safeguarding and protection of intellectual property rights, including photo management, sample control, product control, artworks and record keeping. Each item has relevant regulations to prevent the intellectual property right of the Group from being leaked.

由於放債服務於客戶申請貸款時已進行了風險評估及簽下借貸協議，故此該營運單位現時並沒有就借貸服務相關投訴及處理方式作出報告，但為了確保眾持份者的利益，該營運單位計劃於未來的報告中進行匯報。相反，本集團於服裝供應方面，本集團設有嚴謹的產品投訴程序，遇上客人的產品投訴，由技術組將接收的品質回饋資訊及時匯報給品質監控部，由品質監控部回匯報至生產部，生產部主管將按客戶投訴報告的內容進行調查分析，在合理時間內將分析報告提交品質監控部，品質監控部根據生產部的改善報告並結合品質監控方面的分析一同匯總後回饋給技術科，技術科寫出書面回覆報告。回覆報告業務部，由業務部負責回覆給客戶。

除了透過客人投訴外，本集團自身亦設有質量檢定過程及產品回收程序。就放債服務為例，由於放債服務是受放債人條例 (Cap. 163) 監管，該營運單位遵守該條例所有適用條文、附屬規則和規例，以及證監會發出的守則和指引。而服裝供應管理方面，若有客戶反饋或經質檢、生產部門經過試驗發現我司已發售產品有不符合產品規範或客戶要求或會危及到人生安全時需立即啟動產品召回的程序。

就維護及保障知識產權方面，放債服務並無就知識產權及其政策。然而，服裝供應管理方面，由於本集團有自家品牌產品，本集團制定相關維護及保障知識產權的規例，包括照片管理、樣品控制、產品控制、工藝圖以及記錄保存，每項都有相關的規例，以防本集團的知識產權外洩。

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The Group emphasizes the importance of customer's personal data protection, irrespective of money lending service or apparel supply management. During the collection, process and usage of customer's personal information or procurement details (including but not limited to loan contracts), they are stored in safes of the Company with high security, and only the staff with relevant authority can open. Other people may obtain the relevant information only with the approval of relevant management. The Group is committed to abiding by the provisions of the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong.

Aspect B7: Anti-corruption

The Group is a listed company with social responsibility. The Group strives to maintain a high level of ethical corporate culture. The Group has formulated sound risk management code and internal control code to ensure that every staff complies with the rules of the Group in daily operation, so as to prevent violation of law.

In the code, the Group requires every staff to comply with the staff code, and grants appropriate authority in every position to prevent employees from abuse of power, and suspected conflict of interest. As the business of the Group involves customer's personal data, the Group has also established the code of confidentiality and the relevant guidelines to employees to reduce the risk of information leakage.

During the reporting period, the Group did not have any litigation involving the allegation of corruption of the Group or its employees. The Group provides clear guidance for its employees and business partners regarding misconduct reporting and investigation regulations, ensuring that its employees can inform their matters of concern through different channels in an absolutely confidential manner. The Group ensures that all reported matters of true concern will be investigated and handled as required.

本集團注重保障客戶個人資料的重要性，不論是放債服務或服裝供應管理方面，在收集、處理及使用客戶個人資料或採購細節時，包括並不限於借貸合約，存放在公司的安全性高的保險箱，並只有有關權限職員才可開啟，如其他人員只有在相關管理人員批准的情況下才能了解到相關信息，致力恪守香港法例第486章《個人資料（私隱）條例》的條文。

層面B7：反貪污

本集團是具有社會責任的上市公司，本集團一向致力維持高水平道德之企業文化，本集團設有良好的風險管理守則及內部監控守則，務求在日常營運中每一位員工都能遵守本集團的規矩，以免墮入法網。

本集團在守則中要求每一位員工遵守員工守則，並在每一個工作崗位施予適當的權力，以免員工濫用職權，涉嫌利益衝突。由於本集團業務涉及客戶的個人資料，本集團亦有既定的保密守則及相關指引給予該員工，減低資料外洩的風險。

於報告期內，本集團並無發生指控本集團或其員工貪污之訴訟案件。本集團對不當行為舉報及調查規章為僱員及業務伙伴提供清晰指引，確保僱員可在絕對保密的情況下經不同渠道通報彼等關注之事項。本集團確保所有真切關注的舉報事項均得到所需之調查及處理。

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Aspect B8: Community Investment

As a responsible enterprise, the Group is well aware of its essential role in resource optimization throughout its business operation and promotion of environmental protection in areas where we may affect. As a result, the Group is committed to integrating environmental protection into its daily operation, and encouraging employees, customers, business partners and community to protect environment.

During its daily operation, the Group is committed to promoting energy saving scheme, which not only reduce carbon emissions and protect environment, but also promote staff productivity and enhance efficiency and turnover. Besides, the Group encourages employees to participate in charity activities during spare time, such as tree planting in countryside, cleaning up garbage, so that employees can develop good environmental awareness through such activities and establish enterprise with social responsibility.

In addition to develop awareness of environmental protection, the Group encourages out staff to donate to recognized charitable institutions in order to help grass-roots community or those in need, so that they can gain education and care. Moreover, the Group is committed to instilling anti-discrimination in its employees, such as anti-sex discrimination and anti-job discrimination. Not only does it develop the professionalism and professional ethics among employees, but it also creates a more friendly working environment of the Group, a more harmonious and peaceful social atmosphere, thus fulfilling social responsibility.

層面 B8：社區投資

作為負責任的企業，本集團深明肩負重要角色，在整個業務營運當中致力達致資源優化，並在我們可能影響的範圍推廣環境保護。因此，集團致力將環保融入日常營運中，並鼓勵員工、顧客、業務夥伴及社區一同為環保出力。

本集團在日常營運中，致力推廣能源節省計劃，不但減低碳排放，保護環境之餘，還可以促進職員的生產力，提升工作效率和生意額。另外，本集團鼓勵員工在空餘時間多做公益活動，例如：郊外植樹、清理垃圾，讓員工藉此活動建立良好的環保意識，建立有社會責任的企業。

除了建立環保意識，本集團鼓勵員工向認可的慈善機構捐獻，為社會基層或有需要的人提供援助，令他們獲得教育和關懷。另外，本集團致力向員工灌輸反歧視工作，例如反性別歧視、反工作崗位歧視，不但培養僱員的職業精神和職業道德，更令本集團的工作環境更友善，令社會氣氛更和諧和更和平，一盡社會責任之義。

Directors' Report 董事報告書

The Board is pleased to present their report together with the consolidated financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Group is principally engaged in designing, manufacturing and trading of apparels. Details of the principal activities of the Company and its subsidiaries are set out in note 1 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by geographical areas is set out in the note 6 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 and its state of affairs of the Group as at 31 December 2016 are set out in the financial statements on pages 61 to 144.

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

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past five years is set out in the financial summary on page 5 of this annual report. This summary does not form part of the audited financial statements in this annual report.

RESERVES

Details of the movements in the reserves of the Company and of the Group during the year are set out in note 38(b) to the financial statements and in the consolidated statement of change in equity, respectively in this annual report.

董事會欣然呈列本集團的報告及其截至二零一六年十二月三十一日止年度的綜合財務報表。

主要業務

本集團主要從事成衣產品的設計、製造及貿易。本公司及其附屬公司的主要業務詳情載於財務報表附註1。

分部資料

本集團按地區劃分之業績分析載於財務報表附註6。

業績及分配

本集團截至二零一六年十二月三十一日止年度之業績及本集團於二零一六年十二月三十一日的業務狀況載於財務報表第61頁至第144頁。

董事不建議派發截至二零一六年十二月三十一日止年度的任何末期股息。

財務資料概要

本集團於過往五個年度的已刊發業績以及資產及負債概要乃載於本年報第5頁的財務概要。此概要並不構成本年報經審核財務報表的一部分。

儲備

本公司及本集團儲備於年內之變動詳情分別載於本年報財務報表附註38(b)及綜合權益變動表。

Directors' Report 董事報告書

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserves available for distribution to equity shareholders, comprising share premium and contributed surplus, amounted to approximately HK\$235,337,000.

USE OF PROCEEDS

On 19 August 2016, the Company entered into a placing Agreement pursuant to which the Company has agreed to place up to 120,000,000 new shares at the placing price of HK\$0.52 per Placing Share. Completion of the Placing took place on 2 September 2016. The net proceeds from the Placing of approximately HK\$61,000,000 was utilized as to (i) approximately HK\$51,000,000 for the purchase of raw materials and goods for the manufacturing and trading business of the Group; and (ii) approximately HK\$10,000,000 as the general working capital of the Group.

Further details of the Placing are contained in the Company's announcement dated 19 August 2016 and 2 September 2016 respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of Group during the year are set out in note 14 to the financial statements of this annual report.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 29 to the financial statements.

PRE-EMPTIVE RIGHTS

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

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2016.

可供分派儲備

於二零一六年十二月三十一日，本公司可供分派予權益股東之儲備（包括股份溢價及繳入盈餘）約235,337,000港元。

所得款項用途

於二零一六年八月十九日，本公司訂立配售協議，據此，本公司已同意配售最多120,000,000股新股份，配售價為每股配售股份0.52港元。配售事項已於二零一六年九月二日完成。配售事項之所得款項總淨額約為61,000,000港元已用於(i)約51,000,000港元用於為本集團的製造及貿易業務購買原材料及商品；及(ii)約10,000,000港元用作本集團一般營運資金。

配售事項之進一步詳情分別載於本公司日期為二零一六年八月十九日及二零一六年九月二日之公告。

物業、廠房及設備

本集團於本年度的物業、廠房及設備變動詳情載於本年報內財務報表附註14。

股本

本公司於本年度的股本變動詳情載於財務報表附註29。

優先購買權

本公司的組織章程細則或開曼群島法律並無關於優先購買權的規定，致令本公司須按比例向現有股東發售新股份。

購買、贖回或出售本公司的上市證券

本公司或其任何附屬公司於截至二零一六年十二月三十一日止年度期間並無購買、贖回或出售本公司任何上市證券。

Directors' Report 董事報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's major customers and suppliers are as follows:

Sales	
– The largest customer	23.4%
– The total of five largest customers	85.7%
Purchases	
– The largest supplier	19.4%
– The total of five largest suppliers	46.9%

DIRECTORS

The Directors of the Company during the year ended 31 December 2016 and up to the date of this annual report are:

EXECUTIVE DIRECTORS

Hubert Tien (*Chairman*)
Farzad Gozashti
(resigned on 2 November 2016)
Chen Gang
Qu Chengbiao
Yeung Kwok Leung
(appointed on 7 September 2016)
Cheng Tze Kit Larry
(appointed on 24 November 2016)
Liu Chun Fai
(appointed on 24 November 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tang Tsz Kai, Kevin (resigned on 2 November 2016)
Lai Man Sing (resigned on 2 November 2016)
Chan Kin Sang (resigned on 9 December 2016)
Luo Dan (resigned on 19 December 2016)
Tang Shu Pui Simon (appointed on 22 August 2016)
Tse Yuen Ming (appointed on 2 November 2016)
Hon Ming Sang (appointed on 2 November 2016)

In accordance with articles 84(1) to 85 of the Company's articles of association, Hubert Tien, Chen Gang, Qu Chengbiao, Yeung Kwok Leung, Cheng Tze Kit Larry, Liu Chun Fai, Tang Shu Pui Simon, Hon Ming Sang and Tse Yuen Ming will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

主要客戶及供應商

年內，本集團的主要客戶及供應商如下：

銷售額	
– 最大客戶	23.4%
– 五大客戶合計	85.7%
採購	
– 最大客戶	19.4%
– 五大供應商合計	46.9%

董事

於截至二零一六年十二月三十一日止年度內及直至本報告日期在任之董事如下：

執行董事

田曉勃 (主席)
Farzad Gozashti
(於二零一六年十一月二日辭任)
陳綱
瞿成彪
楊國良
(於二零一六年九月七日獲委任)
鄭子傑
(於二零一六年十一月二十四日獲委任)
廖晉輝
(於二零一六年十一月二十四日獲委任)

獨立非執行董事

鄧子楷 (於二零一六年十一月二日辭任)
黎文星 (於二零一六年十一月二日辭任)
陳健生 (於二零一六年十二月九日辭任)
羅丹 (於二零一六年十二月十九日辭任)
鄧澍焯 (於二零一六年八月二十二日獲委任)
謝遠明 (於二零一六年十一月二日獲委任)
韓銘生 (於二零一六年十一月二日獲委任)

根據本公司的章程細則第84(1)至85條，田曉勃、陳綱、瞿成彪、楊國良、鄭子傑、廖晉輝、鄧澍焯、韓銘生及謝遠明將於即將舉行的股東週年大會上輪席退任及彼等均符合資格並願意於該大會上膺選連任。

Directors' Report 董事報告書

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the annual general meeting has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 8 to 13 of this annual report.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any contract of significance to business of the Group to which the Company or any of its subsidiaries was a party the year ended 31 December 2016.

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

As at 31 December 2016, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

董事服務合約

擬於週年股東大會上膺選連任之董事概無與本公司訂立不得由本公司於一年內終止時免付賠償（法定賠償除外）之服務合約。

董事及高級管理人員履歷

本公司董事及本集團高級管理人員的履歷詳情載於本年報第8至13頁。

董事於重大合約的權益

截至二零一六年十二月三十一日止年度，概無董事於本公司或其任何附屬公司為訂約一方而對本集團業務而言屬重大的合約中直接或間接擁有重大權益。

董事及主要行政人員於股份、相關股份及債權證中的權益及淡倉

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及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的權益（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第352條規定須記錄在該條所述登記冊內的權益；或根據標準守則須知會本公司及聯交所的權益如下：

Directors' Report 董事報告書

Long positions in Shares of the Company

於本公司股份的好倉

Name 姓名	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Percentage of interests 權益百分比
Hubert Tien 田曉勃	Interest in controlled corporation (Note 1) 受控法團權益(附註1)	9,000,000 shares 9,000,000 股	1.08%
Tang Shu Pui Simon 鄧澍培	Beneficial owner 實益擁有人	5,000,000 shares 5,000,000 股	0.60%

Note:

- These shares are held by All Divine Limited, which is wholly owned by Mr. Hubert Tien. By virtue of the SFO, Mr. Hubert Tien is deemed to be interested in the 9,000,000 shares under the SFO.

附註：

- 該等股份由 All Divine Limited 持有，該公司由田曉勃先生全資持有。根據證券及期貨條例，田曉勃先生被視為持有 9,000,000 股股份的權益。

Save as disclosed above, as at 31 December 2016, none of the Directors or chief executive 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 (within the meaning of Part XV of the SFO) 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 and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一六年十二月三十一日，概無本公司董事或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第 XV 部）的股份、相關股份或債權證中擁有根據證券及期貨條例第 XV 部第 7 及 8 分部規定須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）；或根據證券及期貨條例第 352 條規定須記錄在該條所述登記冊內的權益；或根據標準守則須知會本公司及聯交所的權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than a Director or the chief executive of the Company) which had 5% or more interests in the Shares and the underlying Shares as recorded in the register kept under section 336 of the SFO were as follows:

主要股東及其他人士於股份、相關股份及債權證的權益及淡倉

於二零一六年十二月三十一日，據任何董事或本公司主要行政人員所知或以其他方式獲知會，根據證券及期貨條例第 336 條存置的登記冊所記錄擁有股份及相關股份 5% 或以上權益的法團或人士（本公司董事或主要行政人員除外）詳情如下：

Directors' Report 董事報告書

Long positions in Shares of the Company

於本公司股份的好倉

Name 姓名	Capacity/nature of interest 身份／權益性質	Number of shares 股份數目	Percentage of interests 權益百分比
Wong Tat Wai Derek 王達偉	Beneficial owner 實益擁有人	129,000,000 shares 129,000,000 股	15.54%
Tin Yuen Sin Carol 田琬善	Beneficial owner and interest in controlled corporation (Note 1) 實益擁有人及受控法團權益(附註1)	114,362,000 shares 114,362,000 股	13.78%
Favor Way Investments Limited	Beneficial owner (Note 1) 實益擁有人(附註1)	110,000,000 shares 110,000,000 股	13.25%
Favor Way Investments Limited	Beneficial owner 實益擁有人	87,000,000 shares 87,000,000 股	10.48%

Note:

1. These shares are owned as to (i) 4,362,000 shares beneficially by Ms. Tin Yuen Sin Carol; and (ii) 110,000,000 through Favor Way Investments Limited, a company wholly-owned by Ms. Tin Yuen Sin Carol.

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its Group members or associated corporations 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 under Section 336 of the SFO.

EMOLUMENT POLICY

The remuneration committee was established for reviewing and determining the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, the time devoted to the Group and the performance of the Group. The Directors may also receive options to be granted under a share option scheme. The Company has conditionally adopted a share option scheme. The details of the share option scheme are set out in the paragraph headed "Share Option Scheme" below.

附註：

1. 該等股份中，(i)4,362,000股股份由田琬善女士實益擁有；及(ii)110,000,000股股份由田琬善女士全資擁有之公司Favor Way Investments Limited擁有。

除上文所披露者外，於二零一六年十二月三十一日，董事概無知悉任何其他人士／實體（不包括本公司董事及主要行政人員）於本公司、其集團成員公司或相聯法團的股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部，須向本公司披露之權益或淡倉，或根據證券及期貨條例第336條，記錄於該條例內規定本公司須存置之登記冊內之權益及淡倉。

薪酬政策

薪酬委員會已成立以經參考董事的職責、工作量、對本集團付出的時間及於本集團的表現而檢討及釐定彼等的酬金及薪酬待遇。董事亦可能收取根據購股權計劃將授出的購股權。本公司有條件採納購股權計劃。購股權計劃之詳情載於下文「購股權計劃」一段。

SHARE OPTION SCHEME

The share option scheme enables the Company to grant options to any full-time or part-time employee of the Company or any member of the Group (the "Eligible Participant") as incentives or rewards for their contributions to the Group, the Company conditionally adopted a share option scheme (the "Scheme") on 22 November 2013 since whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company to the Eligible Participant. The Share Option Scheme will remain effective following the Transfer of Listing subject to certain immaterial amendments to the share option scheme and will be implemented in full compliance with the requirements of Chapter 17 of the Listing Rules. The Scheme will be valid and effective for a period of ten years commencing from the Listing Date.

As at the date of this report, the total number of shares available for issue under the Scheme is 60,000,000 shares, representing 7.23% of the issued share capital of the Company.

Upon acceptance of an option to subscribe for shares granted pursuant to the Scheme (the "Option"), the Eligible Participant shall pay HK\$ 1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 21 days from the date on which the Option is granted. The subscription price for the shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option, which must be a day on which trading of shares take place on the Stock Exchange (the "Trading Day"); (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a share. For the purpose of calculating the subscription price, in the event that on the date of grant, the Company has been listed on the Stock Exchange for less than 5 Trading Days, the placing price shall be used as the closing price for any Trading Day falling within the period before the Listing Date.

購股權計劃

購股權計劃使本公司可向本公司或本集團任何成員公司之任何全職或兼職僱員（「合資格參與者」）授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。本公司於二零一三年十一月二十二日有條件採納購股權計劃（「該計劃」），據此，董事會獲授權可全權酌情，依照該計劃之條款授出可認購本公司股份之購股權予合資格參與者。購股權計劃將於轉板上市後繼續有效（惟須對購股權計劃作出若干非重大修訂），並將完全遵照上市規則第17章的規定實施。該計劃由上市日期起十年期內一直有效及生效。

於本報告日期，根據該計劃可供發行之股份總數為60,000,000股，佔本公司已發行股本之7.23%。

於接納根據該計劃授出可認購股份之購股權（「購股權」）後，合資格參與者須支付1.00港元予本公司，作為獲授購股權之代價。購股權之接納期為授出購股權當日起計21日期間。購股權之股份認購價將由董事會釐定，並知會各參與者，價格須為下列各項之最高者：(i)於授出購股權日期（必須為股份於聯交所進行買賣之日（「交易日」））聯交所每日報價表所載之股份收市價；(ii)於緊接授出購股權當日前五個交易日聯交所每日報價表所載之股份平均收市價；及(iii)股份面值。就計算認購價而言，倘在授出日期，本公司於聯交所上市少於五個交易日，配售價須用作在上市日期前期間任何交易日之收市價。

Directors' Report 董事報告書

The Company shall be entitled to issue options, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the shares in issue from the Listing Date. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the shares in issue at the time. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. Since the adoption of the Scheme and during the year, no share option has been granted, exercised, lapsed or cancelled, and as at 31 December 2016, no share options under the Scheme were outstanding.

CONNECTED AND RELATED PARTY TRANSACTIONS

Details of the connected and related party transactions for the reporting period are set out in note 10(a) to the consolidated financial statements of this annual report. The connected and related party transactions are exempted from the reporting, announcement and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report. The Company has maintained a sufficient public float in compliance with the Listing Rules.

CORPORATE GOVERNANCE

A report detailed corporate governance report is set out in pages 25 to 35 in this annual report.

本公司獲賦予權利發行購股權，惟根據該計劃將予授出之所有購股權獲行使後，可予發行之股份總數不得超過上市日期已發行股份之10%。待獲股東批准及根據上市規則發出通函後，本公司可隨時更新此上限，惟於根據本公司全部購股權計劃將予授出之所有未獲行使而尚待行使購股權獲行使後，可發行之股份總數不得超過當時已發行股份之30%。購股權可按該計劃條款，於董事會所釐定之期間內隨時行使，惟不得超出授出購股權日期起計十年（惟須受提早終止條文所規限）。自採納該計劃起年內，概無購股權授出、行使、失效或註銷及於二零一六年十二月三十一日，概無根據該計劃未行使之購股權。

關連交易及關聯方交易

報告期內的關連交易及關聯方交易之詳情載於本年報綜合財務報表附註10(a)。根據上市規則第14A章，關連交易及關聯方交易獲豁免遵守申報、公告及獨立股東批准的規定。

競爭及利益衝突

年內，本公司董事或主要股東及彼等各自之聯繫人士概無從事與本集團業務構成或可能構成競爭之任何業務或與本集團有任何其他利益衝突。

足夠公眾持股量

按照本公司可公開取得之資料，並就董事所知，於本報告日期，本公司最少25%已發行股本總額由公眾持有。本公司已遵守上市規則維持足夠公眾持股量。

企業管治

詳細企業管治報告載於本年報第25至35頁。

Directors' Report 董事報告書

AUDITOR

The consolidated financial statements for the year ended 31 December 2016 have been audited by BDO Limited, who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of BDO Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board
Runway Global Holdings Company Limited

Hubert Tien
Chairman
20 March 2017

核數師

截至二零一六年十二月三十一日止年度之綜合財務報表已由香港立信德豪會計師事務所有限公司審核，彼將退任並合乎資格且願於即將舉行的股東週年大會上膺選連任。續聘香港立信德豪會計師事務所有限公司為本公司核數師的決議案將於即將舉行的股東週年大會上提呈。

承董事會命
時尚環球控股有限公司

田曉勃
主席
二零一七年三月二十日

Independent Auditor's Report

獨立核數師報告



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To the Shareholders of Runway Global Holdings Company Limited
(incorporated in the Cayman Islands with limited liability)

致時尚環球控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Runway Global Holdings Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 61 to 144, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

吾等已完成審核刊於第61頁至第144頁時尚環球控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,其中包括於二零一六年十二月三十一日的綜合財務狀況表,以及截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括重大會計政策概要。

吾等認為,綜合財務報表已根據由香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平反映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,並認為綜合財務報表乃按照香港《公司條例》之披露要求妥為編製。

意見基準

吾等已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。吾等於該等準則項下的責任於本報告「核數師就審核綜合財務報表的責任」一節進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」(「守則」),吾等獨立於貴集團,並已根據守則履行其他道德責任。吾等相信,吾等所獲取的審核憑證充足及適當地為吾等的意見提供基礎。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Valuation of Inventories

Refer to notes 5(c), 9 and 18 to the consolidated financial statements

The Group has inventories of approximately HK\$16.9 million as at 31 December 2016. Inventories are carried at lower of cost and net realisable value. The assessment of the net realisable value of inventories is primarily based on significant management estimates relating to the future market conditions, selling price and assumptions. Accordingly, the valuation of inventories is considered to be a key audit matter of our audit. Management concluded that impairment of HK\$6,334,000 is necessary for the Group's inventories for the year ended 31 December 2016.

Our audit procedures included:

- Observing the Group's inventory count to identify whether there is any damaged or obsolete inventory;
- Testing the accuracy of the ageing profile of individual inventory item on a sample basis by checking to the underlying procurement correspondence;
- Assessing the subsequent usage and the net realisable value of inventory items on a sample basis using historic margins and current market condition; and
- Assessing the basis for the inventory provisions, the consistency of provisioning in line with policy and the rationale for the recording of specific provisions.

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核本期綜合財務報表中最重要的事項。吾等在整體審核綜合財務報表及就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

存貨估值

參閱綜合財務報表附註5(c)、9及18

於二零一六年十二月三十一日，貴集團擁有存貨約16,900,000港元。該等存貨按成本與可變現淨值兩者中孰低者列賬。存貨的可變現淨值評估主要基於與未來市場狀況、售價及假設有關的重要管理層估計。因此，存貨估值被視為吾等審核的關鍵審核事項之一。管理層認為，減值6,334,000港元對貴集團截至二零一六年十二月三十一日止年度的存貨屬必要。

吾等的審核程序包括：

- 觀察貴集團存貨量以確定是否有任何損壞或過時存貨；
- 透過檢查相關採購資料，以抽樣方式測試個別存貨項目庫齡之準確性；
- 以抽樣方式採用過往毛利及現時市況評估存貨項目的後續使用及可變現資產淨值；及
- 評估存貨撥備基準、符合政策撥備的一致性及其特定撥備記錄基本原理。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

KEY AUDIT MATTERS (Continued)**Recoverability of Trade and Bills Receivables and Loans and Interest Receivables**

Refer to notes 5(b), 9, 19 and 20 to the consolidated financial statements

As at 31 December 2016, the Group's trade and bills receivables and loans and interest receivables amounted to approximately HK\$63.5 million and HK\$80.5 million respectively, representing significant balances recorded in the consolidated statement of financial position of the Group. The recoverability of trade and bills receivables and loans and interest receivables are considered to be a key audit matter because it requires significant management judgment due to specific risks associated with trade and bills receivables and loans and interest receivables. Management concluded that impairment of HK\$777,000 is necessary for the Group's trade receivables for the year ended 31 December 2016.

Our audit procedures included:

- Assessing the recoverability of trade and bills receivables and loans and interest receivables and the appropriateness of any impairment to be recognised taking into account facts and circumstances which are considered key considerations for each receivable;
- Reviewing cash received subsequent to year end and third party correspondence to obtain evidence of the collectability on trade and bills receivables and loans and interest receivables;
- Reviewing the repayment histories and credit worthiness of the Group's debtors; and
- Assessing the adequacy of the Group's disclosures regarding trade and bills receivables and loans and interest receivables, the related risks such as credit risk and the aging of trade and bills receivables and loans and interest receivables.

關鍵審核事項 (續)**貿易應收款項及應收票據以及應收貸款及應收利息的可收回性**

參閱綜合財務報表附註5(b)、9、19及20

於二零一六年十二月三十一日，貴集團貿易應收款項及應收票據以及應收貸款及應收利息分別為約63,500,000港元及80,500,000港元，即於貴集團綜合財務狀況表列賬之重大結餘。貿易應收款項及應收票據以及應收貸款及應收利息被視為關鍵審核事項，因由於貿易應收款項及應收票據以及應收貸款及應收利息相關的特定風險，須重要管理層判斷。管理層認為，減值777,000港元對貴集團截至二零一六年十二月三十一日止年度的貿易應收款項屬必要。

吾等的審核程序包括：

- 評估貿易應收款項及應收票據以及應收貸款及應收利息的可收回性及計及被視為各項應收款項主要考慮因素的事實及情況將確認的任何減值適宜性。
- 檢討年底後已收現金及第三方資料以取得貿易應收款項及應收票據以及應收貸款及應收利息可收回性的憑證。
- 檢討貴集團債務人的還款歷史及信用值；及
- 評估貴集團有關貿易應收款項及應收票據以及應收貸款及應收利息、有關風險如貿易應收款項及應收票據以及應收貸款及應收利息的信貨風險及賬齡披露的充分性。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

KEY AUDIT MATTERS (Continued)

Impairment Assessment of Goodwill

Refer to notes 5(f) and 16 to the consolidated financial statements

Goodwill of approximately HK\$87.7 million represent significant balance recorded in the consolidated statement of financial position of the Group. Goodwill is allocated to the cash generating unit ("CGU") in relation to the Group's provision of money lending services.

The CGU is tested for impairment annually. Management determined the recoverable amount of this CGU based on cash flow projections. Any shortfall in the recoverable amount against the carrying amounts of the CGU would be recognised as impairment loss. Recoverable amount of the CGU is determined based on estimates of growth rates, operating margins and discount rates. The determination of recoverable amount requires significant judgement of management and independent external valuations were obtained in order to support management's estimates.

Our audit procedures included:

- Assessing the qualifications and competences of independent valuers who were employed by the management;
- Assessing the valuation methodology and estimates of growth rates, operating margins and discount rates in relation to impairment assessment, with the assistances from our valuation experts; and
- Challenging the reasonableness of key assumptions in the cash flow projections.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

關鍵審核事項 (續)

商譽估值評估

參閱綜合財務報表附註5(f)及16

商譽約87,700,000港元指於本集團綜合財務狀況表內列賬之重大結餘。商譽分配至本集團提供放債服務有關的現金產生單位（「現金產生單位」）。

現金產生單位每年進行減值測試。管理層基於現金流預測以釐定此現金產生單位的可收回金額。現金產生單位的可收回金額與賬面金額的任何缺額將確認為減值虧損。現金產生單位的可收回金額根據增長率、經營利潤率及折現率的估計釐定。釐定可收回金額需要管理層的重大判斷以及取得獨立外部估值以支持管理層的估計。

吾等的審核程序包括：

- 評估管理層僱聘的獨立估值師的資格及能力；
- 在我們的估值專家協助下，評估估值方法以及與減值評估有關的增長率、經營利潤率及折現率的估計；及
- 質詢現金流預測中關鍵假設的合理性。

年報的其他資料

董事負責其他資料。其他資料包括貴公司年報所載資料，但不包括綜合財務報表及核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的鑒證結論。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

OTHER INFORMATION IN THE ANNUAL REPORT

(Continued)

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

年報的其他資料 (續)

審核綜合財務報表時，吾等的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或吾等於審核過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。於此方面，吾等沒有任何報告。

董事就綜合財務報表須承擔的責任

董事負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》之披露要求編製真實及公平的綜合財務報表，以及董事認為就呈列不存在由於欺詐或錯誤而導致重大錯誤陳述的綜合財務報表而言屬必要的內部監控。

在編制綜合財務報表時，董事負責評估本集團的持續經營能力，披露（如適用）與持續經營有關的事項，並使用持續經營會計基準（除非董事擬將本集團清盤、終止業務，或別無其他選擇）。

審核委員會協助董事履行彼等監管 貴集團財務申報程序的責任。

核數師就審核綜合財務報表的責任

吾等的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有吾等意見的核數師報告。吾等僅向 閣下（作為整體）按照委任條款報告，除此之外本報告別無其他目的。吾等不會就本報告內容向任何其他人士負上或承擔任何責任。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

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

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

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

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

核數師就審核綜合財務報表的責任 (續)

合理確定屬高層次核證，但不能擔保根據香港審核準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港核數準則進行審核時，吾等運用專業判斷，於整個審核過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

BDO Limited

Certified Public Accountants

Wong Kwok Wai

Practising Certificate Number P06047

Hong Kong, 20 March 2017

核數師就審核綜合財務報表的責任 (續)

- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等與審核委員會就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施(如適用)與審核委員會溝通。

吾等從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

香港立信德豪會計師事務所有限公司

執業會計師

黃國偉

執業證書編號：P06047

香港，二零一七年三月二十日

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 HK\$'000 千港元	2015 HK\$'000 千港元
Revenue	收入	7	368,857	371,725
Cost of sales	銷售成本		(274,778)	(278,906)
Gross profit	毛利		94,079	92,819
Other income and gains	其他收入及收益	7	615	597
Impairment loss on goodwill	商譽減值虧損	16	(11,453)	–
Selling and distribution expenses	銷售及分銷費用		(46,060)	(33,967)
Administrative expenses	行政開支		(54,471)	(39,905)
Finance costs	融資成本	8	(478)	(158)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	9	(17,768)	19,386
Income tax expense	所得稅開支	11	(1,001)	(3,654)
(Loss)/profit for the year attributable to owners of the Company	本公司擁有人應佔年度(虧損)/溢利		(18,769)	15,732
Other comprehensive income, net of tax, attributable to owners of the Company	本公司擁有人應佔其他全面收益(除稅後)			
Item that may be reclassified subsequently to profit or loss:	可於其後重新分類至損益的項目:			
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌虧損		(2,850)	(2,744)
Total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年度全面收益總額		(21,619)	12,988
(Loss)/earnings per share attributable to owners of the Company	本公司擁有人應佔每股(虧損)/盈利	13		
Basic and diluted (loss)/earnings per share (HK cents)	每股基本及攤薄(虧損)/盈利(港仙)		(2.89)	2.62

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	12,591	14,577
Payments for leasehold land held for own use under operating lease	15	1,738	1,899
Goodwill	16	87,656	–
Intangible assets	17	800	–
Deferred tax assets	28	742	–
		103,527	16,476
Current assets			
Inventories	18	16,926	25,148
Trade and bills receivables	19	63,485	71,201
Loans and interest receivables	20	80,465	–
Deposits, prepayments and other receivables	21	22,803	27,279
Financial assets at fair value through profit or loss	22	42,000	–
Tax recoverable		1,729	747
Pledged bank deposits	23	7,761	8,656
Cash and bank balances	24	59,188	53,837
		294,357	186,868
Current liabilities			
Trade and bills payables	25	49,644	50,578
Accruals, other payables and receipts in advance	26	26,656	15,606
Interest-bearing borrowings	27	54,410	242
Provision for taxation		1,566	524
		132,276	66,950
Net current assets		162,081	119,918
Total assets less current liabilities		265,608	136,394

Consolidated Statement of Financial Position (Continued) 綜合財務狀況表 (續)

As at 31 December 2016 於二零一六年十二月三十一日

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	27	383	637
Deferred tax liabilities	抵押稅項負債	28	1,073	–
			1,456	637
Net assets	資產淨值		264,152	135,757
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	29	8,300	6,000
Reserves	儲備	30	255,852	129,757
Total equity	權益總額		264,152	135,757

On behalf of the Board

代表董事會

Hubert Tien

田曉勃
Director
董事

Yeung Kwok Leung

楊國良
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share capital	Share premium	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Total
		股本	股份溢價	合併儲備	法定儲備	換算儲備	保留盈利	總額
		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 30(a))	(note 30(b))	(note 30(c))	(note 30(d))		
			(附註30(a))	(附註30(b))	(附註30(c))	(附註30(d))		
At 1 January 2015	於二零一五年一月一日	6,000	40,690	2,988	2,379	6,013	64,699	122,769
Profit for the year	年度溢利	-	-	-	-	-	15,732	15,732
Other comprehensive income	其他全面收益							
- Exchange loss on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌虧損	-	-	-	-	(2,744)	-	(2,744)
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	(2,744)	15,732	12,988
Profit appropriation to reserve	撥往儲備的溢利	-	-	-	414	-	(414)	-
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	6,000	40,690	2,988	2,793	3,269	80,017	135,757
Loss for the year	年度虧損	-	-	-	-	-	(18,769)	(18,769)
Other comprehensive income	其他全面收益							
- Exchange loss on translation of financial statements of foreign operations	- 換算海外業務財務報表的匯兌虧損	-	-	-	-	(2,850)	-	(2,850)
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	(2,850)	(18,769)	(21,619)
Profit appropriation to reserve	撥往儲備的溢利	-	-	-	189	-	(189)	-
Issuance of shares	發行股份	1,200	59,714	-	-	-	-	60,914
Arising from acquisition of a subsidiary (note 32)	來自收購一間附屬公司(附註32)	1,100	88,000	-	-	-	-	89,100
At 31 December 2016	於二零一六年十二月三十一日	8,300	188,404	2,988	2,982	419	61,059	264,152

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 HK\$'000 千港元	2015 HK\$'000 千港元
Cash flows from operating activities			
(Loss)/profit before income tax		(17,768)	19,386
Adjustments for:			
Bank interest income	7	(205)	(360)
Interest expenses	8	478	158
Impairment loss on goodwill	16	11,453	–
Amortisation of payments for leasehold land held for own use under operating lease	9	54	54
Depreciation of property, plant and equipment	9	1,838	1,974
Loss/(gain) on disposals of property, plant and equipment	9	6	(30)
Net gain on financial assets at fair value through profit or loss	7	(102)	–
Provision for impairment on inventories	9	6,334	–
Provision for impairment on trade receivables	9	777	–
Operating profit before working capital changes		2,865	21,182
Decrease/(increase) in inventories		1,330	(5,509)
Decrease/(increase) in trade and bills receivables		6,907	(8,073)
Increase in loans and interest receivables		(33,005)	–
Decrease in deposits, prepayments and other receivables		1,317	8,146
Increase in financial assets at fair value through profit or loss		(19,850)	–
Increase/(decrease) in trade and bills payables		1,136	(15,131)
Increase in accruals, other payables and receipts in advance		10,928	727
Settlement of derivative financial instruments, net		–	129
Cash (used in)/generated from operations		(28,372)	1,471
Income tax paid		(1,636)	(5,101)
Net cash used in operating activities		(30,008)	(3,630)

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 HK\$'000 千港元	2015 HK\$'000 千港元
Cash flows from investing activities			
Purchases of property, plant and equipment		(587)	(922)
Proceeds from disposals of property, plant and equipment		6	88
Decrease in pledged bank deposits		656	919
Decrease/(increase) in time deposit		7,631	(5,104)
Interest received		205	360
Acquisition of a subsidiary	32	(56,882)	–
Net cash used in investing activities		(48,971)	(4,659)
Cash flows from financing activities			
Interest paid		(414)	(158)
Proceeds of interest-bearing borrowings		5,460	6,240
Repayments of interest-bearing borrowings		(5,702)	(8,492)
Proceeds from issuance of shares		62,400	–
Share issue expenses		(1,486)	–
Net cash generated from/(used in) financing activities		60,258	(2,410)
Net decrease in cash and cash equivalents		(18,721)	(10,699)
Cash and cash equivalents at beginning of the year		46,206	57,301
Effect of foreign exchange rates, net		(341)	(396)
Cash and cash equivalents at end of the year		27,144	46,206
Analysis of balances of cash and cash equivalents			
Cash and bank balances as stated in the consolidated statement of financial position		59,188	53,837
Time deposit with original maturity of more than three months	24	–	(7,631)
Bank overdrafts	27	(32,044)	–
		27,144	46,206

Notes to the Financial Statements

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. GENERAL

Runway Global Holdings Company Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 19 June 2013. The address of the registered office and principal place of business of the Company is disclosed in the section headed “Corporate Information” in the annual report. The Company’s shares were listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of placing on 3 December 2013 and the listing of its shares has been transferred from GEM to the Main Board of the Stock Exchange on 1 June 2015.

The Company is an investment holding company and its subsidiaries (together the “Group”) are principally engaged in manufacturing and trading of apparels and provision of money lending services.

The financial statements for the year ended 31 December 2016 were approved for issue by the board of directors on 20 March 2017.

1. 公司資料

時尚環球控股有限公司（「本公司」）於二零一三年六月十九日在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處以及主要營業地點地址披露於本年報「公司資料」一節。本公司的股份已於二零一三年十二月三日透過配售在香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市，其股份已由二零一五年六月一日起由創業板轉往聯交所主板上市。

本公司為一間投資控股公司及連同其附屬公司（統稱為「本集團」）主要從事成衣的製造及貿易及提供放債服務。

截至二零一六年十二月三十一日止年度的財務報表已於二零一七年三月二十日由董事會核准刊發。

Notes to the Financial Statements 財務報表附註

31 December 2016 二零一六年十二月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**2.1 Adoption of new/revised HKFRSs – effective 1 January 2016**

In the current year, the Group has applied the new/revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are first effective and relevant for the Group’s financial statements for the annual period beginning on 1 January 2016.

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

The adoption of these new and revised HKFRSs had no material impact on how the financial performance and financial position for the current and prior periods have been prepared and presented.

2. 採納香港財務報告準則 (「香港財務報告準則」)**2.1 採納新訂／經修訂香港財務報告準則 – 於二零一六年一月一日生效**

於本年度，本集團已應用由香港會計師公會（「香港會計師公會」）頒佈並於二零一六年一月一日開始的年度期間首次生效及與本集團財務報表相關的新訂／經修訂香港財務報告準則。

香港財務報告準則 (修訂本)	二零一二年至 二零一四年 週期之年度 改進
香港會計準則第1號 的修訂本	披露計劃
香港會計準則第16號及 香港會計準則第38號 的修訂本	澄清可接受的 折舊及攤銷 方法
香港會計準則第27號 的修訂本	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 的修訂本	投資實體：應用 綜合例外情況
香港財務報告準則 第11號 (修訂本)	收購合營業務 權益的會計 處理
香港財務報告準則 第14號	監管遞延賬戶

採納該等新訂及經修訂香港財務報告準則對本期以及過往期間的財務表現及財務狀況的編製及呈報方式並無重大影響。

Notes to the Financial Statements 財務報表附註

31 December 2016 二零一六年十二月三十一日

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

2.2 New/revised HKFRSs in issue but not yet effective

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

Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ²
HKFRS 16	Leases ³

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

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

³ Effective for annual periods beginning on or after 1 January 2019

Amendments to HKAS 7 – Disclosure Initiative

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

下列可能與本集團財務報表有關的新訂／經修訂香港財務報告準則已頒佈但尚未生效，而本集團亦無提早採納。本集團現時擬於該等變動生效之日採用該等變動。

香港會計準則第7號的修訂本	披露計劃 ¹
香港會計準則第12號的修訂本	就未變現虧損確認遞延稅項資產 ¹
香港財務報告準則第9號	金融工具 ²
香港財務報告準則第15號	來自與客戶合約的收益 ²
香港財務報告準則第15號的修訂本	來自與客戶合約的收益(釐清香港財務報告準則第15號) ²
香港財務報告準則第16號	租約 ³

¹ 於二零一七年一月一日或之後開始的年度期間生效

² 於二零一八年一月一日或之後開始的年度期間生效

³ 於二零一九年一月一日或之後開始的年度期間生效

香港會計準則第7號的修訂本 – 披露計劃

該等修訂引入一項補充披露，將讓財務報表使用者能夠評價因融資活動產生的負債變動。

Notes to the Financial Statements 財務報表附註

31 December 2016 二零一六年十二月三十一日

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**2.2 New/revised HKFRSs in issue but not yet effective (Continued)*****Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses***

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

HKFRS 9 – Financial Instruments

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

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)*****香港會計準則第12號的修訂本 – 就未變現虧損確認遞延稅項資產***

該等修訂有關確認遞延所得稅資產及澄清若干必要考慮因素，包括如何就與以公平值計量的債務工具相關的遞延稅項資產入賬。

香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號引入財務資產分類及計量的新規定。按業務模式持有資產而目的為收取合約現金流的債務工具（業務模式測試）以及具產生現金流的合約條款且僅為支付本金及未償還本金利息的債務工具（合約現金流特徵測試），一般按攤銷成本計量。倘該實體業務模式的目的為持有及收取合約現金流以及出售財務資產，則符合合約現金流特徵測試的債務工具以按公平值計入其他全面收益計量。實體可於初步確認時作出不可撤銷的選擇，以按公平值計入其他全面收益計量並非持作買賣的股本工具。所有其他債務及股本工具以按公平值計入損益計量。

香港財務報告準則第9號就並非以公平值計量且變動計入當期損益的所有財務資產納入新的預期虧損減值模式（取代香港會計準則第39號的已產生虧損模式）以及新的一般對沖會計規定，以讓實體於財務報表內更好地反映其風險管理活動。

Notes to the Financial Statements 財務報表附註

31 December 2016 二零一六年十二月三十一日

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

2.2 New/revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 – Financial Instruments (Continued)

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

The directors of the Company are in the process of assessing the quantitative effect of HKFRS 9, and accordingly it is not yet in a position to provide a reasonable estimate of the quantitative effect of HKFRS 9 until the assessment has been completed.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第9號 – 金融工具 (續)

香港財務報告準則第9號貫徹香港會計準則第39號有關財務負債確認、分類及計量規定，惟以公平值計量且變動計入當期損益的財務負債除外，該負債信貸風險變動應佔的公平值變動金額於其他全面收益確認，除非會導致或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認財務資產及財務負債的規定。

本公司董事正評估香港財務報告準則第9號之量化影響，因此，在評估完成前，本公司尚未能就香港財務報告準則第9號之量化影響作出合理估計。

香港財務報告準則第15號 – 來自與客戶合約的收益

本項新準則設立一個單獨的收益確認框架。該框架的核心原則為實體應確認收益以用金額描述轉讓承諾商品或服務予客戶，該金額反映預期該實體有權就交換該等商品及服務所收取的代價。香港財務報告準則第15號將取代現行收益確認指引（包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋）。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**2.2 New/revised HKFRSs in issue but not yet effective (Continued)*****HKFRS 15 – Revenue from Contracts with Customers (Continued)***

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

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

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

The directors of the Company are in the process of assessing the quantitative effect of HKFRS 15, and accordingly it is not yet in a position to provide a reasonable estimate of the quantitative effect of HKFRS 15 until the assessment has been completed.

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

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)*****香港財務報告準則第15號 – 來自與客戶合約的收益 (續)***

香港財務報告準則第15號要求應用五個步驟確認收益：

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

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

本公司董事正評估香港財務報告準則第15號之量化影響，因此，在評估完成前，本公司尚未能就香港財務報告準則第15號之量化影響作出合理估計。

香港財務報告準則第15號的修訂本 – 來自與客戶合約的收益 (釐清香港財務報告準則第15號)

香港財務報告準則第15號的修訂本包括澄清確定履約義務；應用委託人及代理人；知識產權許可；及過渡規定。

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

2.2 New/revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 – Leases

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

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

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)

2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第16號 – 租約

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租約」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月的所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人會計法顯著不同，因後者根據原準則香港會計準則第17號分類為經營租約的租約。

就出租人會計處理而言，香港財務報告準則第16號大致繼承香港會計準則第17號的出租人會計處理規定。因此，出租人繼續將其租約分類為經營租約或融資租約，並且對兩類租約進行不同會計處理。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**2.2 New/revised HKFRSs in issue but not yet effective (Continued)****HKFRS 16 – Leases (Continued)**

The total operating lease commitment of the Group in respect of rented premises as at 31 December 2016 amounted to HK\$13,465,000. The Directors anticipate that the adoption of HKFRS 16 would not result in significant impact on the Group’s result but expect that the above operating lease commitments will be recognised as right-of-use assets and lease liabilities in the Group’s financial statements.

3. BASIS OF PREPARATION

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

The financial statements have been prepared under historical cost convention, except for financial assets at fair value through profit or loss which are stated at fair values.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

The financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

2. 採納香港財務報告準則 (「香港財務報告準則」) (續)**2.2 已頒佈但尚未生效的新訂／經修訂香港財務報告準則 (續)****香港財務報告準則第16號 – 租約 (續)**

於二零一六年十二月三十一日，本集團就租賃物業的經營租賃承擔總額為13,465,000港元。董事預期採納香港財務報告準則第16號將不會對本集團的業績產生重大影響，惟預期上述經營租賃承擔將於本集團的財務報表內確認為使用權資產及租賃負債。

3. 編製基準

財務報表乃按所有適用的香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（下文統稱「香港財務報告準則」）以及香港公司條例的披露規定編製。此外，財務報表包括上市規則規定的適用披露。

除以公平值計量且變動計入當期損益的財務資產按公平值列賬外，財務報表乃按歷史成本法編製。

務請注意，編製財務報表時採用會計估計及假設。儘管該等估計乃基於管理層對現況及行動的最佳理解及判斷而作出，惟實際結果最終可能與該等估計不同。涉及較高程度的判斷或複雜的範疇，或涉及對財務報表而言屬重大的假設及估計的範疇於附註5披露。

財務報表以本公司的功能貨幣港元（「港元」）呈列。除另有指明外，所有金額均調整至最接近的千位數。

Notes to the Financial Statements 財務報表附註

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Business combination and basis of consolidation

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

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

4. 重大會計政策概要

編製財務報表所採納的重大會計政策概述如下。除另有訂明者外，該等政策均於所有呈列年度貫徹應用。

4.1 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司的財務報表。公司間的交易、集團內公司間結餘及未變現溢利於編製綜合財務報表時悉數對銷。未變現虧損的交易亦予以對銷，除非交易有證據顯示所轉讓資產出現減值，在此情況下則於損益中確認虧損。

於年內收購或出售附屬公司的業績乃自收購日期起至出售日期止（視適用情況而定）於綜合全面收益表入賬。如有需要，本集團會調整附屬公司的財務報表，使其會計政策與本集團其他成員公司所採用者一致。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.1 Business combination and basis of consolidation** (Continued)

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

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

4. 重大會計政策概要 (續)**4.1 業務合併及綜合基準 (續)**

收購附屬公司或業務採用收購法列賬。一項收購的成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行的股權於收購當日的公平值總額計量。所收購可識別資產及所承擔負債則假設主要按收購當日公平值計量。本集團先前所持被收購方的股權以收購當日公平值重新計量，而所產生的收益或虧損則於損益賬內確認。本集團可按逐筆交易基準選擇以被收購方的識別資產淨值公平值或應佔比例計算相當於目前於附屬公司擁有權的非控股權益。所有其他非控股權益均按公平值計量，惟香港財務報告準則另行規定則作別論。所產生的收購相關成本列作開支，除非有關成本乃因發行股本工具而產生，在此情況下，有關成本從權益中扣除。

收購方將予轉讓的任何或然代價均按收購日期的公平值計量。倘其後代價調整僅於計量期間（最長為收購日期起計十二個月）內所取得有關於收購日期的公平值的新資料時，會於商譽確認。分類為資產或負債的或然代價所有其他其後調整均於損益確認。

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

4.1 Business combination and basis of consolidation *(Continued)*

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

4.2 Subsidiaries

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

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

4. 重大會計政策概要 (續)

4.1 業務合併及綜合基準 (續)

倘本集團失去附屬公司的控制權，出售損益乃按下列兩者的差額計算：(i) 所收取代價的公平值與任何保留權益的公平值總額，與(ii) 該附屬公司的資產（包括商譽）及負債與任何非控股權益過往的賬面值。先前就該附屬公司於其他全面收益確認的款額按出售相關資產或負債時所規定的相同方式列賬。

4.2 附屬公司

附屬公司指本公司能夠行使控制權的被投資公司。倘以下三項元素存在，則本公司控制被投資公司：對被投資公司擁有權力、就被投資公司的可變回報承受風險或擁有權利及使用其權力影響該等可變回報的能力。當有事實及情況表明任何該等控制元素可能存在變動時，則重估控制權。

於本公司的財務狀況表中，於附屬公司的權益乃按成本減去減值虧損（如有）列賬。附屬公司的業績由本公司按已收及應收股息基準入賬。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.3 Goodwill**

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4.15), and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value-in-use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4. 重大會計政策概要 (續)**4.3 商譽**

倘可識別資產及負債的公平值高於所付代價的公平價值、於被收購方的任何非控股權益的金額以及收購方先前於被收購方持有的股本權益的收購日期公平值的總額，則超出部份於重估後於收購日期在損益表確認。

商譽乃按成本減去減值虧損計量。就減值測試而言，收購產生的商譽分配予預期會受惠於收購協同效益的各相關現金產生單位。現金產生單位是其產生的現金流入基本上獨立於其他資產或資產組別的現金流入的最小可識別資產組合。獲分配商譽的現金產生單位會每年透過將其賬面值與其可收回金額（見附註4.15）作比較而進行減值測試及於有跡象顯示該單位可能出現減值時進行減值測試。

就於財政年度內進行收購所產生的商譽而言，獲分配商譽的現金產生單位會於該財政年度結束前進行減值測試。當現金產生單位的可收回金額少於該單位賬面值時，減值虧損會首先分配至撇減該單位獲分配的任何商譽的賬面值，繼而基於該單位內各資產的賬面值按比例分配至該單位的其他資產。然而，分配至各項資產的虧損將不會令到獨立資產的賬面值減至低於其公平價值減出售成本（如可計量）或其使用價值（如可釐定）（以較高者為準）。商譽的任何減值虧損於損益確認，而不會於往後期間撥回。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Foreign currencies

Transactions entered into by the group entities in currencies other than the functional currency (i.e. the currency of the primary economic environment in which it operates) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

4. 重大會計政策概要 (續)

4.4 外幣

集團實體以它／它們經營業務所在主要經營環境的貨幣以外的貨幣進行的交易按進行交易時的通行匯率入賬。外幣貨幣資產及負債按呈報期末通行的匯率換算。以外幣計值按公平值列賬的非貨幣項目按釐定公平值當日通行的匯率重新換算。以外幣按歷史成本計算的非貨幣項目不會重新換算。

結算貨幣項目以及換算貨幣項目產生的匯兌差額於其產生期間內於損益確認。重新換算按公平值列賬的非貨幣項目產生的匯兌差額計入期內損益，惟重新換算已於其他全面收益確認的收益及虧損所涉及的非貨幣項目產生的差額除外，在此情況下，匯兌差額亦於其他全面收益確認。

於綜合入賬時，海外業務的收支項目按年內的平均匯率換算為本集團的呈列貨幣（即港元），惟匯率於期內大幅波動的情況則除外，在此情況下，使用與進行交易時通行的匯率相若的匯率。海外業務的所有資產及負債按呈報期末通行的匯率換算。所產生的匯兌差額（如有）於其他全面收益確認，並於權益內累計為換算儲備。

出售海外業務時，換算儲備內確認該業務截至出售日期止的累計匯兌差額乃重新分類至損益，作為出售損益的一部份。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.5 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost less their estimated residual value over their estimated useful life, using straight-line method as follows:

Buildings	20 years
Leasehold improvements	4 to 5 years, or over the lease terms, whichever is shorter
Machinery	10 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	4 to 5 years

The assets' estimated residual values, estimated useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at the end of each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

4. 重大會計政策概要 (續)**4.5 物業、廠房及設備**

物業、廠房及設備按成本減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目的成本包括其購入價及使資產達致其擬定用途的運作狀況及地點的任何直接應佔成本。

折舊乃按各物業、廠房及設備項目的估計可使用年期以直線法撇銷其成本至其剩餘價值，載列如下：

樓宇	二十年
租賃物業裝修	四至五年，或租賃期滿（以較短者為準）
機器	十年
傢俬、裝置及辦公室設備	三至五年
汽車	四至五年

資產的估計剩餘價值、估計可使用年期及折舊方法最少於各呈報期末進行評審及在適當時進行調整。

因廢棄或出售而產生的損益，按出售相關資產所得款項與其賬面值的差額釐定，並於損益賬中確認。

期後成本僅會在項目相關的未來經濟利益可能會流入本集團及能可靠地計量項目成本時，方會計入資產賬面值或確認為獨立資產。維護及保養等所有其他成本均於其產生的期間自損益表扣除。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Payments for leasehold land held for own use under operating lease

Payments for leasehold land held for own use under operating lease represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on straight-line method as an expense.

4.7 Leasing

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

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

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

4.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

4. 重大會計政策概要 (續)

4.6 於經營租約下持作自用的租賃土地付款

於經營租約下持作自用的租賃土地付款指用以收購承租人佔用物業長期權益的預付款。該等預付款乃按成本列賬，並作為開支按租期以直線法攤銷。

4.7 租賃

倘租約條款列明擁有權的絕大部份風險及回報轉讓予承租人，則該租約分類為融資租賃。所有其他租約均列作經營租約。

本集團作為承租人

按融資租賃持有的資產初步按其公平值或（如較低）最低租金的現值確認為資產。相關租賃承擔乃列作負債。租金可根據資本及利息分析。利息部份按租期自損益扣除，並予以計算以使其於租賃負債中佔有固定比例。資本部份則扣除結欠出租人的餘額。

根據經營租約，應付的總租金按租期以直線法在損益中扣除。已收租金優惠於租期內確認為總租金開支的組成部份。

4.8 無形資產

單獨收購之無形資產於首次確認時按成本計量。於企業合併中收購之無形資產之成本為其於收購日之公平值。無形資產之可使用年期可評估為有限期或無限期。

具無限期使用年期之無形資產每年會個別或在現金產生單位級別作減值測試。該等無形資產並不予以攤銷。具無限年期的無形資產的可使用年期於每年檢討，以釐定無限可使用年期的評估是否繼續可靠。倘不再可靠，則可使用年期的評估自此起由按無限年期更改為有限年期。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.9 Financial instruments***(i) Financial assets*

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

Financial assets at fair value through profit or loss

These assets include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

4. 重大會計政策概要 (續)**4.9 金融工具***(i) 財務資產*

本集團於初次確認時按照收購資產之目的對其財務資產進行分類。以公平值計量且變動計入當期損益的財務資產初次按公平值計量，而所有其他財務資產則初次按公平值加收購該財務資產直接發生的交易成本計量。常規財務資產買賣於交易日確認或終止確認。常規買賣指根據條款要求在規例或有關市場慣例下訂立的時限內交付資產的財務資產買賣。

以公平值計量且變動計入當期損益的財務資產

該資產包括持作交易的財務資產及於初始確認時被指定為以公平值計量且變動計入當期損益的財務資產。財務資產如以短期賣出為目的而購買，則分類為持作交易。衍生工具亦分類為持作交易，惟被指定作為實際對沖工具或金融擔保合約者除外。

倘一項合約包括一項或多項內含衍生工具，整體混合式合約可被指定為以公平值計量且變動計入當期損益的財務資產，惟倘內含衍生工具不會對現金流量造成重大變動或明顯禁止分開內含衍生工具的情況除外。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Financial instruments (Continued)

(i) Financial assets (Continued)

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

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which is managed and its performance evaluated on a fair value basis according to a documented management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

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

4. 重大會計政策概要 (續)

4.9 金融工具 (續)

(i) 財務資產 (續)

以公平值計量且變動計入當期損益的財務資產 (續)

倘符合以下條件，則可於初次確認時將財務資產指定為以公平值計量且變動計入當期損益：(i) 該分類消除或大幅減少按不同基準計量資產或確認其盈虧所導致的不一致入賬方法；(ii) 該等資產為根據明文規定的風險管理政策按公平值基準管理及評估表現的財務資產組別一部分；或(iii) 財務資產包括需獨立列賬的內含衍生工具。

於初次確認後，以公平值計量且變動計入當期損益的財務資產按公平值計量，公平值產生變動時於當期損益內確認。

貸款及應收款項

該等資產是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生財務資產。該等資產主要於向客戶（貿易債務人）提供貨物及服務過程中產生，同時亦包括其他類別的合約貨幣資產。於初次確認後，該等資產以實際利率法按攤銷成本減去任何已識別減值虧損入賬。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.9 Financial instruments** (Continued)**(i) Financial assets** (Continued)*Cash and cash equivalents*

Cash and cash equivalents, including cash and bank balances, comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(ii) Impairment loss on financial assets

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

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

4. 重大會計政策概要 (續)**4.9 金融工具** (續)**(i) 財務資產** (續)*現金及現金等值項目*

現金及現金等值項目(包括現金及銀行結存)由以下項目組成:手頭現金及活期存款,以及可隨時轉換為已知金額的現金且不存在重大價值變動風險的其他短期高流動性投資。就現金流量呈報而言,現金及現金等值項目包括須按通知償還的銀行透支,其為本集團現金管理的組成部分。

(ii) 財務資產的減值虧損

於各呈報期末,本集團會評估是否有財務資產存在減值的任何客觀證據。倘因初次確認資產後發生的一項或多項事件導致存在客觀減值證據,而該項事件對財務資產的估計未來現金流量所造成的影響能夠可靠估計,則該財務資產出現減值。減值證據可包括:

- 債務人的重大財政困難;
- 違約,例如拖欠或到期未付利息或本金款項;
- 由於債務人的財政困難而向債務人發出特別許可;及
- 債務人有可能陷入破產或其他財務重組。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

An impairment loss on loans and receivables is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

(iii) Financial liabilities

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

The Group's financial liabilities at amortised cost include trade and bills payables, accruals and other payables and interest-bearing borrowings.

(a) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans using the effective interest method.

4. 重大會計政策概要 (續)

4.9 金融工具 (續)

(ii) 財務資產的減值虧損 (續)

當有客觀證據顯示資產發生減值，會在損益確認減值虧損，減值額按資產賬面值與按原實際利率折現的估計未來現金流量現值的差額計量。財務資產賬面值透過使用撥備賬目予以撇減。倘財務資產的任何部分被認定為無法收回，會於相關財務資產的撥備賬目將該部分撇賬。

(iii) 財務負債

本集團按照產生負債之目的將其財務負債分類。按攤銷成本列賬的財務負債初次會按公平值扣除所產生的直接應計成本計量。

本集團按攤銷成本列賬的財務負債包括貿易應付款項及應付票據、預提費用及其他應付款項以及計息借貸。

(a) 計息借貸

計息借貸最初按公平值減交易成本後確認。計息借貸其後按攤銷成本列賬，所得款項（扣除交易成本後）與贖回價值之間的任何差額以實際利率法於貸款期間在損益內確認。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.9 Financial instruments** (Continued)**(iii) Financial liabilities** (Continued)**(a) Interest-bearing borrowings** (Continued)

Interest-bearing 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 each reporting period.

(b) Other financial liabilities

All other financial liabilities are recognised initially at their fair value, net of directly attributable transaction costs incurred and subsequently measured at amortised cost, using the effective interest method.

(iv) Effective interest method

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

4. 重大會計政策概要 (續)**4.9 金融工具** (續)**(iii) 財務負債** (續)**(a) 計息借貸** (續)

計息借貸分類為流動負債，惟本集團有權無條件將債務償還日期延至各呈報期末後至少十二個月。

(b) 其他財務負債

所有其他財務負債初步按公平值減直接應佔交易成本確認，其後以實際利率法按攤銷成本計量。

(iv) 實際利率法

實際利率法乃計算財務資產或財務負債的攤銷成本及於有關期間分配利息收入或利息開支的方法。實際利率乃於財務資產或負債的預計有效年期或（如適用）較短期間內準確貼現估計未來現金收入或付款的利率。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Financial instruments (Continued)

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

(vi) Derivative financial instruments

Derivative financial instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Derivatives that are not designated as hedging instruments are accounted for as financial assets or financial liabilities at fair value through profit or loss. Gains or losses arising from changes in fair value are taken directly to profit or loss for the year.

4. 重大會計政策概要 (續)

4.9 金融工具 (續)

(v) 金融擔保合約

金融擔保合約指規定發行人須支付特定款項以償付持有人因指定債務人未能根據債務工具的原先或經修訂條款支付到期款項產生的虧損的合約。本集團發行而未被指定為以公平值計量且變動計入當期損益的金融擔保合約乃初次按其公平值減發行金融擔保合約而直接產生的交易成本予以確認。於初始確認後，本集團按(i)根據香港會計準則第37號「撥備、或然負債和或有資產」釐定的金額；及(ii)初次確認金額減(視情況而定)根據香港會計準則第18號「收益」確認的累計攤銷兩者間的較高者計量。

(vi) 衍生金融工具

獨立合約內或獨立於混合金融工具的衍生金融工具，於訂立衍生工具合約當日初步按公平值確認，其後按公平值重新計量。並無指定為對沖工具的衍生工具會作為以公平值計量且變動計入當期損益的財務資產或財務負債入賬。年內公平值變動產生的收益或虧損直接計入損益。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.9 Financial instruments** (Continued)**(vii) Derecognition**

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

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

4.10 Inventories

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

4.11 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

4. 重大會計政策概要 (續)**4.9 金融工具 (續)****(vii) 終止確認**

凡收取財務資產所帶來的未來現金流量的合約權利期間屆滿，或財務資產經已轉讓，而轉讓符合香港會計準則第39號規定的終止確認準則，則本集團終止確認該財務資產。

當有關合約中訂明的責任獲解除、註銷或屆滿時，則會終止確認財務負債。

4.10 存貨

存貨初次按成本確認，其後按成本或可變現淨值兩者孰低者確認。成本包括所有採購成本、轉換成本及使存貨到達目前地點及狀態所產生的其他成本。成本乃採用加權平均法釐定。可變現淨值按日常業務過程中的估計售價減估計完工成本及銷售所必需的估計費用計算。

4.11 股本

普通股乃分類為權益。股本乃採用已發行股份的面值釐定。

與發行股份相關的任何交易成本乃自股份溢價（扣除任何相關所得稅利益）中扣除，惟僅限於直接來自權益交易的遞增成本。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Revenue recognition

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

Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Interest income is recognised and accrued using the effective interest method.

Sample income is recognised on the transfer of significant risks and rewards of ownership to the customer. This is usually taken at the time when the samples are delivered and the customer has accepted the samples.

4.13 Income taxes

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

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

4. 重大會計政策概要 (續)

4.12 收入確認

收入按已收或應收代價的公平值計算，乃指於日常業務過程中就所提供貨物及服務應收的款項，扣除退貨、折扣、回扣及銷售相關稅項。

來自銷售貨品的收入乃於擁有權的風險及回報轉移時確認，即貨物交付予及所有權轉給客戶之時。

利息收入使用實際利息法確認及計算。

樣品收入當所有權的重大風險及回報轉移至客戶時確認。這通常是在樣品交付及客戶接納樣品之時確認。

4.13 所得稅

年度的所得稅包括當期稅項及遞延稅項。

當期稅項乃根據日常業務的溢利或虧損，就所得稅而言對毋須課稅或不可扣減的項目作出調整，按呈報期末已制定或大致上制定的稅率計算。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.13 Income taxes** (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

4.14 Employee benefit**(i) Defined contribution retirement plan**

The Group's entities incorporated in Hong Kong manages a defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee for those employees who are eligible to participate in the MPF scheme. The Group makes contributions based on a percentage of the eligible employees' salaries funded by the Group and are charged to profit or loss as they become payable in accordance with the rules of the MPF scheme.

4. 重大會計政策概要 (續)**4.13 所得稅 (續)**

遞延稅項乃就財務報告目的的資產與負債的賬面值與就稅務目的之相應數值的暫時差異確認。除不影響會計或應課稅溢利的商譽和已確認資產與負債外，就所有應課稅暫時差異確認遞延稅項負債。倘有應課稅溢利，讓可扣減的暫時差異得被使用，則確認相應的遞延稅項資產。遞延稅項乃按適用於資產或負債的賬面值獲變現或結算的預期方式及於各呈報期末已制定或大致上制定的稅率計量。

遞延稅項負債乃於投資附屬公司產生應課稅暫時性差額時確認，惟倘本集團能夠控制暫時性差額的撥回且該暫時性差額在可預見將來將不可能撥回者則除外。

所得稅於損益確認，惟倘其與其他全面收益確認的項目有關，則該等稅項亦於其他全面收益確認；或倘其與直接於權益確認的項目有關，則該等稅項亦直接於權益確認。

4.14 僱員福利**(i) 界定供款退休計劃**

於香港註冊成立的集團實體管理一項界定供款強制性公積金計劃（「強積金計劃」），該界定供款計劃由獨立信託人為合資格參與強積金計劃的僱員進行管理。本集團按合資格僱員薪金的百分比以集團本身資源作出供款，有關供款於應付時根據強積金計劃規則在損益扣除。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Employee benefit (Continued)

(i) **Defined contribution retirement plan** (Continued)

The Group's entities established in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") make monthly contributions to a state-sponsored defined contribution scheme for the local staff. The contributions are made at a specific percentage on the standard salary pursuant to laws of the PRC and relevant regulation issued by local social security authorities.

In addition, the Group's entities incorporated in the United States of America (the "USA") make monthly contributions to a defined contribution scheme under the relevant federal program for the local staff. The Group makes contributions based on a percentage of the local staff's funded by the Group and are charged to profit or loss as they become payable in the rules of the scheme.

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(ii) **Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

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 reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

4. 重大會計政策概要 (續)

4.14 僱員福利 (續)

(i) **界定供款退休計劃 (續)**

於中華人民共和國(不包括香港及澳門)(「中國」)成立的集團實體每月為當地職工向國家籌辦界定供款計劃作出供款。供款乃根據中國法例及地方社會保障主管部門頒佈的有關規例按標準薪金的指定百分比作出。

此外，於美利堅合眾國(「美國」)成立的集團實體每月為當地職工向聯邦政府所設機制下的界定供款計劃作出供款。本集團按當地職工薪金的百分比以集團本身資源作出供款，有關供款於應付時根據計劃規則在損益扣除。

對界定供款退休計劃的供款在僱員提供服務時於損益確認為開支。

(ii) **短期僱員福利**

短期僱員福利是指預計在僱員提供了相關服務的年度呈報期末後十二個月以前將全數結付的僱員福利(離職福利除外)。

僱員放年假的權利於僱員獲得假期時確認。本集團就截至報告日期止僱員已提供的服務而產生的年假的估計負債作出撥備。

病假及產假等非累積性帶薪休假直至告假時方予確認。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.15 Impairment of other assets**

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, payments for leasehold land held for own use under operating lease and interests in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4.16 Capitalisation of borrowing costs

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

4. 重大會計政策概要 (續)**4.15 其他資產減值**

於各呈報期末，本集團檢討物業、廠房及設備、於經營租約項下持作自用的租賃土地的付款以及於附屬公司之權益的賬面值，以釐定是否有跡象顯示該等資產已出現減值虧損，或先前確認的減值虧損不復存在或可能已減少。

倘資產的可收回金額（即公平值減銷售成本與使用價值兩者的較高者）估計少於其賬面值，則該項資產的賬面值將降至其可收回金額。減值虧損乃即時確認為開支。

倘減值虧損其後撥回，則資產賬面值將提高至其修訂後的估計可收回金額，惟受限於經提高的賬面值不得超過往年該項資產在無已確認減值虧損的情況下原應釐定的賬面值。撥回的減值虧損乃即時確認為收入。

4.16 借貸成本的資本化

直接用於收購、建造或生產合資格資產（須經過一段相當長的時間方可達到預定用途或可供銷售的資產）的借貸成本均資本化為該等資產成本的一部份。在特定借貸撥作該等資產支出前暫時用作投資所賺取的收入須自資本化的借貸成本中扣除。所有其他借貸成本於產生期間於損益內確認。

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

4.17 Provisions and contingent liabilities

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

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

4.18 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

4. 重大會計政策概要 (續)

4.17 撥備及或然負債

當本集團因過去事項而須承擔法定或合約義務，而所需要付出的經濟效益可以可靠估計時，便為未確定時間或金額的負債確認撥備。

如果經濟利益需要外流的可能性不大，或不能對數額作出可靠估計，則有關義務會作為或然負債披露，惟若經濟利益外流的可能性極低則作別論。如有可能產生的義務，其存在僅能以一個或數個未來事項的發生或不發生來證實，亦披露為或然負債，除非經濟利益外流的可能性極低則作別論。

4.18 關聯方

- (a) 倘適用下列情況，該名人士或該名人士的近親家屬成員便被視為與本集團有關聯：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司主要管理人員。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**4.18 Related parties** (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

4. 重大會計政策概要 (續)**4.18 關聯方** (續)

- (b) 倘適用下列情況，該實體便被視為與本集團有關聯：
- (i) 該實體及本集團屬同一集團的成員（即各母公司、附屬公司及同系附屬公司互相關聯）。
 - (ii) 一個實體為另一實體的聯繫人士或合營企業（或為某一集團的成員的聯繫人士或合營企業，而該另一實體為此集團的成員）。
 - (iii) 兩個實體皆為相同第三方的合營企業。
 - (iv) 一個實體為第三實體的合營企業及另一實體為第三實體的聯繫人士。
 - (v) 該實體為本集團或與本集團有關聯的實體的僱員福利而設的離職後福利計劃。
 - (vi) 該實體受(a)部所識別的人士控制或共同控制。
 - (vii) 於(a)(i)所識別對實體有重大影響的人士，或是實體（或實體的母公司）高級管理人員。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Related parties (Continued)

(b) (Continued)

- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4.19 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except bank interest income, unallocated finance costs, and unallocated corporate expenses, which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

4. 重大會計政策概要 (續)

4.18 關聯方 (續)

(b) (續)

- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

某一人士的近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響的有關家屬成員並包括：

- (i) 該名人士的子女及配偶或家庭伴侶；
- (ii) 該名人士的配偶或家庭伴侶的子女；及
- (iii) 該名人士或該名人士的配偶或家庭伴侶的受供養人。

4.19 分部報告

本集團根據向執行董事所匯報用作決定有關本集團業務單位的資源分配及檢討該等單位之表現的定期內部財務資料，而識別其經營分部及編製分部資料。在向執行董事匯報的內部財務資料內的業務單位乃根據本集團主要產品及服務項目釐定。

本集團根據香港財務報告準則第8號用作申報分部業績的計量政策與其根據香港財務報告準則編製的財務報表內採用者相同，惟於釐定經營分部的經營業績時並無計入銀行利息收入、未分配融資成本以及非直接歸屬於任何經營分部業務活動之未分配企業開支，

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(a) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes, timing of payment of related taxes and interpretation of relevant tax regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

5. 重要會計判斷及估算不確定因素的主要來源

估計及判斷須持續評估，並基於過往經驗及其他因素，包括在有關情況下相信為對未來事件的合理預期。

本集團就未來作出估計及假設。得出的會計估計顧名思義甚少相等於相關實際結果。具有重大風險導致下個財政年度內資產與負債的賬面值出現重大調整的估計及假設討論如下：

(a) 所得稅

本集團在多個司法權區須繳納所得稅。於釐定所得稅的全球撥備、相關稅額付款時間及對相關稅法之解釋時須作出重大判斷。若干交易及計算方式均難以確定最終稅項。本集團根據估計額外稅項是否到期，就預計稅項確認負債。倘該等事項最終所得的稅項與最初錄得的款額有所差異，有關差額將影響作出有關釐定期間的所得稅及遞延稅項撥備。

此外，倘很可能有應課稅溢利，讓可扣減的暫時差異得被使用，則確認相應的遞延稅項資產。這要求就若干交易的稅務處理作出重大判斷，並要求評估未來有足夠的應課稅溢利以供收回遞延稅項資產的可能性。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Impairment of receivables

Provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer and the related parties. If the financial conditions of the customers and other debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

(c) Impairment of inventories

Management of the Group reviews the inventories at each reporting date, and makes provision for impairment of obsolete, slow-moving and impaired items. Management estimates the net realisable value for such inventories based primarily on the expected future market conditions and the estimated selling price. The Group makes provision for impairment if the net realisable value is below the carrying amount.

(d) Impairment of non-financial assets (excluding goodwill)

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value-in-use of the cash-generating unit (the "CGU") to which the asset is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

5. 重要會計判斷及估算不確定因素的主要來源 (續)

(b) 應收款項減值

本集團有關呆賬的撥備政策乃基於對未償應收款項的可收回程度及賬齡分析的持續評估以及管理層的判斷。在評估該等應收款項最終能否變現時，須計及多項重要因素，包括每名客戶及關聯方的信用度及過往還款記錄。倘本集團客戶及其他債務人的財務狀況轉壞，導致其支付能力降低，則可能需要作更多減值。

(c) 存貨減值

本集團管理層於各呈報日審閱存貨，並對過時、滯銷及減值項目進行減值撥備。管理層主要根據預期未來市況及估計售價估計該等存貨的可變現淨值。本集團對可變現淨值低於賬面值的項目作出減值撥備。

(d) 非財務資產減值 (不包括商譽)

本集團於各報告期末評估是否存在顯示資產可能出現減值的跡象。倘存在任何有關跡象，本集團則會對資產的可收回金額作出估計，當中須對資產獲分配的現金產生單位的使用價值作出估計。估計使用價值需要本集團就來自現金產生單位的預期未來現金流量作出估計，並選擇合適的貼現率以計算該等現金流量的現值。估計未來現金流量及/或所採用的貼現率的變動將導致過往作出的估計減值撥備需作出調整。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**(d) Impairment of non-financial assets (excluding goodwill)** (Continued)

Intangible asset with indefinite useful life is tested for impairment at least annually, and whenever there is an indication that they may be impaired in accordance with the relevant accounting policies. The recoverable amount of the Group's intangible asset has been determined based on value-in-use calculations. This calculation requires the use of judgment and estimates on future operating cash flows and discount rates adopted. Where the actual cash flows are different from the original estimates, a material change in the amount of impairment may arise. At 31 December 2016, the carrying amount of intangible asset was approximately HK\$800,000 (2015: nil). No impairment loss has been recognised during the year ended 31 December 2016.

(e) Estimated useful lives of property, plant and equipment

In determining the useful lives of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on the experience of the Group with similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Estimated useful lives are reviewed, at the end of each reporting period, based on changes in circumstances.

(f) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGUs to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate.

(g) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

5. 重要會計判斷及估算不確定因素的主要來源 (續)**(d) 非財務資產減值 (不包括商譽)** (續)

具無限期使用年期之無形資產至少每年以及根據有關會計政策有減值跡象時進行減值測試。本集團無形資產之可收回金額根據使用價值計算釐定。該計算須對未來經營現金流及所採納貼現率進行判斷及估計。若實際現金流不同於原估計，則減值金額可能產生重大變動。於二零一六年十二月三十一日，無形資產之賬面值為約800,000港元(二零一五年：無)。截至二零一六年十二月三十一日止年度並無確認減值虧損。

(e) 物業、廠房及設備的估計可使用年期

於釐定物業、廠房及設備的可使用年期時，本集團須考慮多種因素，例如資產的預期用途、預期實質磨損、資產的保養及維護、以及動用資產的法律或類似限制。資產的可使用年期的估計乃按本集團於用途相近的類似資產的經驗而作出。倘物業、廠房及設備項目的估計可使用年期與過往的估計不同，則會修訂折舊費用。於各報告期末，可使用年期乃按情況改變進行審閱。

(f) 商譽減值

釐定商譽是否減值須要估計獲分配有關商譽的現金產生單位的使用價值。計算使用價值須要董事對預期可自現金產生單位獲得的未來現金流量以及適合的貼現率作出估計。

(g) 公平值計量

計入本集團財務報表的多項資產及負債須按公平值計量，及/或作出公平值披露。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(g) Fair value measurement (Continued)

The fair value measurement of the Group's financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures held for trading investment (Note 22) at fair value. For more detailed information in relation to the fair value measurement, please refer to the applicable notes.

6. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. During the year, the Company has identified manufacturing and trading of apparels and provision for money lending services (new segment during the year) as the reportable operating segments.

5. 重要會計判斷及估算不確定因素的主要來源 (續)

(g) 公平值計量 (續)

本集團金融資產及負債的公平值計量盡可能使用市場可觀察輸入數據及數值。釐定公平值計量所使用的輸入數據乃基於於估值方法中所使用輸入數據的可觀察程度分為不同的層級(「公平值架構」):

- 第1層: 相同項目於活躍市場的報價(未經調整);
- 第2層: 第1層輸入數據以外直接或間接可觀察輸入數據;
- 第3層: 不可觀察輸入數據(即無法自市場數據衍生)。

分類為上述層級的項目乃基於所使用對該項目公平值計量產生重大影響的最低層級輸入數據確定。層級之間項目轉撥於其產生期間確認。

本集團按公平值計量持作買賣投資(附註22)。有關公平值計量的更詳盡資料,請參閱適當附註。

6. 分部資料

經營分部乃本集團從事可賺取收益及引致開支的商業活動的一個組成部分,本集團的最高營運決策人獲提供及定期審閱以作為分部資源分配及表現評估的內部管理呈報資料為基礎而確定經營分部。年內,本公司已物色成衣製造及貿易以及提供放債服務(年內新分部)為其可呈報經營分部。

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6. SEGMENT INFORMATION (Continued)

Each of these operating segments is managed separately as each of them requires different business strategies.

The segment information provided to the executive directors for the reportable segments during the year is as follows:

6. 分部資料 (續)

該等經營分部各自單獨進行管理，因為彼等各自需要不同的業務策略。

年內向執行董事提供的可報告分部之分部資料如下：

		Manufacturing and trading of apparels 成衣製造及貿易 HK\$'000 千港元	Money lending services 放債服務 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度			
Revenue from external customers	來自外部客戶的收入	368,116	741	368,857
Segment loss	分部虧損	(2,259)	(11,259)	(13,518)
<i>Reconciliation</i>	<i>對賬</i>			
Bank interest income	銀行利息收入			205
Unallocated corporate expense	未分配企業支出			(3,977)
Finance costs	融資成本			(478)
Loss before tax	除稅前虧損			(17,768)
At 31 December 2016	於二零一六年十二月三十一日			
Segment assets	分部資產	176,458	218,011	394,469
Other corporate assets	其他公司資產			3,415
Total assets	總資產			397,884
Segment liabilities	流動負債	77,754	55,521	133,275
Other corporate liabilities	其他公司負債			457
Total liabilities	總負債			133,732
Other segment information	其他分部資料			
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度			
Depreciation and amortisation	折舊及攤銷	(1,892)	-	(1,892)
Fair value gain on financial assets at fair value through profit or loss	以公平值計量且變動計入當期損益的財務資產之公平值收益	-	102	102
Provision for impairment on inventories	存貨減值撥備	(6,334)	-	(6,334)
Provision for impairment on trade receivables	貿易應收款項減值撥備	(777)	-	(777)
Impairment loss on goodwill	商譽減值虧損	-	(11,453)	(11,453)
Capital expenditure	資本開支	(587)	-	(587)

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6. SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors for the reportable segments during the year is as follows: (Continued)

6. 分部資料 (續)

年內向執行董事提供的可報告分部之分部資料如下：(續)

		Manufacturing and trading of apparels 成衣製造及貿易 HK\$'000 千港元	Money lending services 放債服務 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Year ended 31 December 2015	截至二零一五年十二月三十一日 止年度			
Revenue from external customers	來自外部客戶的收入	371,725	-	371,725
Segment profit	分部溢利	21,536	-	21,536
<i>Reconciliation</i>	<i>對賬</i>			
Bank interest income	銀行利息收入			360
Unallocated corporate expense	未分配企業支出			(2,352)
Finance costs	融資成本			(158)
Profit before tax	除稅前虧損			19,386
At 31 December 2015	於二零一五年十二月三十一日			
Segment assets	分部資產	202,749	-	202,749
Other corporate assets	其他公司資產			595
Total assets	總資產			203,344
Segment liabilities	流動負債	67,554	-	67,554
Other corporate liabilities	其他公司負債			33
Total liabilities	總負債			67,587
Other segment information	其他分部資料			
Year ended 31 December 2015	截至二零一五年十二月三十一日 止年度			
Depreciation and amortisation	折舊及攤銷	(2,028)	-	(2,028)
Capital expenditure	資本開支	(922)	-	(922)

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6. SEGMENT INFORMATION (Continued)

The Company is an investment holding company and the principal places of the Group's operations are in the PRC and Hong Kong. Management determines the Group is domiciled in Hong Kong, which is the Group's principal operating location.

The Group's revenue from external customers is divided into the following geographical areas:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
The USA	美國	295,251	258,796
Canada	加拿大	66,423	102,887
Hong Kong	香港	741	-
Others	其他國家	6,442	10,042
		368,857	371,725

Geographical location of external customers is based on the location at which the customers are domiciled.

The principal non-current assets held by the Group are located in the PRC. Insignificant portion of the non-current assets is located in Hong Kong, the place that the Group is domiciled at the reporting date.

Revenue from each of the major customers which accounted for 10% or more of the Group's revenue for the year is set out below:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Customer A	客戶甲	85,485	85,510
Customer B	客戶乙	72,151	N/A 不適用*
Customer C	客戶丙	68,020	101,565
Customer D	客戶丁	39,665	53,589
Customer E	客戶戊	38,465	51,399

* Accounted for less than 10% of the Group's revenue

As at 31 December 2016, 83% (2015: 77%) of the Group's trade receivables was due from five (2015: four) major customers.

6. 分部資料 (續)

本公司為一間投資控股公司，而本集團營運的主要地點位於中國及香港。管理層將香港定為本集團居籍所在地，香港亦為本集團的主要經營地點。

本集團來自外界客戶的收入按以下地區劃分：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
The USA	美國	295,251	258,796
Canada	加拿大	66,423	102,887
Hong Kong	香港	741	-
Others	其他國家	6,442	10,042
		368,857	371,725

外界客戶的地理位置是根據客戶居籍地劃分。

本集團持有的主要非流動資產均位於中國。於報告日期，只有少量非流動資產位於本集團的居籍地香港。

來自年內佔本集團收入10%或以上的各主要客戶的收入載列如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Customer A	客戶甲	85,485	85,510
Customer B	客戶乙	72,151	N/A 不適用*
Customer C	客戶丙	68,020	101,565
Customer D	客戶丁	39,665	53,589
Customer E	客戶戊	38,465	51,399

* 所佔不足本集團收入10%

於二零一六年十二月三十一日，五名（二零一五年：四名）主要客戶的結欠額分別佔本集團貿易應收款項83%（二零一五年：77%）。

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7. REVENUE, OTHER INCOME AND GAINS

Revenue represents the interest income from loans receivable, sales of apparels, net of returns, discounts, rebates and sales related taxes.

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

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Revenue	收入		
Sale of goods	銷售貨品	368,116	371,725
Interest income from loans receivable	應收貸款之利息收入	741	-
		368,857	371,725
Other income and gains	其他收入及收益		
Gain on disposals of property, plant and equipment	出售物業、廠房及設備收益	-	30
Bank interest income	銀行利息收入	205	360
Net gain on financial assets at fair value through profit or loss	以公平值計量且變動計入當期損益的財務資產之淨收益	102	-
Sundry income	雜項收益	308	207
		615	597

7. 收入、其他收入及收益

收入指應收貸款的利息收入、成衣銷售，並已減去退貨、折扣、回扣及與銷售有關的稅項。

收入、其他收入及收益的分析如下：

8. FINANCE COSTS

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Interest on borrowings	借貸利息	376	108
Interest on margin loan payable	應付孖展貸款利息	64	-
Interest on obligations under finance leases	融資租賃承擔的利息	38	50
		478	158

8. 融資成本

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9. (LOSS)/PROFIT BEFORE INCOME TAX(Loss)/profit before income tax is arrived at after charging/
(crediting):**9. 除所得稅前（虧損）／溢利**除所得稅前（虧損）／溢利乃經扣除／
（計入）下列各項後達致：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Amortisation of payments for leasehold land held for own use under operating lease	54	54
Auditor's remuneration	730	600
Cost of inventories recognised as expense	274,778	278,906
Depreciation of property, plant and equipment	1,838	1,974
Foreign exchange losses, net	1,343	1,406
Loss/(gain) on disposals of property, plant and equipment	6	(30)
Provision for impairment on inventories	6,334	-
Provision for impairment on trade receivables (note 18))	777	-
Operating lease charges in respect of land and buildings	4,057	3,695
Employee benefit expense (including directors' emoluments (note 10))	58,631	51,393
- Wages and salaries	2,440	2,616
- Pension scheme contribution - defined contribution plans	3,103	2,887
- Other benefits	64,174	56,896

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10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments of each of the directors for the years presented are set out below:

10. 董事酬金及五名最高薪人士

(a) 董事酬金

於所列年度每名董事的酬金如下：

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 HK\$'000 千港元	Pension scheme contributions 退休計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度				
<i>Executive directors:</i>					
Mr. Chen Gang	陳綱先生	-	240	-	240
Mr. Qu Chengbiao	瞿成彪先生	-	240	-	240
Mr. Hubert Tien	田曉勃先生	-	2,770	18	2,788
Mr. Farzad Gozashti (resigned on 2 November 2016)	Farzad Gozashti 先生 (於二零一六年 十一月二日辭任)	-	2,364	-	2,364
Mr. Yeung Kwok Leung (appointed on 7 September 2016)	楊國良先生(於二零一六年 九月七日獲委任)	-	113	-	113
Mr. Cheng Tze Kit Larry (appointed on 24 November 2016)	鄭子傑先生 (於二零一六年 十一月二十四日獲委任)	-	99	-	99
Mr. Liu Chun Fai (appointed on 24 November 2016)	廖晉輝先生(於二零一六年 十一月二十四日獲委任)	-	37	-	37
		-	5,863	18	5,881
<i>Independent non-executive directors:</i>					
Mr. Chan Kin Sang (resigned on 9 December 2016)	陳健生先生(於二零一六年 十二月九日辭任)	113	-	-	113
Mr. Lai Man Sing (resigned on 2 November 2016)	黎文星先生(於二零一六年 十一月二日辭任)	101	-	-	101
Ms. Luo Dan (resigned on 19 December 2016)	羅丹女士(於二零一六年 十二月十九日辭任)	136	-	-	136
Mr. Tang Shu Pui, Simon (appointed on 22 August 2016)	鄧樹培先生(於二零一六年 八月二十二日獲委任)	43	-	-	43
Mr. Tang Tsz Kai, Kevin (resigned on 2 November 2016)	鄧子楷先生(於二零一六年 十一月二日辭任)	101	-	-	101
Mr. Tse Yuen Ming (appointed on 2 November 2016)	謝遠明先生(於二零一六年 十一月二日獲委任)	20	-	-	20
Mr. Ho Ming Sang (appointed on 2 November 2016)	韓銘生先生(於二零一六年 十一月二日獲委任)	20	-	-	20
		534	-	-	534
Total emoluments	酬金總額	534	5,863	18	6,415

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10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)**(a) Directors' emoluments** (Continued)

The emoluments of each of the directors for the years presented are set out below: (Continued)

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 HK\$'000 千港元	Pension scheme contributions 退休計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Chen Gang (appointed on 11 September 2015)	陳綱先生 (於二零一五年 九月十一日獲委任)	-	73	-	73
Mr. Qu Chengbiao (appointed on 3 December 2015)	瞿成彪先生 (於二零一五年 十二月三日獲委任)	-	19	-	19
Mr. Hubert Tien	田曉勃先生	-	1,661	18	1,679
Mr. Farzad Gozashti	Farzad Gozashti 先生	-	1,679	-	1,679
		-	3,432	18	3,450
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Chan Kin Sang (appointed on 5 October 2015)	陳健生先生 (於二零一五年 十月五日獲委任)	29	-	-	29
Mr. Lai Man Sing	黎文星先生	120	-	-	120
Ms. Luo Dan (appointed on 5 October 2015)	羅丹女士 (於二零一五年 十月五日獲委任)	29	-	-	29
Mr. Tang Shu Pui, Simon (resigned on 3 December 2015)	鄧澍煒先生 (於二零一五年 十二月三日辭任)	111	-	-	111
Mr. Tang Tsz Kai, Kevin	鄧子楷先生	120	-	-	120
		409	-	-	409
Total emoluments	酬金總額	409	3,432	18	3,859

10. 董事酬金及五名最高薪人士 (續)**(a) 董事酬金** (續)

於所列年度每名董事的酬金如下：(續)

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10. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals

The five highest paid individuals of the Group included 2 (2015: 2) directors for the year whose emoluments are reflected in note 10(a). The analysis of the emoluments of the remaining 3 (2015: 3) highest paid individuals for the year is set out below:

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	8,262	6,672

Number of non-director highest paid employees whose emoluments fell within the following bands is as follows:

		Number of employees 僱員人數	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	–	1
HK\$2,500,001 to HK\$3,500,000	2,500,001 港元至 3,500,000 港元	1	–
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	–	1
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	1	–
		3	3

(c) During the years ended 31 December 2016 and 2015, no director or any of the highest paid individuals waived or agreed to waive any emoluments and there were no emoluments paid by the Group to the directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 董事酬金及五名最高薪人士 (續)

(b) 五名最高薪人士

本年度本集團的五名最高薪人士包括2名(二零一五年:兩名)董事,他們的酬金已反映在附註10(a)。其餘3名(二零一五年:三名)最高薪人士於本年度的酬金分析如下:

非董事最高薪僱員的酬金處於以下範圍:

(c) 於截至二零一六年及二零一五年十二月十一日止年度,概無董事或任何最高薪人士放棄或同意放棄任何酬金,且本集團概無向董事或任何最高薪人士支付任何酬金,作為本年度加入本集團或加入後的獎賞,或離職補償。

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11. INCOME TAX EXPENSE

11. 所得稅開支

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Current income tax charged for the year:	本年度即期所得稅開支：		
Hong Kong profits tax	香港利得稅	–	2,189
PRC enterprise income tax (“EIT”)	中國企業所得稅（「企業所得稅」）	658	1,385
USA corporate income tax	美國企業所得稅	12	80
		670	3,654
Deferred tax (note 28)	遞延稅項（附註28）	331	–
		1,001	3,654

- | | |
|--|---|
| <p>(i) Pursuant to the rules and regulations of the British Virgin Islands (“BVI”) and the Cayman Islands, the Group is not subject to any taxation under these jurisdictions.</p> | <p>(i) 根據英屬維爾京群島（「英屬維爾京群島」）及開曼群島的規則和法例，本集團毋須繳納該等司法權區的任何稅項。</p> |
| <p>(ii) Hong Kong profits tax is calculated at 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.</p> | <p>(ii) 香港利得稅按本年度在香港產生的估計應課稅溢利的16.5%（二零一五年：16.5%）計算。</p> |
| <p>(iii) PRC EIT is provided at 25% (2015: 25%) on the estimated assessable profits of the Group’s PRC subsidiary for the year.</p> | <p>(iii) 中國企業所得稅乃按本集團中國附屬公司本年度的估計應課稅溢利的25%（二零一五年：25%）計提撥備。</p> |
| <p>(iv) The USA corporate income tax comprises federal income tax calculated at 15% and state and local income tax calculated at various rates on the estimated assessable profits of the Group’s subsidiary in the USA.</p> | <p>(iv) 美國企業所得稅包括按本集團於美國的附屬公司的估計應課稅溢利按15%計算的聯邦所得稅以及按不同稅率計算的州及地方所得稅。</p> |

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11. INCOME TAX EXPENSE (Continued)

A reconciliation of income tax expense applicable to (loss)/profit before income tax at the statutory tax rate to the income tax expense at the effective tax rate is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(17,768)	19,386
Tax calculated at the rates applicable to profits in the tax jurisdictions concerned	以適用於有關稅務司法權區溢利的稅率計算的稅項	(2,004)	3,621
Tax effect of non-deductible expenses	不能扣稅開支的稅務影響	3,029	62
Others	其他國家	(24)	(29)
Income tax expense	所得稅開支	1,001	3,654

12. DIVIDENDS

No interim dividend was declared during the year (2015: Nil) and the board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2016 (2015: Nil).

13. (LOSS)/EARNINGS PER SHARE

The calculations of basic loss per share are based on the loss for the year attributable to owners of the Company of approximately HK\$18,769,000 (2015: profit of HK\$15,732,000) and the weighted average of 649,890,710 (2015: 600,000,000) shares in issue during the year.

Diluted loss/earnings per share are the same as the basic loss/earnings per share as there were no dilutive potential ordinary shares in existence during the years.

11. 所得稅開支 (續)

按法定稅率計算對除所得稅前(虧損)/溢利適用的所得稅開支，與按實際稅率釐定的所得稅開支的對賬如下：

12. 股息

本年度並無宣派中期股息(二零一五年：無)，本公司董事會不建議派付截至二零一六年十二月三十一日止年度的末期股息(二零一五年：無)。

13. 每股(虧損)/盈利

每股基本虧損乃根據本公司擁有人應佔年度虧損約18,769,000港元(二零一五年：溢利15,732,000港元)及年內已發行股份的加權平均數649,890,710股(二零一五年：600,000,000股)計算。

因為於年內並無任何潛在可攤薄普通股，故每股攤薄盈利等同每股基本盈利。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	機器	傢俬、裝置及辦公室設備	汽車	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						
Cost	成本	17,524	5,946	3,985	8,965	1,357	37,777
Accumulated depreciation	累計折舊	(5,619)	(5,921)	(1,983)	(6,890)	(891)	(21,304)
Net carrying amount	賬面淨值	11,905	25	2,002	2,075	466	16,473
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	11,905	25	2,002	2,075	466	16,473
Additions	添置	-	-	99	497	326	922
Disposals	出售	-	-	(3)	-	(55)	(58)
Depreciation	折舊	(776)	(6)	(308)	(660)	(224)	(1,974)
Exchange differences	匯兌差額	(629)	-	(101)	(28)	(28)	(786)
Closing net carrying amount	年末賬面淨值	10,500	19	1,689	1,884	485	14,577
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						
Cost	成本	16,553	5,669	3,854	9,264	1,178	36,518
Accumulated depreciation	累計折舊	(6,053)	(5,650)	(2,165)	(7,380)	(693)	(21,941)
Net carrying amount	賬面淨值	10,500	19	1,689	1,884	485	14,577
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	10,500	19	1,689	1,884	485	14,577
Additions	添置	-	14	104	469	-	587
Disposals	出售	-	-	(12)	-	-	(12)
Depreciation	折舊	(723)	(8)	(293)	(659)	(155)	(1,838)
Exchange differences	匯兌差額	(586)	2	(95)	(20)	(24)	(723)
Closing net carrying amount	年末賬面淨值	9,191	27	1,393	1,674	306	12,591
At 31 December 2016	於二零一六年十二月三十一日						
Cost	成本	15,596	5,411	3,609	9,411	1,410	35,437
Accumulated depreciation	累計折舊	(6,405)	(5,384)	(2,216)	(7,737)	(1,104)	(22,846)
Net carrying amount	賬面淨值	9,191	27	1,393	1,674	306	12,591

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2016, the Group's buildings with net carrying amounts of approximately HK\$4,876,000 (2015: HK\$5,582,000) were pledged to secure the Group's bills payable (note 25).

As at 31 December 2016, the net carrying amounts of the Group's assets under finance leases included in the total amounts of furniture, fixtures and office equipment amounted to HK\$598,000 (2015: HK\$846,000).

15. PAYMENTS FOR LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASE

Net carrying amount at 1 January	於一月一日賬面淨值	1,953	2,119
Amortisation	攤銷	(54)	(54)
Exchange differences	匯兌差額	(107)	(112)
Net carrying amount at 31 December	於十二月三十一日賬面淨值	1,792	1,953
Less: Current portion (note 21)	減：即期部分(附註21)	(54)	(54)
Non-current portion	非即期部分	1,738	1,899

The lease prepayments of the Group represent the Group's land use right in respect of a land located in the PRC which is held under a medium-term lease. Land use right is pledged to secure the Group's bills payable as at the reporting date (note 25).

14. 物業、廠房及設備 (續)

於二零一六年十二月三十一日，賬面值約4,876,000港元(二零一五年：5,582,000港元)的本集團的樓宇已被抵押，換取本集團的應付票據(附註25)。

於二零一六年十二月三十一日，已計入傢俬、裝置及辦公室設備總額的本集團融資租約項下資產的賬面淨值為598,000港元(二零一五年：846,000港元)。

15. 於經營租約下持作自用的租賃土地付款

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Net carrying amount at 1 January	1,953	2,119
Amortisation	(54)	(54)
Exchange differences	(107)	(112)
Net carrying amount at 31 December	1,792	1,953
Less: Current portion (note 21)	(54)	(54)
Non-current portion	1,738	1,899

本集團的租賃預付款指本集團就一幅位於中國以中期租約持有的土地的土地使用權。於報告日期，土地使用權已抵押，以擔保本集團的應付票據(附註25)。

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16. GOODWILL

16. 商譽

		HK\$'000 千港元
Cost:	成本：	
Upon acquisition of a subsidiary (note 32) and as at 31 December 2016	於收購一間附屬公司時(附註32)及於二零一六年十二月三十一日	99,109
Accumulated impairment loss:	累計減值虧損：	
Impairment during the year and as at 31 December 2016	年內及於二零一六年十二月三十一日之減值	(11,453)
Carrying amount as at 31 December 2016	於二零一六年十二月三十一日之賬面值	87,656

For the purpose of impairment testing, goodwill is allocated to the CGU in relation to the Group's provision of money lending services in Hong Kong.

The recoverable amount of the CGU has been determined from value-in-use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2%, which does not exceed the long-term growth rate for market in Hong Kong.

就減值測試而言，商譽分配至與本集團於香港提供放債服務有關的現金產生單位。

現金產生單位的可收回金額根據涵蓋五年期正式獲批准預算所載現金流量預測計算的使用價值釐定。超過五年期的現金流量按估計加權平均增長率2%推算，該增長率並無超過香港的市場長期增長率。

		2016
Pre-tax discounted rate	稅前貼現率	17.2%
Growth rate within the five-year period	五年期增長率	15%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The growth rate within the five-year period have been based on past experience.

Due to the fact that goodwill arose principally as a result of the unexpected fluctuation in the share price of the Company's share at the date of acquisition of Delta Wealth Finance Limited ("Delta Wealth"), which were engaged in provision of money lending services in Hong Kong (note 32), and by reference to the HKFRS 3 "Business Combinations", the closing per share price of the Company on that day was used as a proxy for the fair price of the Company's 110 million new ordinary shares (note 29(b)) for the purpose of calculating the goodwill arising from the acquisition, the Company's directors are of the view that an impairment loss of HK\$11,453,000 was necessary.

所用貼現率為稅前貼現率，反映與相關現金產生單位有關的特定風險。五年期增長率按過往經驗而釐定。

由於有關商譽主要因本公司股份之股價於收購融富財務有限公司(「融富」，於香港從事提供放債服務)(附註32)之日期不可預計波動而產生，並且根據香港財務報告準則第3號「業務合併」，本公司於該日之每股收市價乃被用作本公司110,000,000股新普通股股份(附註29(b))之指定公平價，藉以計算因收購所產生之商譽，因此本公司董事認為計提減值虧損11,453,000港元屬必要。

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17. INTANGIBLE ASSETS

17. 無形資產

		Money lending license 放債牌照
Cost and carrying value	成本及賬面值	
As at 1 January 2016	於二零一六年一月一日	-
Addition (note 32)	添置 (附註32)	800
As at 31 December 2016	於二零一六年十二月三十一日	800

The license has a legal life of 1 year but is renewable every year at minimal cost. The directors of the Company are of the opinion that the Group would renew the license continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the license has no foreseeable limit to the period over which the provision of services restricted by license are expected to generate net cash flows for the Group.

As a result, the license is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The license will not be amortised until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired.

The recoverable amount of CGU containing the license is determined on a value-in-use calculation. Management of the Group prepared a cash flow forecast based on financial budgets approved by management covering a 5-year period, and discount rate of 17.2%. Management believes that any reasonably possible change in the discount rate would not cause the carrying amount of the CGU containing a license to exceed the recoverable amount of the CGU.

牌照之法律年期為1年，但可以最低成本每年續期。本公司董事認為本集團將會持續為牌照續期，並擁有此能力。本集團管理層已進行多項研究，包括產品年期研究、市場、競爭及環境趨勢、以及品牌擴大機遇，該等研究支持牌照年期並無預期限制，而提供該牌照限制之服務可於其年期期間為本集團帶來現金流量淨額。

因此，本集團管理層認為該牌照具有無限使用年期，因為預期該牌照可無限提供現金流入淨額。牌照將不會獲攤銷，直至其使用年期被釐定為有限，或於每年及當顯示其可能獲減值時測試其減值。

包含牌照之現金產生單位之可收回金額乃按照所計算之使用價值釐定。本集團管理層基於經管理層批准五年期間之財政預算作出現金流量預測，及貼現率為17.2%。管理層相信，貼現率之任何合理可能變動將不會導致包含牌照之現金產生單位之賬面值超過現金產生單位之可收回金額。

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18. INVENTORIES

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Raw materials and consumables	原料及耗材	4,633	4,266
Work in progress	在製品	1,476	1,730
Finished goods	製成品	10,817	19,152
		16,926	25,148

18. 存貨

19. TRADE AND BILLS RECEIVABLES

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Trade receivables	貿易應收款項	60,979	64,379
Less: provision for impairment loss	減：減值虧損撥備	(777)	-
		60,202	-
Bills receivable	應收票據	3,283	6,822
		63,485	71,201

19. 貿易應收款項及應收票據

Trade receivables are recognised at their original invoice amounts which represented their fair values at initial recognition. The Group's trade receivables are attributable to a number of independent customers with credit terms. Bills receivable are received from independent customers under the ordinary course of business. The Group normally allows a credit period ranging from 10 to 100 days (2015: 10 to 90 days) to its customers. Trade and bills receivables are non-interest bearing.

貿易應收款項按原發票值確認，即該等貿易應收款項於初步確認時的公平值。本集團的貿易應收款項歸於多個具備信貸期的獨立客戶。應收票據為於日常業務過程中自獨立客戶收取。本集團通常准許其客戶介乎10至100天（二零一五年：10至90天）的信貸期。貿易應收款項及應收票據不計息。

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19. TRADE AND BILLS RECEIVABLES (Continued)

Ageing analysis of trade receivables based on invoice date is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
0 to 30 days	0 至 30 日	24,670	17,129
31 to 60 days	31 至 60 日	10,569	18,609
61 to 90 days	61 至 90 日	19,561	22,706
91 to 180 days	91 至 180 日	4,390	3,342
Over 180 days	超過 180 日	1,012	2,593
		60,202	64,379

As at the reporting date, the Group reviewed its trade receivables for evidence of impairment on both individual and collective basis. The Group provided for impairment loss on individual assessment based on the accounting policy stated in note 4.9(ii). The Group did not hold any collateral as security over the trade receivables. However, in order to minimise the credit risk of not receiving payments from its customers, the Group has entered into arrangements with a financial institution in the USA and a bank in Hong Kong (which in turn entered into certain arrangement with an insurance company in this connection) which offered trade receivable credit protection arrangement against the Group's trade receivables for certain major customers. As at 31 December 2016, trade receivables of approximately HK\$25,420,000 (2015: HK\$23,790,000) were under such arrangements of which if the Group ultimately becomes unable to collect the trade receivables, the Group will be entitled to receive compensation for the trade receivables from the financial institution or the bank.

19. 貿易應收款項及應收票據
(續)

根據發票日期的貿易應收款項賬齡分析如下：

於報告日期，本集團按個別和集體基準審視其貿易應收款項，以查明是否有任何減值的憑據。本集團根據附註 4.9(ii) 所述的會計政策，按個別評估方式就減值虧損作出撥備。本集團並無就貿易應收款項持有任何抵押品。然而，本集團已與美國一家金融機構及香港一家銀行訂立安排（而該金融機構及銀行則就此與保險公司訂立若干安排），就若干主要客戶而言為本集團的貿易應收款項提供貿易應收款項信用保障。於二零一六年十二月三十一日，約 25,420,000 港元（二零一五年：23,790,000 港元）的貿易應收款項受到有關安排保障，據此，如本集團最終未能收回貿易應收款項，本集團將有權獲該金融機構或銀行就有關貿易應收款項給予賠償。

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19. TRADE AND BILLS RECEIVABLES (Continued)

Ageing analysis of trade receivables that were not impaired and based on due dates is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦無減值	31,828	31,296
Not more than 90 days past due	逾期不超過90日	27,070	30,490
91 days to not more than 180 days past due	逾期91日至不超過180日	667	1
181 days to not more than 1 year past due	逾期181日至不超過一年	68	2,197
More than 1 year past due	逾期超過一年	569	395
		60,202	64,379

Trade receivables which were neither past due nor impaired related to customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that had a good track record of credit with the Group. Based on past credit history, the directors of the Company believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable.

As at 31 December 2016, trade receivables of approximately HK\$777,000 (2015: Nil) were provided for impairment loss. The individually impaired receivable mainly relate to a customer who is in unexpected difficult economic situation.

19. 貿易應收款項及應收票據
(續)

並無減值及根據到期日的貿易應收款項賬齡分析如下：

既未逾期亦無減值的貿易應收款項涉及的客戶，均並無近期拖欠付款的記錄。

逾期但未減值的貿易應收款項所涉及的幾位客戶，在本集團均具有良好信用記錄。根據信用歷史，本公司董事認為毋須就此等結餘作出減值撥備，原因為信貸質素並無出現重大變動，而有關結餘仍被視為可全數收回。

於二零一六年十二月三十一日，約777,000港元的貿易應收款項（二零一五年：無）已計提減值虧損。個別已減值應收款項主要與一名處於意料之外經濟困難狀況的客戶有關。

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20. LOANS AND INTEREST RECEIVABLES

20. 應收貸款及應收利息

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Loans receivable	應收貸款	79,760	-
Interest receivables	應收利息	705	-
		80,465	-

The Group's loans and interest receivables, which arise from the money lending business of providing corporate loans, personal loans and property mortgage loans in Hong Kong, are denominated in Hong Kong dollars.

本集團的應收貸款及應收利息以港元計值，產生自於香港提供企業貸款、個人貸款及物業按揭貸款的放債業務。

As at 31 December 2016, loans and interest receivables of HK\$59,435,000 (2015: Nil) were unsecured while remaining loans and interest receivables of HK\$21,030,000 (2015: Nil) were secured by charges over certain properties in Hong Kong and personal properties such as diamonds, and guaranteed by certain independent third parties. The interest rates on all loans and interest receivables are fixed ranging from 2.3% to 48% (2015: nil) per annum and were due within one year.

於二零一六年十二月三十一日，59,435,000港元的應收貸款及應收利息（二零一五年：無）為無抵押，而餘下21,030,000港元的應收貸款及應收利息（二零一五年：無）由質押若干香港物業及個人財產（如鑽石）做抵押，並且由若干獨立第三方擔保。全部應收貸款及應收利息的利率為固定，介乎每年2.3%至48%（二零一五年：無）及於一年內到期。

Ageing analysis of loan and interest receivables that were not impaired and based on due dates is as follows:

並無減值及根據到期日的應收貸款及應收利息賬齡分析如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦無減值	80,300	-
Not more than 1 year past due	逾期不超過一年	-	-
More than 1 year past due	逾期超過一年	165	-
		80,465	-

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20. LOANS AND INTEREST RECEIVABLES (Continued)

Before granting loans to outsiders, the Group uses an internal credit assessment process to assess the potential borrower's credit quality and defines credit limits granted to borrowers. Limits attributed to borrowers are reviewed by the management regularly.

Management believes that no impairment allowance is necessary in respect of the loans and interest receivables as there is no significant change in credit quality and the balances are still considered fully recoverable. No loans and interest receivables were impaired as at 31 December 2016.

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Prepayments and other receivables, gross 預付款及其他應收款項，總額	21,596	27,265
Less: Provision for impairment losses 減：減值虧損撥備	(1,918)	(1,918)
Prepayments and other receivables, net 預付款及其他應收款項，淨額	19,678	25,347
Deposits 按金	3,071	1,878
Payments for leasehold land held for own use under operating lease (note 15) 於經營租約下持作自用的租賃土地付款（附註15）	54	54
	22,803	27,279

Other receivables that were neither past due nor impaired related to counterparties for whom there was no recent history of default. The directors of the Company consider that other receivables that were neither past due nor impaired at the reporting date under review are of good credit quality.

There was no movement in the provision for impairment on prepayments and other receivables during the years ended 31 December 2016 and 2015.

20. 應收貸款及應收利息 (續)

向外部人士授出貸款前，本集團使用內部信貸評估程序評估潛在借款人的信貸質素，並釐定給予借款人的信貸限額。給予借款人的貸款限額會由管理層定期檢討。

管理層認為，毋須就應收貸款及應收利息作出減值撥備，原因為信貸質素並無重大變動，且該等結餘仍被視為可全數收回。於二零一六年十二月三十一日，概無應收貸款及應收利息已減值。

21. 按金、預付款及其他應收款項

既未逾期亦無減值其他應收款項涉及的交易對手，均並無近期拖欠付款的記錄。本公司董事認為，該等既未逾期亦無減值的其他應收款項，於所回顧的報告日期均具備良好信貸質素。

截至二零一六年及二零一五年十二月三十一日止年度，預付款及其他應收款項減值撥備的並無發生變動。

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22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 以公平值計量且變動計入當期損益的財務資產

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Listed securities held for trading, at fair value	持作買賣的上市證券，按公平值		
– Equity securities listed in Hong Kong	– 於香港上市的股本證券	42,000	–

The fair values of the above listed securities are determined based on the quoted market bid prices available on the Hong Kong Stock Exchange or the market comparable approach at the end of the reporting period.

上述上市證券的公平值按於報告期末香港聯交所或市場比較法得到的市場報價釐定。

As at 31 December 2016, the Group's financial assets at fair value through profit or loss have been pledged as security for the Group's margin loan payable of approximately HK\$22,112,000 (note 27).

於二零一六年十二月三十一日，本集團以公平值計量且變動計入當期損益的財務資產已予抵押，作為本集團約22,112,000港元應付孖展貸款的擔保（附註27）。

23. PLEDGED BANK DEPOSITS

23. 已抵押銀行存款

As at 31 December 2016, the Group's time deposits of HK\$3,567,000 (2015: HK\$4,476,000) and HK\$4,194,000 (2015: HK\$4,180,000) were pledged as securities for the Group's bills payable (note 25) and banking facilities respectively. These banking facilities amounting to HK\$60,300,000 (2015: HK\$60,300,000), which are also secured by the corporate guarantee of the Company, have not been utilised as at the reporting date

於二零一六年十二月三十一日，本集團的定期存款3,567,000港元（二零一五年：4,476,000港元）及4,194,000港元（二零一五年：4,180,000港元）已予抵押，分別作為本集團的應付票據（附註25）及銀行融資的擔保。於報告日期，該等60,300,000港元（二零一五年：60,300,000港元）之銀行融資（亦由本公司提供的公司擔保所抵押）尚未動用。

As at 31 December 2016, pledged bank deposits carried interest at average market rates ranged from 0.25% to 1.30% (2015: 0.35% to 1.30%) per annum. The carrying amount of the Group's pledged bank deposits are denominated in HK\$ and Renminbi ("RMB").

於二零一六年十二月三十一日，已抵押銀行存款以市場平均利率每年介乎0.25%至1.30%（二零一五年：0.35%至1.30%）計息。本集團已抵押銀行存款的賬面值以港元及人民幣（「人民幣」）列賬。

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24. CASH AND BANK BALANCES**24. 現金及銀行結存**

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值項目	54,150	46,206
Time deposits	定期存款	5,038	7,631
		59,188	53,837

Cash at banks earn interest at floating rates based on daily deposits rates. Short-term time deposits are made for three months (2015: six months) and earns interest at short-term deposit rate ranged from 1.4% to 2.9% (2015: 3.05%) per annum.

As at 31 December 2016, the Group had cash and bank balances and pledged bank deposits denominated in RMB amounting to approximately HK\$9,247,000 (2015: HK\$18,507,000) which were placed with certain banks in the PRC. RMB is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

存入銀行的現金按每日存款利率以浮動利率賺取計息。短期存款存放三個月(二零一五年：六個月)並按短期存款利率每年1.4%至2.9%(二零一五年：3.05%)賺取利息。

於二零一六年十二月三十一日，本集團的現金及銀行結存以及以人民幣計價的已抵押銀行存款約為9,247,000港元(二零一五年：18,507,000港元)，存到中國境內的若干銀行。人民幣不能自由兌換其他貨幣，從中國匯款到境外亦受到中國政府的外匯管制措施規限。根據中國的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過有權進行外匯業務的銀行將人民幣兌換為其他貨幣。

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25. TRADE AND BILLS PAYABLES

25. 貿易應付款項及應付票據

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Trade payables	貿易應付款項	37,753	35,659
Bills payable	應付票據	11,891	14,919
		49,644	50,578

Credit periods of trade payables normally granted by its suppliers were ranging from 15 to 120 days (2015: from 15 to 120 days).

供應商給予本集團貿易應付款項的信貸期一般介乎15到120天(二零一五年:15到120天)。

Ageing analysis of trade payables based on invoice date is as follows:

根據發票日期的貿易應付款項賬齡分析如下:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
0 to 30 days	0至30日	16,834	17,268
31 to 60 days	31至60日	3,558	7,058
61 to 90 days	61至90日	10,822	6,585
91 to 180 days	91至180日	3,112	2,590
Over 180 days	超過180日	3,427	2,158
		37,753	35,659

Bills payable are normally settled on 180-day (2015: 180-day) credit terms.

應付票據通常按180天(二零一五年:180天)的信貸期結付。

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26. ACCRUALS, OTHER PAYABLES AND RECEIPTS IN ADVANCE**26. 預提費用、其他應付款項及預收款項**

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Accruals	預提費用	8,430	4,229
Other payables	其他應付款項	13,559	9,024
Receipts in advance	預收款項	4,667	2,353
		26,656	15,606

27. INTEREST-BEARING BORROWINGS**27. 計息借貸**

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Current portion:	即期部分：			
Bank overdraft, secured	銀行透支，有抵押	(a)	32,044	-
Margin loan payable, secured	應付孖展貸款，有抵押	(b)	22,112	-
Obligations under finance leases, secured	融資租賃承擔，有抵押	31(a)	254	242
			54,410	242
Non-current portion:	非即期部分：			
Obligations under finance leases, secured	融資租賃承擔，有抵押	31(a)	383	637
			54,793	879
Interests borne at rates per annum in the range of:	利息按介乎以下範圍之年利率計算：			
- Fixed-rate borrowings	- 定息借貸		5% to 8.25%	5%
- Variable-rate borrowings	- 浮息借貸		5.25%	N/A 不適用

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27. INTEREST-BEARING BORROWINGS (Continued)

The carrying amounts of the Group's interest bearing borrowings are denominated in HK\$. Total interest-bearing borrowings due for repayment based on the scheduled repayment dates are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within one year	一年內	54,410	242
More than one year, but not exceeding two years	一年以上但不超過兩年	268	254
More than two years, but not exceeding five years	兩年以上但不超過五年	115	383
		54,793	879

Notes:

- (a) As at 31 December 2016, bank overdraft of the Group was secured by a property of a director of a subsidiary of the Group, and guaranteed by a director of a subsidiary of the Group and an independent party.
- (b) As at 31 December 2016, margin loan payable of the Group was secured by financial assets at fair value through profit or loss of the Group (note 22) and carried a fixed interest rate at 8.25% per annum.

27. 計息借貸 (續)

本集團計息借貸之賬面值以港元計值。基於預定還款日期的應償還計息借貸總額如下：

附註：

- (a) 於二零一六年十二月三十一日，本集團的銀行透支由本集團附屬公司的一名董事的物業作抵押，並且由本集團附屬公司的一名董事以及一名獨立第三方擔保。
- (b) 於二零一六年十二月三十一日，本集團的應付孖展貸款由以公平值計量且變動計入當期損益的財務資產作抵押（附註22）及按固定年利率8.25%計息。

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28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

As at 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日	-
Credited to profit or loss for the year	計入年內損益	742
As at 31 December 2016	於二零一六年十二月三十一日	742

Deferred tax assets are recognised for tax losses carried forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable.

Deferred tax liabilities

As at 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日	-
Charged to profit or loss for the year	本年度損益扣除	1,073
As at 31 December 2016	於二零一六年十二月三十一日	1,073

28. 遞延稅項

年內遞延稅項資產及負債變動如下：

遞延稅項資產

Tax losses
稅項虧損
HK\$'000
千港元

As at 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日	-
Credited to profit or loss for the year	計入年內損益	742
As at 31 December 2016	於二零一六年十二月三十一日	742

遞延稅項資產乃根據於透過可能產生的未來應課稅溢利變現為相關稅項收益時將稅項虧損結轉確認。

遞延稅項負債

Withholding taxes on undistributed profits of PRC subsidiaries
中國附屬公司 未分配溢利預扣稅
HK\$'000
千港元

As at 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日	-
Charged to profit or loss for the year	本年度損益扣除	1,073
As at 31 December 2016	於二零一六年十二月三十一日	1,073

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28. DEFERRED TAX (Continued)

Deferred tax liabilities (Continued)

Under the EIT Law of the PRC, withholding income tax is imposed on dividends declared in respect of profits earned by PRC subsidiary from 1 January 2008 onwards. A lower withholding income tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The applicable rate for the Group is 5% (2015: 5%). In estimating the withholding income taxes on dividends expected to be distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008, the directors have made an assessment based on the factors which included the dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future. As at 31 December 2016, temporary differences relating to the undistributed profits of the PRC subsidiaries for which deferred tax liabilities have not been recognised amounted to approximately HK\$1,531,000 (2015: HK\$21,838,000).

29. SHARE CAPITAL

28. 遞延稅項 (續)

遞延稅項負債 (續)

根據中國企業所得稅法，自二零零八年一月一日起，預扣所得稅實行於在中國附屬公司所得溢利之宣派股息。倘中國與外商投資者司法權區間有稅務條約，可能實施較低預扣所得稅。本集團適用稅率為5% (二零一五年：5%)。於估計該等於中國成立附屬公司就自二零零八年一月一日起產生盈利預計將分派股息之預扣所得稅。董事已基於包括本集團於可預見未來經營所需股息政策及資本水平以及營運資金因素作出評估。於二零一六年十二月三十一日，有關中國附屬公司的未分派溢利 (尚未確認遞延稅項負債) 的暫時差額為約1,531,000港元 (二零一五年：21,838,000港元)。

29. 股本

		Number of ordinary shares at HK\$0.01 each 每股面值0.01港元 普通股數目	Nominal value of ordinary shares 普通股面值 HK\$'000 千港元
Authorised:	法定：		
At 1 January 2015,	於二零一五年一月一日、		
31 December 2015 and	二零一五年十二月三十一日及		
31 December 2016	二零一六年十二月三十一日	10,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2015 and	於二零一五年一月一日及		
31 December 2015	二零一五年十二月三十一日	600,000,000	6,000
Issue of ordinary shares by placing	通過配售發行普通股	(a) 120,000,000	1,200
Issue of ordinary shares by acquisition	通過收購發行普通股	(b) 110,000,000	1,100
		830,000,000	8,300

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29. SHARE CAPITAL (Continued)

The movements in share capital of the Company were as follows:

- (a) In connection with the placing, an aggregate of 120,000,000 new ordinary shares of the Company of HK\$0.01 each were issued at a price of HK\$0.52 per share on 2 September 2016.
- (b) On 28 November 2016, approximately 110,000,000 shares were issued in respect of the acquisition of a subsidiary (note 32).

30. RESERVES**(a) Share premium**

The share premium account represents the excess of the proceeds received over the nominal value of the Company's shares issued, net of share issue costs.

(b) Merger reserve

Merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired by the Company pursuant to certain reorganisation of the Group and the nominal value of the shares issued by the Company.

(c) Statutory reserve

According to the relevant PRC laws, the subsidiary established in the PRC is required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer of this reserve must be made before the distribution of dividend to the subsidiary's equity owners. The statutory reserve is non-distributable other than upon the liquidation of the subsidiary.

(d) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries. The reserve is dealt with in accordance with the accounting policy set out in note 4.4.

29. 股本 (續)

本公司股本的變動如下：

- (a) 就配售而言，本公司合共 120,000,000 股每股面值 0.01 港元的新普通股已於二零一六年九月二日按每股 0.52 港元的價格發行。
- (b) 於二零一六年十一月二十八日，就收購附屬公司已發行約 110,000,000 股股份（附註 32）。

30. 儲備**(a) 股份溢價**

股份溢價賬指已收所得款項超出本公司已發行股份面值（扣除股份發行費用）的金額。

(b) 合併儲備

本集團的合併儲備指本公司根據重組所收購附屬公司的股本面值與本公司所發行股份面值之間的差額。

(c) 法定儲備

根據相關中國法律，在中國成立的附屬公司須至少將其除稅後純利的 10%（根據中國會計規例釐定）撥入法定儲備，直至儲備結餘達到附屬公司註冊資本的 50% 為止。該儲備的轉撥須在向附屬公司股權擁有人分派股息之前作出。除附屬公司清盤外，法定儲備不得分派。

(d) 換算儲備

換算儲備包括換算海外附屬公司的財務報表所產生的全部匯兌差額。該儲備根據附註 4.4 載列的會計政策進行處理。

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31. LEASE COMMITMENTS

(a) Finance lease commitments

The Group leased its office equipment under a finance lease with an average lease term of 5 years. The Group's obligation under finance lease is secured by the lessor's title to the leased asset.

Interest rate underlying all obligations under finance lease is fixed at respective contract date at 5.0% (2015: 5.0%) per annum.

Future minimum rental payables are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within one year	一年內	280	280
In the second to fifth years	第二至五年	398	678
		678	958
Less: Future finance charges	減：未來融資費用	(41)	(79)
Present value of minimum lease payments	最低租賃付款現值	637	879

Present value of minimum lease payments included in consolidated statement of financial position is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Interest-bearing borrowings	計息借貸		
– Current portion	– 即期部分	254	242
Interest-bearing borrowings	計息借貸		
– Non-current portion	– 非即期部分	383	637
		637	879

31. 租賃承擔

(a) 融資租賃承擔

本集團根據融資租賃（平均租賃年期為五年）租賃其辦公室設備。本集團於融資租賃項下之義務由出租人對租賃資產之擁有權作擔保。

所有融資租約承擔之年息率於各個合約日期固定為5.0%（二零一五年：5.0%）。

未來應付最低租金載列如下：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within one year	280	280
In the second to fifth years	398	678
	678	958
Less: Future finance charges	(41)	(79)
Present value of minimum lease payments	637	879

計入綜合財務狀況表的最低租賃付款現值如下：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Interest-bearing borrowings		
– Current portion	254	242
Interest-bearing borrowings		
– Non-current portion	383	637
	637	879

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31. LEASE COMMITMENTS (Continued)**(b) Operating lease commitments**

Future minimum rental payable under non-cancellable operating lease of the Group in respect of land and buildings are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within one year	一年內	4,641	2,362
In the second to fifth years	第二至五年	8,824	715
		13,465	3,077

The Group leases certain properties under operating leases. The leases run for an initial period of 1 year to 5 years (2015: 1 year to 5 years). None of these leases include any contingent rentals.

32. BUSINESS COMBINATION

On 5 September 2016, the Group entered into a sale and purchase agreement with Favor Way Investments Limited (the "Vendor") to acquire 100% equity interests in Delta Wealth, which were engaged in provision of money lending services in Hong Kong, and assigned by the Vendor a loan receivable from Delta Wealth of approximately HK\$4,546,000.

The transaction was completed on 28 November 2016 while the consideration was satisfied in form of cash of approximately HK\$25,000,000 and issuance of 110,000,000 ordinary shares of the Company with fair value amounted to approximately HK\$89,100,000 as at the date of completion.

31. 租賃承擔 (續)**(b) 經營租賃承擔**

本集團根據不可註銷經營租賃就土地及樓宇應付之未來最低租金載列如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within one year	一年內	4,641	2,362
In the second to fifth years	第二至五年	8,824	715
		13,465	3,077

根據經營租賃，本集團租賃若干物業。租賃初步為期一至五年（二零一五年：一至五年）。此等租賃概不包括任何或然租金。

32. 業務合併

於二零一六年九月五日，本集團與 Favor Way Investments Limited (「賣方」) 訂立買賣協議以收購融富（於香港從事提供放債服務）的全部已股本權益，並接收一筆賣方轉讓約 4,546,000 港元的融富應收貸款。

交易已於二零一六年十一月二十八日完成，而代價已由本公司通過現金約 25,000,000 港元及發行 110,000,000 股普通股（於完成日期的公平值為約 89,100,000 港元）的方式支付。

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32. BUSINESS COMBINATION (Continued)

Details of the net assets acquired and goodwill are as follows:

		HK\$'000 千港元
Purchase consideration:	購買代價：	
– settled by cash	– 以現金支付	25,000
– settled by 110,000,000 new shares of the Company	– 以本公司110,000,000股新股份支付	89,100
Assignment of loan receivable	轉讓應收貸款	(4,546)
Fair value of net assets attributed to the Group acquired	所收購本集團應佔資產淨值的公平值	(10,445)
Goodwill	商譽	99,109

32. 業務合併 (續)

所收購資產淨值及商譽的詳情如下：

The assets and liabilities arising from the acquisition are as below:

收購產生的資產及負債如下：

		Fair value 公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Intangible assets	無形資產	800	–
Loan and interest receivables	應收貸款及利息	47,460	47,460
Cash and bank balances	現金及銀行結存	168	168
Accruals and other payables	預提費用及其他應付款項	(333)	(333)
Loan from the Vendor	賣方貸款	(4,546)	(4,546)
Bank overdrafts	銀行透支	(32,050)	(32,050)
Provision for taxation	稅項撥備	(1,054)	(1,054)
Net assets attributed to the Group acquired	收購本集團應佔資產淨值	10,445	9,645

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32. BUSINESS COMBINATION (Continued)

An analysis of the cash flows in respect of the acquisition is as follows:

		HK\$'000 千港元
Cash and bank balances acquired	收購現金及銀行結存	168
Bank overdrafts acquired	收購銀行透支	(32,050)
Cash consideration	現金代價	(25,000)
Net cash outflow	現金流出淨額	(56,882)

Goodwill of HK\$99,109,000 arose in the acquisition of Delta Wealth because the consideration paid effectively included amounts in relation to the benefits of expected revenue growth, future market development and the assembled workforce of Delta Wealth. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not expected to be deductible for tax purposes.

Since its acquisition, Delta Wealth contributed revenue of approximately HK\$741,000 and net loss of approximately HK\$11,461,000 (which includes impairment loss on goodwill of HK\$11,453,000 (note 16)) to the Group for the period from 28 November 2016 to 31 December 2016.

Had the combination been taken place on 1 January 2016, the revenue and the net loss of the Group for the year ended 31 December 2016 would have been HK\$377,708,000 and HK\$13,999,000 (which includes impairment loss on goodwill of HK\$11,453,000 (note 16)) respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2016, nor are they intended to be a projection of future results.

The acquisition-related costs expensed in the acquisition were not material and they had been expensed.

32. 業務合併 (續)

有關收購事項現金流分析如下：

		HK\$'000 千港元
Cash and bank balances acquired	收購現金及銀行結存	168
Bank overdrafts acquired	收購銀行透支	(32,050)
Cash consideration	現金代價	(25,000)
Net cash outflow	現金流出淨額	(56,882)

收購融富產生商譽99,109,000港元，乃因為實際支付的代價包括有關預期收入增長、未來市場發展及融富配套員工的利益有關的金額。該等利益並未與商譽分開確認，原因是其不符合可識別無形資產的確認標準。預期該商譽不可作扣稅目的。

自其收購以來，自二零一六年十一月二十八日起至二零一六年十二月三十一日止期間，融富為本集團帶來收入約741,000港元及虧損淨額約11,461,000港元（包括商譽之減值虧損11,453,000港元（附註16））。

倘於二零一六年一月一日進行合併，則本集團於截至二零一六年十二月三十一日止年度的收入及虧損淨額分別為377,708,000港元及13,999,000港元（包括商譽減值虧損11,453,000港元（附註16））。該等備考資料僅供說明之用，並不必然表示倘收購已於二零一六年一月一日完成本集團將會實際取得的收入及經營業績，亦無意將其作為未來業績的預測。

於收購事項支出的收購相關成本屬微不足道，已予以列支。

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33. LITIGATION

Since 2011, the Group's subsidiary, Runway Global Limited ("Runway HK"), had a dispute (the "Dispute") with an independent PRC-established supplier (the "Respondent") over (i) non-delivery of certain apparels (the "Goods") by the Respondent to the customer of Runway HK amounted to US\$342,000, (ii) the advance of US\$130,000 by Runway HK to pay the shipment cost of the Goods, and (iii) the Respondent's non-delivery of a large portion of apparels which represented part of the Goods that Runway HK had subsequently agreed to purchase and paid for.

In 2012, Runway HK and the Respondent filed statements of claim and counterclaim to the Hong Kong International Arbitration Centre ("HKIAC") for the Dispute. On 28 April 2014, a final judgement was awarded by the HKIAC in favour of Runway HK and the Respondent is obliged to settle the overdue amount totalling US\$238,000 (approximately HK\$1,856,000) plus interests with Runway HK. As of 31 December 2015 and 2016, the Group is in the process of enforcing the collection of overdue amount in accordance with the relevant legal procedures. In the opinion of the directors of the Company, no asset is recognised in respect of this claim after considering the likelihood of the successful debt collection. No provision has been made by the Group for the counterclaim from the Respondent.

33. 訴訟

自於二零一一年，本集團的附屬公司時尚環球有限公司（「時尚香港」）牽涉入一宗與一名於中國成立的獨立產品供應商（「答辯人」）的糾紛，乃關於(i)答辯人未能向時尚香港的客戶交付若干服裝成品（「貨品」），金額為342,000美元，(ii)時尚香港墊付130,000美元以支付貨品的作為付運費費用，及(iii)答辯人並無付運大部分由時尚香港後續同意購買並已付款的服裝貨品。

於二零一二年，時尚香港及答辯人就糾紛向香港國際仲裁中心提交申索及反申索書。於二零一四年四月二十八日，香港國際仲裁中心作出支持時尚香港的最終判決，答辯人須向時尚香港支付逾期款項合計238,000美元（約1,856,000港元）連同利息。截至二零一五年及二零一六年十二月三十一日，本集團正在根據香港法律程序執行收回逾期款項。本公司董事認為，於考慮成功收回債務的可能性後，並無就此索賠確認資產。本集團並無就答辯人的反申索計提撥備。

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34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Financial assets	財務資產		
Financial assets at fair value through profit or loss	以公平值計量且變動計入當期損益的財務資產	42,000	-
Loans and receivables	貸款及應收款項		
- Trade and bills receivables	- 貿易應收款項及應收票據	63,485	71,201
- Loans receivable	- 應收貸款	80,465	-
- Deposits and other receivables	- 按金及其他應收款項	18,301	26,205
- Pledged bank deposits	- 已抵押銀行存款	7,761	8,656
- Cash and bank balances	- 現金及銀行結存	59,188	53,837
		229,200	159,899
		271,200	159,899
Financial liabilities	財務負債		
Financial liabilities at amortised cost	按攤銷成本計量的財務負債		
- Trade and bills payables	- 貿易應付款項及應付票據	49,644	50,578
- Accruals and other payables	- 預提費用及其他應付款項	21,989	13,253
- Interest-bearing borrowings	- 計息借貸	54,793	879
		126,426	64,710

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

34. 金融工具分類

於報告期末每個金融工具類別的賬面值如下：

35. 財務風險管理及公平值計量

本集團因在日常業務過程中及投資活動中利用金融工具而承受財務風險。財務風險包括市場風險（包括外幣風險及利率風險）、信貸風險及流動資金風險。

本集團的財務風險管理在董事會緊密合作下由本集團總部協調。財務風險管理總體目標是專注於減少其金融市場風險以確保本集團的短期至中期現金流量。

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(a) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise mainly from its overseas sale transactions and settlement of its overseas purchases, both of which are primarily denominated in United States Dollars ("US\$") and RMB. These are not the functional currencies of the Group entities to which these transactions relate.

All the Group's foreign exchange structured forward contracts are approved by the executive directors. In addition, the Group will not enter into any additional foreign exchange structured forward contracts unless advance approval by the shareholders has been obtained while the executive directors and their related parties shall abstain from voting. The Group performs analysis for monitoring of the foreign exchange structured forward contracts.

Summary of exposure

As at 31 December 2016, the carrying amounts of the Group's financial assets and liabilities denominated in foreign currencies, i.e. currency other than the functional currency of the respective group entities, are as follows:

		Financial assets 財務資產 HK\$'000 千港元	Financial liabilities 財務負債 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			
RMB	人民幣	1,221	(1,822)	(601)
US\$	美元	114,687	(57,429)	57,258
As at 31 December 2015	於二零一五年 十二月三十一日			
RMB	人民幣	7,752	(1,569)	6,183
US\$	美元	120,729	(62,727)	58,002

35. 財務風險管理及公平值計量 (續)

(a) 外幣風險

外幣風險指金融工具的公平值或未來現金流量因外幣匯率變動而波動之風險。本集團的外幣風險主要來自其海外銷售交易及償付海外購貨，分別主要美元（「美元」）及人民幣計價。該等貨幣並非交易涉及的本集團實體的記賬本位幣。

本集團所有結構性外匯遠期合約均經執行董事核准。此外，本公司不會訂立任何額外結構性外匯合約，除非股東取得提前批准，同時執行董事及其關聯方將放棄投票。本集團將為訂立結構性外匯遠期合約進行分析並監察該等合約。

風險概略

於二零一六年十二月三十一日，本集團以外幣（即各集團實體的功能貨幣以外的貨幣）計價的財務資產和負債的賬面值如下：

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(a) Foreign currency risk** (Continued)**Foreign exchange rate sensitivity analysis**

Since HK\$ is pegged to US\$, the Group does not expect any significant movements in HK\$/US\$ exchange rate. The following table illustrates the sensitivity of the Group's profit after tax for the year and equity in regard to a 3% change in RMB exchange rate. The rate is used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year with all other variables held constant throughout the year. A positive number in the sensitivity analysis below indicates an increase in profit after tax or a decrease in loss after tax where HK\$ weakens against RMB. For a strengthening of the HK\$ against RMB, there would be an equal and opposite impact on profit or loss after tax, and the balances below would be negative.

35. 財務風險管理及公平值計量 (續)**(a) 外幣風險** (續)**匯率敏感度分析**

由於港元與美元掛鈎，本集團預期港元兌美元的匯率不會發生任何重大變動。下表闡釋本集團的年內除稅後溢利及權益就人民幣匯率發生3%變動的敏感度。匯率乃於向主要管理人員作內部報告外幣風險時採用，為管理層對匯率可能變動之最佳估計。

本集團於報告日期所面對外幣風險之敏感度分析乃假設外幣匯率變動百分比於財政年度開始時發生且所有其他變量於整個年度內維持不變而釐定。下文敏感度分析中的正數指示倘港元兌人民幣走弱則除稅後溢利增加或除稅後虧損減少。就港元兌人民幣走強而言，對除稅後溢利或虧損將產生等同及相反的影響，而下列結餘將為負數。

Effect on in profit or loss after tax**除稅後溢利或虧損之影響**

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
If HK\$ weakens against RMB 如港元兌人民幣貶值	(15)	154
If HK\$ strengthens against RMB 如港元兌人民幣升值	15	(154)

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings which are at variable rates (note 27) and the Group's pledged bank deposits and bank balances which were bearing floating interest rate (notes 23 and 24). The Group has not used any derivative to hedge its exposure to interest rate risk. The policies to manage interest rate risk which have been followed by the Group since prior years are considered to be effective.

Interest rate sensitivity analysis

The following table illustrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit or loss after tax for the year and equity, with effect from the beginning of the years. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's floating rate financial instruments held at the end of the reporting period. The analysis has been prepared assuming these financial instruments outstanding at the end of the reporting period were outstanding for the whole year. There is no impact on other components of combined equity in response to the possible change in interest rates.

35. 財務風險管理及公平值計量 (續)

(b) 利率風險

利率風險涉及金融工具的公平值或現金流量因市場利率改變而出現波動之風險。本集團的利率風險主要來自浮息計息借貸(附註27)及本集團的已抵押銀行存款及銀行結存亦附帶浮動利率(附註23及24)。本集團並未使用任何衍生工具對沖其利率風險。本集團自往年起已沿用一套管理利率風險的政策，有關政策被認為有效。

利率敏感度分析

下表列示在所有其他變量維持不變之情況下，本集團之年度除所得稅後溢利或虧損及權益對於該等年初生效之合理可能利率變動之敏感度。該等變動乃經觀察現行市況後視為合理地可能出現。計算乃根據本集團於報告期末所持有之浮息金融工具進行。分析乃假設於報告期末尚未行使之該等金融工具於全年均無行使而編製。利率之可能變動對合併權益之其他部分並無影響。

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Increase by 100 basis points 增加100個基點	59	54
Decrease by 100 basis points 減少100個基點	(59)	(54)

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(c) Credit risk**

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to its customers in the ordinary course of its operation.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the financial assets that are not impaired as at the reporting date are of good credit quality, including those that are past due.

Concentrations of credit risk are managed by customer/ counterparty and by geographical region. The Group had certain concentrations of credit risks as 56% (2015: 73%) of the total trade receivables and loans and interest receivables are due from five of its largest external customers as at 31 December 2016 (2015: two). The directors carry a periodic review on the creditworthiness on these customers and consider the exposure to such credit risk is minimal. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and loans and interest receivables are disclosed in notes 19 and 20 to the financial statements respectively.

The Group has deposited its cash with various banks. The credit risk on bank balances is limited because most of the Group's cash are deposited with major banks located in Hong Kong and/or the PRC.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

35. 財務風險管理及公平值計量 (續)**(c) 信貸風險**

信貸風險指金融工具之對手方未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。本集團的信貸風險主要來自日常業務過程中向其客戶授出信貸。

本集團持續監察個別或同類客戶及其他對手方之拖欠情況，並於信貸風險管理中計入該資料。本集團之政策為僅與信譽良好之對手方進行交易。本集團管理層認為於報告日期未有出現減值之所有財務資產均屬信貸質素良好，包括當中已逾期者。

集中信貸風險按客戶／對手方及地區管理。於二零一六年十二月三十一日，本集團有若干集中信貸風險，佔貿易應收款項及應收貸款及應收利息總額之56%（二零一五年：73%）乃由其五名（二零一五年：兩名）最大外界客戶所結欠。董事就該等客戶之信用度進行定期檢討，並認為該信貸風險不大。本集團來自貿易應收款項及應收票據以及應收貸款及應收利息之信貸風險之進一步量化數據分別於財務報表附註19及20內披露。

本集團及本公司在多家銀行有現金存款。由於本集團大部分現金均存放位於香港及／或中國的大型銀行，故銀行結存的信貸風險有限。

本集團在過往年度一直沿用該等信貸政策，有關政策被認為有效將本集團承受的信貸風險限制在適切水平。

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(d) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank facilities.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's interest-bearing borrowings, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Company can be required to pay.

35. 財務風險管理及公平值計量 (續)

(d) 流動資金風險

為管理流動資金風險，本集團監察及維持管理層視為足夠的現金及現金等值項目水平，以為本集團的營運提供資金，及減低波動對現金流量的影響。管理層監察銀行融資的使用。

下表列出本集團的計息借貸於報告期末的餘下合約到期期限，此乃根據未貼現現金流（包括使用合約利率計算的利息款項，或倘屬浮息借貸，則根據報告日期當日的利率）及本公司可被要求付款的最早日期列示。

		Carrying amount	Total contractual cash flow undiscounted	Less than one year or repayable on demand	One year or above
		賬面值	現金流量總額	須按要求償還	一年或以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 December 2016	於二零一六年十二月三十一日				
Non-derivative financial instruments	非衍生金融工具：				
- Trade and bills payables	- 貿易應付款項及應付票據	49,644	49,644	49,644	-
- Accruals and other payables	- 預提費用及其他應付款項	21,989	21,989	21,989	-
- Interest-bearing borrowings	- 計息借貸	54,793	54,835	54,438	397
		126,426	126,468	126,071	397
As at 31 December 2015	於二零一五年十二月三十一日				
Non-derivative financial instruments	非衍生金融工具：				
- Trade and bills payables	- 貿易應付款項及應付票據	50,578	50,578	50,578	-
- Accruals and other payables	- 預提費用及其他應付款項	13,253	13,253	13,253	-
- Interest-bearing borrowings	- 計息借貸	879	958	280	678
		64,710	64,789	64,111	678

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)**(e) Fair value measurements recognised in the consolidated statement of financial position**

The fair values of trade and bills receivables, loans and interest receivables, deposits and other receivable, pledged bank deposits, cash and bank balances, trade and bills payables, accruals and other payables, current portion of interest-bearing borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of interest-bearing borrowings have been calculated by discounting the expected future cash flows using the rates currently available for instruments on similar terms, credit risk and remaining maturities.

Fair value hierarchy

The following tables present financial assets measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

35. 財務風險管理及公平值計量 (續)**(e) 於綜合財務狀況表確認的公平值計量**

貿易應收款項及應收票據、應收貸款及應收利息、按金及其他應收款項、已抵押銀行存款、現金及銀行結存、貿易應付款項及應付票據、預提費用及其他應付款項、計息借貸之即期部分之公平值與其賬面值大致相若，原因為該等工具之期限較短。

計息借貸之非即期部分之公平值乃採用現時可供參考類似年期、信貸風險及剩餘期限之工具之息率折讓預期未來現金流量而計算。

公平值架構

下表載列根據公平值架構，以公平值計入綜合財務狀況表的財務資產。此架構根據計量此等財務資產的公平值所使用的主要資料輸入的相對可靠性，將財務資產劃分為三層。公平值架構分為以下各層：

第1層：相同資產於活躍市場的報價（未經調整）；

第2層：就資產而直接（即價格）或間接（即從價格推算）可觀察的資料輸入（不包括第1層所包含的報價）；及

第3層：並非根據可觀察的市場數據而得出的資產資料輸入（無法觀察輸入）。

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35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(e) Fair value measurements recognised in the consolidated statement of financial position

(Continued)

Fair value hierarchy (Continued)

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the consolidated statement of financial position at the reporting date are grouped into the fair value hierarchy as follows:

	Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 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			
Financial assets at fair value through profit or loss	以公平值計量且變動計入當期損益的財務資產			
- Listed equity securities	42,000	-	-	42,000

There were no significant transfers between levels 1 and 2 and no transfers into or out of level 3 during the years.

公平值架構 (續)

財務資產整體所應歸入的公平值架構內的層次，乃基於對公平值計量屬重大的最低層次輸入資料劃分。

於報告日期在綜合財務狀況表內按公平值計量的財務資產及負債乃劃分為以下的公平值架構：

於該等年度，第1層與第2層之間並無重大轉撥，亦沒有轉入或轉出第3層。

36. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital using a gearing ratio calculated on the basis of interest-bearing borrowings over total equity. The Group's goal in capital management is to maintain the gearing ratio at a reasonable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

36. 資本管理

本集團的資本管理目標為確保本集團持續經營的能力，並按相應的風險釐定貨物及服務的價格，為股東帶來理想回報。

本集團積極及定期檢討其資本架構，並隨經濟環境轉變作出調整。本集團使用按計息借貸除以權益總額計算的資產負債比率監察資本。本集團的資本管理目標是將資產負債比率維持在合理水平。為了維持或調節該比率，本集團可調整向股東支付的股息金額、發行新股份、向股東退回資本、籌集新債務融資或出售資產以減輕債務。

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36. CAPITAL MANAGEMENT (Continued)

The gearing ratio is regularly reviewed by senior management. The gearing ratios as at the end of the reporting periods are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Interest-bearing borrowings	計息借貸	54,793	879
Total equity	權益總額	264,152	135,757
Gearing ratio	資產負債比率	20.7%	0.6%

37. SUBSEQUENT EVENTS

In addition to those disclosed elsewhere in these financial statements, the Group had the following material events after 31 December 2016:

On 25 January 2017, the Company entered into a sale and purchase agreement with an independent third party in relation to the acquisition of the entire share capital of Prior Securities Limited and Prior Asset Management Limited.

On 26 January 2017, the Company entered into a subscription agreement with New Seres CEFC Investment Fund LP ("Subscriber"), pursuant to which Subscriber has agreed to subscribe for and the Company has agreed to allot and issue an aggregate of 860,000,000 new shares at a total consideration of HK\$204,680,000 at the price of HK\$0.238 per share.

36. 資本管理 (續)

資產負債比率由高級管理層定期檢討。於報告期末的資產負債比率如下：

37. 報告期後事項

除該等財務報表其他章節內所披露者外，本集團於二零一六年十二月三十一日之後擁有下列重大事項：

於二零一七年一月二十五日，本集團就收購昇悅證券有限公司及昇悅資產管理有限公司的全部已發行股本與一名獨立第三方訂立買賣協議。

於二零一七年一月二十六日，本公司與New Seres CEFC Investment Fund LP(「認購人」)訂立認購協議，據此認購人已同意按每股0.238港元的價格認購及本公司已同意配發及發行合共860,000,000股新股份，代價總額為204,680,000港元。

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司財務狀況表

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Interests in subsidiaries (note (a))	於附屬公司的權益 (附註(a))	63,612	63,610
Current assets	流動資產		
Prepayments	預付款項	2,100	81
Amounts due from subsidiaries	應收附屬公司款項	178,109	32,160
Cash and cash equivalents	現金及現金等值項目	344	455
		180,553	32,696
Current liabilities	流動負債		
Other payables	其他應付款項	339	28
Amounts due to subsidiaries	應付附屬公司款項	189	187
		528	215
Net current assets	流動資產淨值	180,025	32,481
Net assets	資產淨值	243,637	96,091
EQUITY	權益		
Share capital	股本	8,300	6,000
Reserves (note (b))	儲備 (附註(b))	235,337	90,091
Total equity	權益總額	243,637	96,091

On behalf of the Board

代表董事會

Hubert Tien
田曉勃
Director
董事

Yeung Kwok Leung
楊國良
Director
董事

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(a) Subsidiaries

Particulars of the subsidiaries as at the reporting date are set out as follows:

Name 名稱	Place/country of incorporation/ establishment 註冊成立/ 成立的地點/ 國家	Particulars of issued/paid-in capital 已發行/已繳 股本詳情	Effective interest held by the Company 本公司持有的 實際權益		Place of operation and principal activities 營業地點及 主要業務
			Direct 直接	Indirect 間接	
Great Entrepreneur Investments Limited	BVI 英屬維爾京群島	4 ordinary shares of US\$ 1 each 4股每股面值 1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Transformed Holdings Limited	BVI 英屬維爾京群島	4 ordinary shares of US\$1 each 4股每股面值 1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Going Success Holdings	BVI 英屬維爾京群島	1,000 ordinary shares of US\$1 each 1,000股每股面值 1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Holly Global Limited	BVI 英屬維爾京群島	100 ordinary shares of US\$ 1 each 100股每股面值 1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Best Supreme Investment Limited	BVI 英屬維爾京群島	100 ordinary shares of US\$1 each 100股每股面值 1美元的普通股	100%	–	Investment holding in Hong Kong 於香港投資控股
Runway (HK) 時尚香港	Hong Kong 香港	HK\$3,000,000 3,000,000港元	–	100%	Investment holding and trading of apparels in Hong Kong 於香港投資控股及 成衣貿易
Jiaying Runway Global Garment Limited 時尚環球服飾(嘉興) 有限公司	PRC 中國	US\$2,000,000 2,000,000美元	–	100%	Manufacturing and trading of apparels in the PRC 於中國成衣製造及貿易

38. 本公司財務狀況表 (續)

附註：

(a) 附屬公司

於報告日期屬公司的附詳情載列如下：

Notes to the Financial Statements 財務報表附註

31 December 2016 二零一六年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(a) **Subsidiaries** (Continued)

Particulars of the subsidiaries as at the reporting date are set out as follows: (Continued)

Name 名稱	Place/country of incorporation/ establishment 註冊成立/ 成立的地點/ 國家	Particulars of issued/paid-in capital 已發行/已繳 股本詳情	Effective interest held by the Company 本公司持有的 實際權益		Place of operation and principal activities 營業地點及 主要業務
			Direct 直接	Indirect 間接	
Runway Fashions, Inc.	USA 美國	1,000 ordinary shares of US\$1 each 1,000 股每股面值 1 美元的普通股	–	100%	Provision of designing, marketing and advertising services in the USA 於美國提供設計、 市場營銷及廣告服務
Delta Wealth 融富	Hong Kong 香港	1,000,000 ordinary shares of HK\$1 each 1,000,000 股每股面值 1 港元的普通股	–	100%	Provision of money lending services 提供放債服務
Harvest Celebration Limited 豐頌環球有限公司	Hong Kong 香港	HK\$1,000 1,000 港元	–	100%	Investment holding in Hong Kong 於香港投資控股
Smart Dream Limited	BVI 英屬維爾京群島	100 ordinary shares 100 股每股面值 1 美元的普通股	–	100%	Investment holding in Hong Kong 於香港投資控股
Glory Kind Corporation Limited	BVI 英屬維爾京群島	1,000 ordinary shares of US\$1 each 1,000 股每股面值 1 美元的普通股	–	100%	Investment holding in Hong Kong 於香港投資控股

38. 本公司財務狀況表 (續)

附註：(續)

(a) **附屬公司** (續)

於報告日期屬公司的附詳情載列如下：
(續)

Notes to the Financial Statements 財務報表附註

31 December 2016 二零一六年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(b) Reserves

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Accumulated loss 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	40,690	63,583	(11,833)	92,440
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	(2,349)	(2,349)
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	40,690	63,583	(14,182)	90,091
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	(2,468)	(2,468)
Issuance of shares	發行股份	59,714	-	-	59,714
Arising from acquisition of a subsidiary (note 32)	來自收購一間附屬公司(附註32)	88,000	-	-	88,000
At 31 December 2016	於二零一六年十二月三十一日	188,404	63,583	(16,650)	235,337

Contributed surplus of the Company represents the difference between the net asset value of the subsidiaries acquired pursuant to certain reorganisation of the Group and the nominal value of the share issued by the Company in exchange thereof.

38. 本公司財務狀況表 (續)

附註：(續)

(b) 儲備

本公司儲備概述如下：

本公司的繳入盈餘指根據本集團若干重組所收購附屬公司的資產淨值與本公司作其交換所發行股份面值的差額。



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時尚環球控股有限公司

股份代號 Stock Code: 1520