



2017  
Annual Report



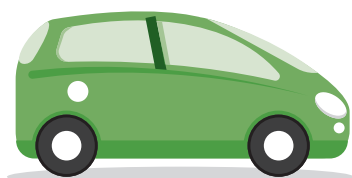
**China Environmental Resources Group Limited**  
**中國環境資源集團有限公司**

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 1130

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Yeung Chi Hang (*Chairman and Chief Executive Officer*)  
Mr. Leung Kwong Choi  
Mr. Wong Po Keung  
Mr. Chung Siu Wah  
Mr. Chik To Pan

#### Independent Non-Executive Directors

Mr. Wong Kwai Sang  
Mr. Ong Chi King  
Mr. Heung Chee Hang, Eric

### AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Mr. Ong Chi King (*Chairman*)  
Mr. Wong Kwai Sang  
Mr. Heung Chee Hang, Eric

### INVESTMENT COMMITTEE

Mr. Leung Kwong Choi (*Chairman*)  
Mr. Wong Po Keung

### COMPANY SECRETARY

Mr. Lo Tai On

### AUDITORS

ZHONGHUI ANDA CPA Limited

### HONG KONG OFFICE

Room 2811, 28/F, West Tower, Shun Tak Centre  
168–200 Connaught Road Central  
Hong Kong

### REGISTERED OFFICE

Ugland House  
South Church Street, P.O. Box 309  
George Town, Grand Cayman  
Cayman Islands  
British West Indies

### 董事會

#### 執行董事

楊智恒先生 (*主席及行政總裁*)  
梁廣才先生  
黃保強先生  
鍾少樺先生  
戚道斌先生

#### 獨立非執行董事

黃貴生先生  
王子敬先生  
香志恒先生

### 審核委員會、薪酬委員會及提名委員會

王子敬先生 (*主席*)  
黃貴生先生  
香志恒先生

### 投資委員會

梁廣才先生 (*主席*)  
黃保強先生

### 公司秘書

羅泰安先生

### 核數師

中滙安達會計師事務所有限公司

### 香港辦事處

香港  
干諾道中168–200號  
信德中心西翼28樓2811室

### 註冊辦事處

Ugland House  
South Church Street, P.O. Box 309  
George Town, Grand Cayman  
Cayman Islands  
British West Indies

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
Suites 3301-04, 33/F.,  
Two Chinachem Exchange Square  
338 King's Road, North Point  
Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
The Bank of East Asia Limited  
Bank of Communications Company Limited  
Bank of China (Hong Kong) Limited

### HONG KONG STOCK CODE

1130

### SINGAPORE TRADING SYMBOL

CHENV400: SP

### WEBSITE

[www.cergroup.com.hk](http://www.cergroup.com.hk)

### 股份過戶登記總處

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

### 香港股份過戶登記分處

聯合證券登記有限公司  
香港  
北角英皇道338號  
華懋交易廣場2期  
33樓3301-04室

### 主要往來銀行

香港上海滙豐銀行有限公司  
東亞銀行有限公司  
交通銀行有限公司  
中國銀行(香港)有限公司

### 香港股份代號

1130

### 新加坡交易代號

CHENV400: SP

### 網址

[www.cergroup.com.hk](http://www.cergroup.com.hk)





# Management's Report

## 管理層報告

On behalf of the board of directors (the "Board") of China Environmental Resources Group Limited (the "Company"), I am pleased to present the Annual Report 2017 and the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2017.

### BUSINESS AND OPERATION REVIEW

The Group is currently engaged in motor trading, car parking spaces rental, money lending business and securities trading and investment business. The Group has been continuing to explore new business opportunities for corporate development and dedicates to develop sustainable current business.

The Group operates approximately 30,000 mu (Chinese Mu) of the plantation in Shihezi City, Xinjiang. The underground water level of the region dropped drastically in recent years due to over-exploitation of farmland, resulting in a shortage of water resources. The irrigation in Xinjiang relies heavily on underground water, because the supply of surface water is far below the demand for plantation irrigation, thus creating difficulties for hydraulic engineering projects for plantation areas and driving up the operating costs.

As the construction industry in China is shrinking, the demand for housing construction materials decreases and the prices of timber are going downward in short-term. Therefore, the Group adopted a conservative investment approach towards its plantation management, under which the Group reduced its investment in reforestation and only conducted basic maintenance measures.

The Group through its wholly-owned subsidiary acquired 80% share capital of a company which owns industrial properties which comprise 2 parcels of land with a site area of about 72,335.99 sq. m. and various buildings and ancillary structures erected thereon with a total gross floor area of approximately 28,814.66 sq. m. located at Longchuanzhou, Renzhou Village, Shatian, Dongguan City, Guangdong Province, the PRC on 6 June 2017.

The Group owns 95 car parking spaces located in Kennedy Town, Hong Kong. In view of recent surge in real property market price in Hong Kong, the prospect of car parking spaces in Hong Kong remain positive. The car parking spaces rental provides a stable income to the Group.

本人謹此代表中國環境資源集團有限公司(「本公司」)董事會(「董事會」)向股東呈報二零一七年年報及本公司及其附屬公司(統稱「本集團」)截至二零一七年六月三十日止年度之經審核綜合財務報表。

### 業務及營運回顧

本集團目前從事汽車買賣、停車位租賃、借貸業務以及證券買賣及投資業務。本集團不斷為公司發展探尋新商機以及致力發展可持續的現有業務。

本集團經營位於新疆石河子約30,000畝(中國畝)的農地。由於區內農田過度開墾,近年地下水位下降嚴重,水資源緊缺。新疆非常依賴地下水進行灌溉,地表水遠不能滿足種植上的要求,造成林帶水利工程的困難及經營成本的上漲。

中國建造業的萎縮,建房用材需求減少,木材價格呈短期下降趨勢。故本集團對林帶管理採取較保守的投資策略,其中包括減少更新造林的投入,及只作基本的維護措施。

於二零一七年六月六日本集團已透過其全資附屬公司收購一間公司的80%股本權益。該公司擁有位於中國廣東省東莞市沙田稔洲村龍船洲之工業物業,包括2幅地盤面積約為72,335.99平方米之土地,以及總建築面積約28,814.66平方米之數項樓宇及附屬構築物。

本集團擁有95個位於香港堅尼地城的停車位。鑑於香港房地產市價近期急升,香港停車位的前景仍可觀。停車位租賃為本集團提供穩定收入。

The Group has launched its motor trading business on 10 August 2015 by introducing the world's first road legal, within a captivating package of formula car-inspired technology remarkable performance, breath-taking design and ultra light-weight single seat supercar "BAC Mono". The Group also launched its trading in a United Kingdom motorcycle marque "Norton" which is highly regarded road motorcycle and an Italian motorcycle brand "Bimota" which creates its motorcycles with finest materials and craftsmanship. During the year, the Group became an authorised distributor of a famous motorcycle component manufacturer "Öhlins" which produces shock absorbers, front forks and steering dampers.

Although global economy will still be uncertain and volatile in coming years, the luxury goods market, especially the supercar segment is stable and rising. The Group is of the view that the motor trading business will bring positive contribution to the Group and will allocate appropriate resource to further develop this business segment.

For the financial year ended 30 June 2017, turnover of the Group increased by 4.5% to approximately HK\$13.97 million with gross profit of approximately HK\$7.22 million, an increase of 40%. Loss for the year amounted to HK\$49.09 million mainly attributed to gain on deregistration of a subsidiary, other income, the net loss on fair value changes on financial assets at fair value through profit or loss and the loss arising from changes in fair value less costs to sell of biological assets.

### BIOLOGICAL ASSETS

In the process of valuing the biological assets, Roma adopted the Market-Based Approach to estimate the fair value of the biological assets. The fair value of the biological assets was computed using the formula:

The fair value of biological assets = (Total volume of standing timbers x Recovery rate) x Market price of timber – Cutting cost + Scrap sale income

According to 農業資產估值報告 prepared by Forestry Manager, random sampling has been performed on 30 June 2017, in order to estimate the total volume of standing timbers on the Plantation Land based on "中華人民共和國國家標準原木材積表 GB/T 4814-2013". During the sampling process, there were 20 sampling areas with an area of about 0.5 Mu. The following inputs have been adopted in this valuation based on the opinions as stated in 農業資產估值報告 prepared by Forestry Manager:

- Total volume of standing timbers = 815,500 m<sup>3</sup>
- Recovery rate = 80%

於二零一五年八月十日，本集團開展其汽車貿易業務，引入世界首輛合法於道路行駛的「BAC Mono」超級單座跑車，其外形亮麗，具備方程式賽車技術的高性能表現，設計精緻且極為輕巧。本集團亦開始買賣英國電單車品牌「Norton」，其公路電單車大獲好評，同時亦銷售意大利電單車品牌「Bimota」旗下的電單車。該公司的電單車素以選料上乘、手工精巧聞名。年內，本集團成為知名電單車零件生產商「Öhlins」的授權分銷商。該生產商生產避震器、前叉及轉向阻力衰減器等零件。

儘管來年全球經濟仍不明朗且反覆不定，惟奢侈品市場（尤其對於超級跑車分部而言）呈現穩步增長態勢。本集團認為，汽車貿易業務將為本集團帶來正面貢獻，並將分配適當資源進一步發展該項業務分部。

截至二零一七年六月三十日止財政年度，本集團的營業額增加4.5%至約13,970,000港元，毛利約為7,220,000港元，增長40%。年內虧損達49,090,000港元，主要由於註銷一間附屬公司之收益、其他收入、按公允值計入損益之金融資產公允值變動之虧損淨額，以及生物資產公允值變動減出售成本產生之虧損所致。

### 生物資產

於生物資產估值過程，羅馬國際已採用市場基礎法以估計生物資產公允值。生物資產公允值按以下算式計算：

生物資產之公允值 = (未採伐林木總量 x 採收率) x 木材市價 – 砍伐成本 + 廢料銷售收入

根據林木經理編製之農業資產估值報告，於二零一七年六月三十日，已根據「中華人民共和國國家標準原木材積表 GB/T 4814-2013」隨機抽樣，以估計種植土地之未採伐林木總量。於抽樣過程中，共有20個面積為約0.5畝之抽樣地區。根據林木經理編製之農業資產估值報告所載意見，本估值已採納以下輸入數據：

- 未採伐林木總量=815,500立方米
- 採收率=80%



- Cutting cost = 5% of revenue
- Scrap sale income = 5% of revenue

With reference to observable market price of timber of similar species in China, the adopted market price was RMB674 per cubic meter.

To determine how the different values of an independent variable would impact a particular dependent variable under a given set of assumptions, Roma carried out sensitivity analysis on the fair value of the biological assets in respect of the recovery rate and adopted market price. The results of the sensitivity analysis are as follows:

- 砍伐成本=收益之5%
- 廢料銷售收入=收益之5%

經參考中國同類木材之可觀察市價，所採納市價為每立方米人民幣674元。

為釐定於一組特定假設下一項特定變項之數值不同對某一特定變項之影響，羅馬國際就採收率及所採納市價對生物資產公允值進行敏感度分析。敏感度分析結果如下：

Absolute Change in Recovery Rate 採收率變動絕對值	Applied Recovery Rate 所用採收率	Fair Value of the Biological Asset 生物資產公允值 (RMB) (人民幣)
+10%	90%	494,499,000
+5%	85%	467,027,000
0%	80%	439,555,000
-5%	75%	412,082,000
-10%	70%	384,610,000

% Change in Adopted Market Price 所採納市價變動 百分比	Adopted Market Price 所採納市價 (RMB/m <sup>3</sup> ) (每立方米人民幣)	Fair Value of the Biological Asset 生物資產公允值 (RMB) (人民幣)
+10%	741	483,510,000
+5%	707	461,532,000
0%	674	439,555,000
-5%	640	417,577,000
-10%	606	395,599,000

The directors are of the view that the fair value of the biological assets are under a significant impact from changes in market price per m<sup>3</sup> of logs. If the market price per m<sup>3</sup> of logs increases/decreases, the fair value of the biological assets would be higher/lower proportionately, holding other inputs and assumptions used in the valuation techniques remained unchanged.

During the financial year ended 30 June 2017, the Group recognised aggregate losses arising from the major non-current assets of approximately HK\$38 million (2016: HK\$51 million). This represents the combined effect of the amortisation of intangible assets and the loss arising from changes in fair value less costs to sell of biological assets.

董事認為，生物資產公允值因每立方米原木市價變動而受到重大影響。在估值技巧所用其他輸入數據及假設保持不變的情況下，倘每立方米原木市價增加／減少，則生物資產的公允值將按比例增加／減少。

於截至二零一七年六月三十日止財政年度，本集團確認來自主要非流動資產之虧損總額約38,000,000港元(二零一六年：51,000,000港元)，代表攤銷無形資產及生物資產公允值變動減銷售成本產生之虧損之合併影響。



### MOTOR TRADING

Trading of Motor was slightly underperformed as compared to last year due to some minor changes on certain specification of BAC Mono and, thus, caused late delivery. The changes were driven specially for the purpose of fulfilment of vehicle examination requirement imposed by Transport Department of HKSAR. BAC Mono successfully obtained vehicle registration license which made BAC Mono officially road legally in Hong Kong. The Group is in the process of applying an importer license so that BAC Mono can directly import from UK to HK through our distribution. The Group is optimistic on the sale of BAC Mono a significant growth in coming future.

As a result of launching marketing campaigns and membership program by the Group, trading of motorcycle was in an uptrend and also had a chain effect of bringing an increase in motorcycle accessories sales.

The Group became an authorized distributor of "Öhlins" which is a very famous and highly recognized motorcycle component manufacturer for shock absorbers, front forks and steering dampers. Sales and trading of "Öhlins" products start in October 2016 and had already demonstrated, being a viable and sustainable business which generated a significant part of revenue in the motorcycles accessories sales.

For the financial year ended 30 June 2017, the revenue from trading of motor vehicles and motorcycles recorded HK\$8.43 million (2016: 9.68 million).

### CAR PARKING SPACES RENTAL

The car parking spaces continue to provide a stable income and cash flow to the Group during the year ended 30 June 2017. In view of the continuous appreciation of car parking spaces valuation and rental income in the market, the Group is considering to refurbish the car parking spaces to enhance the value and rental and/or operate the car parking spaces by the Group itself to enhance the rental revenue. For the financial year ended 30 June 2017, rental income recorded was approximately HK\$3.57 million (2016: HK\$3.36 million).

### MONEY LENDING BUSINESS

Benefited from the tightened policy of regulated financial institutes in relation to financial service provision, money lender plays an important role to provide financing to the market and as a result, money lending business has recorded significant improvement as compared to 2016. The Group will balance internal resources to different business segment and will continue to operate the money lending business with internally generated cash flow. For the financial year ended 30 June 2017, loan interest income recorded approximately HK\$1.97 million (2016: HK\$0.33 million).

### 汽車買賣

由於BAC Mono的若干規格有些改變，導致延遲交付，汽車買賣較去年稍為表現遜色。規格變動之目的為切合香港特別行政區運輸署的車輛檢驗要求。BAC Mono成功取得車輛登記牌照，使BAC Mono得以於香港合法行駛。本集團現正申請入口商牌照，讓BAC Mono藉由我們分銷，直接自英國進口香港。本集團對BAC Mono的未來銷售將取得大幅增長感到樂觀。

由於本集團開展市場推廣活動及會員計劃，電單車買賣上揚，亦造就電單車配件銷售增加的連鎖反應。

本集團成為「Öhlins」的授權分銷商。「Öhlins」在生產避震器、前叉及轉向阻力衰減器方面極知名及獲高度認可。「Öhlins」產品已於二零一六年十月開始銷售及買賣，並已證明為可行及可持續發展的業務，為電單車配件銷售帶來大部分收益。

截至二零一七年六月三十日止財政年度，買賣汽車及電單車錄得8,430,000港元的收益(二零一六年：9,680,000港元)。

### 停車位租賃

截至二零一七年六月三十日止年度，停車位繼續為本集團提供穩定收入及現金流量。鑒於停車位估值及市場租金收入不斷上升，本集團正考慮翻新停車位，提升價值和租金，及/或由本集團自行營運停車位，增加租賃收入。截至二零一七年六月三十日止財政年度，錄得租金收入約3,570,000港元(二零一六年：3,360,000港元)。

### 借貸業務

受惠於受規管財務機構就提供財務服務的緊縮政策，放債人於向市場提供融資擔當重要角色，因此，借貸業務較二零一六年錄得大幅改善。本集團將平衡不同業務分部的內部資源，並將持續以內部產生現金流經營借貸業務。截至二零一七年六月三十日止財政年度錄得貸款利息收入約1,970,000港元(二零一六年：330,000港元)。



### TRADING AND INVESTMENT BUSINESS

For the financial year ended 30 June 2017, the net loss on fair value changes on financial assets at fair value through profit or loss recorded HK\$0.95 million (2016: net loss HK\$33.16 million).

### INVESTMENT PROPERTY IN THE PRC

During the year ended 30 June 2017, the Group has acquired industrial properties in Dongguan City, the PRC. The Group considers that the Belt and Road Initiative promoted by the Central Government of the PRC and the Guangdong-Hong Kong-Macao Greater Bay Area concept will support economic development of the Dongguan City as an international trade hub in the Southern China.

Central Government of the PRC has been energetically promoting the Belt and Road Initiative and the recent announcement on the Guangdong-Hong Kong-Macao Greater Bay Area concept speeds up the urban renewal development of industrial area in Guangdong Province after the launch of marco-control in real estate market in last 5 years.

In this regard, Dongguan City has actively pursued policies of “三舊改造及工改工” which allow relaxation of restriction of the existing usage of land from industrial usage to a mix of industrial, commercial and residential usage and allow upward adjustment of plot ratio of industrial land. These policies enhance the value of industrial land and increase the flexibility of redevelopment of industrial properties.

The Group is considering to appoint a consultant for conduct a feasibility study on possible redevelopment of the land and the industrial properties and regards this is a good opportunity for the Group to initiate into real estate market in the PRC.

### PLANTATION PRODUCT

There was no revenue on the sale of plantation products for the year (2016: Nil).

For the financial year ended 30 June 2017, the growth and the volume of the biological assets were affected by the shortage of underground water in the region. The Group recorded the decrease by 7.5% to approximately HK\$506.02 million (2016: approximately HK\$547.22 million) in the fair value of the poplar trees of biological assets. The Group considers that the decreases are non-cash in nature and will not have material adverse effect on the financial position of the Group.

### 買賣及投資業務

於截至二零一七年六月三十日止財政年度，按公允值計入損益之金融資產之公允值變動虧損淨額錄得950,000港元(二零一六年：虧損淨額33,160,000港元)。

### 於中國之投資物業

截至二零一七年六月三十日止年度，本集團已收購中國東莞市的工業物業。本集團認為中國中央政府提倡的一帶一路倡議及粵港澳大灣區概念將支持東莞市的經濟發展，成為華南的國際貿易樞紐。

中國中央政府一直大力宣傳一帶一路倡議，以及近期宣佈的粵港澳大灣區概念，在過去5年推出房地產市場宏觀監控後，加快廣東省工業地區城鎮重建發展。

有見及此，東莞市積極推行「三舊改造及工改工」政策，放寬土地現有用途的限制，自工業用地改為工商及住宅混合用途，使工業土地地積比率上調。該等政策提升工業土地的價值，並增加工業物業的重新發展靈活性。

本集團正考慮委任顧問就土地及工業物業重新發展的可能性進行可行性研究，認為此為本集團進軍中國房地產市場的良機。

### 種植產品

銷售種植產品於本年度並無錄得收益(二零一六年：無)。

截至二零一七年六月三十日止財政年度，生物資產的增長及數量受區內地下水短缺影響。本集團的楊樹生物資產公允值減少7.5%至約506,020,000港元(二零一六年：約547,220,000港元)。本集團認為該減少屬非現金性質，故此不會對本集團的財務狀況造成重大不利影響。

## GREEN TECHNOLOGY

There was no revenue on the green technology segment for the year (2016: Nil).

## PROSPECTS

Looking forward, the economic outlook is still full of uncertainty and world-wide global terrorist attacks and heightened trade barriers make the business environment become challenging.

After years of efforts, motor trading has been on the right track and has grown as part of core businesses of and generates major revenue to the Group. Upon BAC Mono being successfully registered as a road legal supercar in Hong Kong, the Group starts a series of marketing campaign in Hong Kong and the PRC and has initiated process to become a registered importer and distributor in Hong Kong. In view of the huge consumer market in the PRC, the Group will introduce BAC Mono in the PRC market and make it road legal in the PRC also. The Group is optimistic on the development of BAC Mono and will keep closer cooperation with BAC London and expects a significant increase in sale of BAC Mono.

In the end of 2016, the Group became an authorized distributor of a popular and preferred brand of motorcycle shock absorber "Öhlins" and has been actively involved in the business of installation, repair and sales of this component since earlier of 2017. "Öhlins" is the brand that racing teams or passionate enthusiast riders or drivers are searching for a better functioning suspension unit on his bike and the Group expects continuous growth of sales of component. Being an authorized distributor of "Öhlins" also has a side effect of pushing up on sales in motorcycle and motorcycle accessories.

The Group will continue to introduce different luxury brands of supercar, motorcycle and components in Asian market.

With the effects of Belt and Road initiatives and the recent announcement in the Guangdong-Hong Kong-Macau Greater Bay concept, "三舊改造" and "工改工" policies offer an opportunity to the Group for a better use of our investment properties and an enhancement of potential valuation of the land. These policies release land resource and relax of restriction of land usage. The number of applications for "三舊改造" and "工改工" and approved developments in Dongguan and Shenzhen cities has been rapidly increased.

## 綠色技術

綠色技術分部於本年度並無錄得收益(二零一六年:無)。

## 前景

展望未來，經濟前景仍充滿不明朗因素，全球恐襲及貿易壁壘增加，令經營環境具挑戰性。

經過多年努力，汽車買賣已上軌道，並已發展為對本集團帶來主要收益的核心業務的一部分。於BAC Mono成功註冊為可合法於香港道路行駛的超級跑車後，本集團開始在香港及中國舉行一系列市場推廣活動，並開展成為香港註冊入口商及分銷商的程序。鑒於中國消費市場巨大，本集團將在中國市場引入BAC Mono，使其可在中國的道路合法行駛。本集團對BAC Mono的發展感到樂觀，將與BAC London保持更緊密合作，並預期BAC Mono的銷售將有重大增長。

於二零一六年底，本集團成為廣受歡迎及愛戴的電單車避震器品牌「Öhlins」的授權分銷商，並自二零一七年初以來一直積極參與零件安裝、維修及銷售業務。「Öhlins」的產品廣為賽車隊和電單車愛好者青睞，可使其電單車的懸掛系統有更佳的效能。本集團預期零售銷售將取得持續增長。作為「Öhlins」的授權分銷商亦推升電單車及電單車配件的銷售數字。

本集團將繼續在亞洲市場引入超級跑車、電單車及零件的不同奢侈品牌。

在一帶一路倡議以及近期宣佈的粵港澳大灣區概念的影響下，「三舊改造」及「工改工」政策為本集團更有效使用其投資物業及提高土地的潛在價值提供機遇。該等政策釋放了土地資源及放寬土地使用的限制。「三舊改造」及「工改工」的申請數目，以及東莞及深圳市已核准的發展項目已急速增加。





We believe that the Central Government of the PRC keeps offering preferential policies for revival of old town to facilitate the development of the Belt and Road and the Guangdong-Hong Kong-Macau Greater Bay. The Group has conducted an internal study and considered that our investment property at Doguan falls within the “三舊改造” and “工改工” policies. The Group is considering to appoint a consultant to conduct a detailed feasibility study and expects concrete development is highly likely in 2018. The Group will take this opportunity to enter into real estate market in the PRC and broaden the business segment of the Group.

The Group had organised a team to review existing resources and material within the Group and to study related market information and condition in order to explore the opportunity to revive the green technology business and to plan a feasible direction on green technology business.

Although the Group adopted a conservative investment approach towards its plantation management, the Group has started a compressive review of various methods in order to have a better use of the plantation asset.

It has been the business strategy of the Group to proactively seek potential investment opportunities in order to enhance value of the shareholders of the Company. The directors of the Company consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio into new line of business with growth potential and to broaden its source of income.

## FINANCIAL REVIEW

For the year ended 30 June 2017, the Group recorded a consolidated revenue at approximately HK\$13.97 million (2016: approximately HK\$13.37 million), representing an increase of 4.5% as compared with the year ended 30 June 2016 (the “Previous Year”). The Group's gross profit increased by 40.2% to approximately HK\$7.22 million (2016: approximately HK\$5.15 million). The increase in both consolidated revenue and gross profit were mainly due to the newly launched motor trading business and money lending business.

The loss for the year decreased to approximately HK\$49.09 million from Previous Year's loss of approximately HK\$106.89 million.

我們相信，中國中央政府將繼續為舊城鎮改造提供優惠政策，以促進一帶一路及粵港澳大灣區的發展。本集團已進行內部研究，認為位於東莞的投資物業屬「三舊改造」及「工改工」政策範疇。本集團正考慮委任顧問進行詳細的可行性研究，並預期極可能於二零一八年有具體發展情況。本集團將藉此機會進入中國房地產市場，並擴大本集團的業務分部。

本集團已成立一個團隊以檢討本集團內的現有資源及材料，並研究相關市場資訊及狀況以拓展機遇，從而振興綠色技術業務，並就綠色技術業務制定可行的發展方向。

儘管本集團對其林帶管理採取保守的投資策略，但本集團已對各項方法開展全面檢討，以更有效使用林帶資產。

本集團之業務策略為積極尋求潛在投資機會，以提升本公司股東的價值。本公司董事認為，本集團不時尋求合適投資機會，將其現有業務組合多元化拓展至具有增長潛力之新業務範圍及擴闊其收入來源，對本集團有利。

## 財務回顧

截至二零一七年六月三十日止年度，本集團錄得綜合收益約13,970,000港元(二零一六年：約13,370,000港元)，較截至二零一六年六月三十日止年度(「上年度」)增加4.5%。本集團的毛利增加40.2%至約7,220,000港元(二零一六年：約5,150,000港元)。綜合收益及毛利均告增加，新開展的買賣汽車業務及借貸業務為主因。

年內虧損由上年度之虧損約49,090,000港元減少至約106,890,000港元。



In calculating the Group's consolidated net loss, the administrative and operating expenses of approximately HK\$42.76 million (2016: approximately HK\$49.3 million) included major items, such as staff costs of approximately HK\$10.95 million, depreciation of approximately HK\$6.84 million, amortisation of intangible assets of approximately HK\$4.79 million, auditor's remuneration of approximately HK\$0.85 million, operating leases charges of approximately HK\$3.92 million and forestry maintenance fee of HK\$5 million charged by the Group's forestry manager.

Finance costs of approximately HK\$0.16 million (2016: approximately HK\$0.66 million) were mainly recorded for interests on promissory note. Income tax credit of approximately HK\$9.24 million (2016: approximately HK\$16.70 million) was mainly due to deferred tax credit of approximately HK\$9.52 million (2016: approximately HK\$17.10 million).

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the total assets of the Group was approximately HK\$977.81 million (2016: approximately HK\$998.93 million), including cash and bank balances of approximately HK\$13.02 million (2016: approximately HK\$81.36 million). The directors of the Company are of the view that the Group has sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future.

### CAPITAL RAISING AND EXPENDITURE

As at 30 June 2017, details of movements in the issued share capital of the Company is stated in note 29 to the consolidated financial statements.

### BUSINESS ACQUISITION AND DISPOSAL

The Group had acquired a target group on 6 June 2017 with a consideration of HK\$60 million which was satisfied by HK\$30 million cash and the issue of HK\$30 million of promissory note by the Company. Full details of the acquisition are set out in the Company's announcement dated 7 June 2017. Save as disclosed above, the Group had neither any material acquisition nor disposal during the year.

### EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2017, the Group had 26 employees (2016: 27 employees) in both Hong Kong and the PRC. The Group implements remuneration policy, bonus and share options scheme to ensure that pay scales of its employees are rewarded on a performance-related basis within the general framework of the Group's remuneration.

計算本集團綜合虧損淨額時，行政及經營開支約42,760,000港元(二零一六年：約49,300,000港元)包括主要項目，例如僱員成本約10,950,000港元、折舊約6,840,000港元、無形資產攤銷約4,790,000港元、核數師酬金約850,000港元、經營租賃費用約3,920,000港元及由本集團林木經理收取之林木維護費用5,000,000港元。

承兌票據利息主要錄得融資成本約160,000港元(二零一六年：約660,000港元)。所得稅抵免約為9,240,000港元(二零一六年：約16,700,000港元)，主要由於遞延稅項抵免約9,520,000港元(二零一六年：約17,100,000港元)所致。

### 流動資金及財務資源

於二零一七年六月三十日，本集團總資產約為977,810,000港元(二零一六年：約998,930,000港元)，其中包括現金及銀行結餘約13,020,000港元(二零一六年：約81,360,000港元)。本公司董事認為本集團有充足營運資金以支持其持續經營並有能力償還於可預見未來內到期之財務責任。

### 集資及資本開支

於二零一七年六月三十日，有關本公司已發行股本之變動詳情列載於綜合財務報表附註29。

### 業務收購及出售事項

於二零一七年六月六日，本集團以60,000,000港元之代價收購目標集團，該筆款項以30,000,000港元之現金，以及發行30,000,000港元承兌票據的方式支付。收購事項的全部詳情載於本公司日期為二零一七年六月七日的公佈中。除所披露者外，本集團於年內並無任何重大收購或出售事項。

### 僱員及酬金政策

於二零一七年六月三十日，本集團於香港及中國共有26(二零一六年：27)名僱員。本集團實施薪酬政策、花紅及購股權計劃，以確保僱員之薪金數額乃於本集團薪酬一般架構內來釐定並以其表現為評核基準。



### CHARGES ON THE GROUP ASSETS

As at 30 June 2017, there was no charge on the Group's assets (2016: Nil).

### DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 30 June 2017 (2016: Nil).

### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Since most of the transactions, income and expenditure of the Group are denominated in Great British Pound, Renminbi ("RMB") and Hong Kong dollar, no hedging or other arrangements to reduce the currency risk have been implemented.

### CONTINGENT LIABILITIES

As at 30 June 2017, the directors of the Company are not aware of any material contingent liabilities.

#### Yeung Chi Hang

Chairman

Hong Kong, 26 September 2017

### 本集團資產抵押

於二零一七年六月三十日，並無就本集團資產作出任何抵押(二零一六年：無)。

### 股息

本公司董事並不建議就截至二零一七年六月三十日止年度派付任何股息(二零一六年：無)。

### 匯率波動風險

由於本集團大部分交易、收入及開支以英鎊、人民幣(「人民幣」)及港元計值，因此並未進行對沖或其他安排以削減貨幣風險。

### 或然負債

於二零一七年六月三十日，本公司董事並不知悉有任何重大或然負債。

主席

楊智恒

香港，二零一七年九月二十六日

# Biographical Details of Directors

## 董事簡歷

### EXECUTIVE DIRECTORS

**Mr. Yeung Chi Hang**, aged 38, was appointed as Executive Director on 16 January 2014. Mr. Yeung also was appointed as the Chairman and chief executive officer of the Company on 27 January 2015. Mr. Yeung is also a substantial shareholder of the Company. Mr. Yeung studied at Camosun College, Canada. He has over 10 years of experience in investment, hotel management and in operating entertainment businesses.

**Mr. Leung Kwong Choi**, aged 61, was appointed as Executive Director on 6 October 2008. He is also the Chairman of the investment committee of the Company. Mr. Leung holds a Bachelor of Social Science Degree from the Chinese University of Hong Kong. He had been working for 10 years in the marketing department of Hang Lung Development Ltd. since graduation. Mr. Leung had also served the positions of executive director of Top Glory Holdings Ltd., China Food Ltd. and Cheung Tai Hong Holdings Ltd., all of which are companies with shares listed on The Stock Exchange of Hong Kong Limited. Mr. Leung has over 28 years of real estate and business experience in Hong Kong and the PRC concentrating in property investment and development, acquisition and merger, deal marking and investment projects arrangement. Mr. Leung is currently an independent non-executive director of Top Spring International Holdings Limited (stock code: 3688).

**Mr. Wong Po Keung**, aged 46, was appointed as Executive Director on 30 September 2013. He is also the director of certain subsidiaries of the Company, the financial controller and a member of the investment committee of the Company. Mr. Wong holds a Master degree in business administration from the University of South Australia. He is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has ample experience in auditing, accounting, financial management and company secretarial practices in respect of listed companies.

### 執行董事

**楊智恒先生**，38歲，於二零一四年一月十六日獲委任為執行董事。楊先生亦於二零一五年一月二十七日獲委任為本公司主席及行政總裁。楊先生亦為本公司之主要股東。楊先生就讀於加拿大 Camosun College。彼於投資、酒店管理及娛樂業務運營方面積逾10年經驗。

**梁廣才先生**，61歲，於二零零八年十月六日獲委任為執行董事。彼亦為本公司投資委員會主席。梁先生畢業於香港中文大學，持有社會科學學士學位。彼自畢業後於恒隆有限公司市場推廣部工作達10年。梁先生曾於鵬利國際集團有限公司、中國食品有限公司及祥泰行集團有限公司擔任執行董事職務，該等公司之股份均於香港聯合交易所有限公司上市。梁先生於香港及中國擁有逾28年房地產及商務經驗，專注物業投資及發展、併購、交易及投資項目安排。梁先生現為萊蒙國際集團有限公司(股份代號：3688)之獨立非執行董事。

**黃保強先生**，46歲，於二零一三年九月三十日獲委任為執行董事。彼亦為本公司若干附屬公司董事、本公司財務總監及投資委員會成員。黃先生持有澳洲南澳大學的工商管理碩士學位。彼為特許公認會計師公會及香港會計師公會資深會員。彼於上市公司之審核、會計、財務管理及公司秘書實務方面擁有豐富經驗。



**Mr. Chung Siu Wah**, aged 60, was appointed as Executive Director on 14 August 2014. Mr. Chung started his career in 1976 by joining the Hong Kong Government as a Customs Inspector. He obtained his law degree with honour at the University of London in 1986 and further obtained his Postgraduate Certificate of Laws at University of Hong Kong in 1987. He resigned from the Customs and Excise Department in 1987 and started his legal career. He has been a solicitor practicing in Hong Kong since 1989. He joined Messer. Tony Kan & Co. in 1987 and became a partner in 1992. He retired from the partnership in 2004 but continues to associate with the law firm as a consultant till now. Mr. Chung has over 8 year experience in the hotel, gaming and entertainment industry. Mr. Chung has also experience in the management of listed company at Hong Kong. He was appointed as an executive director of Daido Group Limited (stock code: 544) for the period from 9 September 2011 to 5 August 2013.

**Mr. Chik To Pan**, aged 38, was appointed as Executive Director on 16 April 2016. He is the director of one of the subsidiary of the Company. Mr. Chik has wide experience in licensing of karaoke music products, operating entertainment businesses and wedding service business. Mr. Chik has also experience in the management of listed company at Hong Kong. He was appointed as an executive director of United Power Investment Limited (now named as Culture Landmark Investment Limited) (a company listed on the Main Board of the Stock Exchange) (stock code: 674) for the period from 8 March 2005 to 24 January 2008.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Wong Kwai Sang**, aged 65, was appointed as an Independent Non-executive Director on 2 March 2009. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Wong had been an Independent Non-executive Director, member of audit committee and member of remuneration committee of the Company since 3 July 2002. He resigned on 4 July 2008 as he himself had a long term personal assignment stationed in Shanghai. Mr. Wong had completed his assignment in Shanghai and returned to Hong Kong. He holds a Bachelor of Social Sciences degree from the University of Hong Kong. He is a property consultant and a fellow member of the Hong Kong Institute of Real Estate Administrators and the Australian Institute of Building respectively.

**鍾少樺先生**，60歲，於二零一四年八月十四日獲委任為執行董事。鍾先生於一九七六年透過加入香港政府海關擔任督察開始其職業生涯。彼於一九八六年獲得英國倫敦大學法律榮譽學位，其後於一九八七年獲得香港大學法律專業證書。彼於一九八七年辭去香港海關職務並開始法律職業。彼自一九八九年以來一直為香港執業律師。彼於一九八七年加入簡松年律師行並於一九九二年成為一名合夥人。彼於二零零四年退出合夥關係，惟至今仍繼續與該律師事務所合作，擔任其顧問。鍾先生於酒店、博彩及娛樂行業擁有逾八年經驗。鍾先生亦擁有管理香港上市公司之經驗。彼於二零一一年九月九日至二零一三年八月五日期間獲委任為大同集團有限公司(股份代號：544)之執行董事。

**戚道斌先生**，38歲，於二零一六年四月十六日獲委任為執行董事。彼在本公司一間附屬公司任職董事。戚先生於卡拉OK音樂產品之特許經營、經營娛樂業務及婚禮服務業務擁有廣泛經驗。戚先生亦於香港之上市公司擁有管理經驗。彼於二零零五年三月八日至二零零八年一月二十四日期間獲友力投資(控股)有限公司(現稱為文化地標投資有限公司)(於聯交所主板上市之公司)(股份代號：674)委任為執行董事。

### 獨立非執行董事

**黃貴生先生**，65歲，於二零零九年三月二日獲委任為獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會成員。黃先生自二零零二年七月三日起曾為本公司獨立非執行董事、審核委員會成員及薪酬委員會成員。彼因需要長期身處上海處理個人事務而於二零零八年七月四日辭任。黃先生已完成其於上海之事務並已返回香港。黃先生持有香港大學社會科學學士學位，彼為物業顧問並分別為香港地產行政學會及澳洲特許建築協會資深會員。



## Biographical Details of Directors

### 董事簡歷

**Mr. Ong Chi King**, aged 44, was appointed as Independent Non-executive Director on 27 January 2014. He is also the chairman of audit committee, nomination committee and remuneration committee. Mr. Ong is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Ong received a bachelor's degree in business administration from The Hong Kong University of Science and Technology and a master's degree in corporate finance from The Hong Kong Polytechnic University. Mr. Ong has more than 20 years of experience in accounting, finance and company secretarial fields and held senior positions in finance and company secretarial departments in various listed companies listed on the Main Board of the Stock Exchange. Mr. Ong is currently an executive director of Deson Construction International Holdings Limited (stock code: 8268). Mr. Ong is also an independent non-executive director of Hong Kong Education (Int'l) Investments Limited (stock code: 1082) and Larry Jewelry International Company Limited (stock code: 8351). He resigned as independent non-executive director of KSL Holdings Limited (stock code: 8170), King Force Group Holdings Limited (stock code: 8315), Wan Kei Group Holdings Limited (stock code: 1718), WLS Holdings Limited (stock code: 8021) and Capital VC Limited (stock code: 2324) with effect from 2 June 2016, 19 September 2016, 8 March 2017, 29 March 2017 and 31 March 2017, respectively.

Mr. Ong was a director of Fitness Concept International Holdings Limited prior to its dissolution. The said company was incorporated in the Cayman Islands and was dissolved on 30 June 2005 by striking off due to cessation of business.

**Mr. Heung Chee Hang, Eric**, aged 49, was appointed as Independent Non-executive Director on 16 January 2015. He is also a member of audit committee, remuneration committee and nomination committee. He is a qualified solicitor admitted to the Supreme Court of Hong Kong and a Civil Celebrant of Marriages. Mr. Heung received a bachelor's degree in Law from University of Leicester England. He has more than 22 years of experience in the legal profession.

Mr. Heung is presently a partner of Messrs. Tung, Ng, Tse & Heung, an independent non-executive director of Zhong Fa Zhan Holdings Limited (stock code: 475), director of Lions Education Foundation, director of Lions Clubs of Kwai Tsing HKSAR and committee legal adviser of the Association of the Hong Kong Members of Shandong's Chinese People's Political Consultative Conference. He was appointed as an independent non-executive director of Gold Tat Group International Limited (stock code: 8266) for the period from 18 August 2000 to 3 March 2015.

**王子敬先生**，44歲，於二零一四年一月二十七日獲委任為獨立非執行董事。彼亦為審核委員會、提名委員會及薪酬委員會主席。王先生現為香港會計師公會會員及特許公認會計師公會資深會員，持有香港科技大學工商管理學士學位和香港理工大學企業融資碩士學位。王先生擁有超過20年之會計、財務及公司秘書經驗，曾在多間聯交所主板上市公司之財務與公司秘書部門出任高職。王先生現為迪臣建設國際集團有限公司(股份代號：8268)之執行董事。王先生為香港教育(國際)投資集團有限公司(股份代號：1082)及俊文寶石國際有限公司(股份代號：8351)之獨立非執行董事。彼於二零一六年六月二日、二零一六年九月十九日、二零一七年三月八日、二零一七年三月二十九日及二零一七年三月三十一日分別辭任KSL Holdings Limited (股份代號：8170)、冠輝集團控股有限公司(股份代號：8315)、宏基集團控股有限公司(股份代號：1718)、滙隆控股有限公司(股份代號：8021)及首都創投有限公司(股份代號：2324)之獨立非執行董事。

於Fitness Concept International Holdings Limited清盤前，王先生為其董事。上述公司於開曼群島註冊成立，並於二零零五年六月三十日因終止業務而除名解散。

**香志恒先生**，49歲，於二零一五年一月十六日獲委任為獨立非執行董事。彼亦為審核委員會、薪酬委員會及提名委員會成員。彼為香港最高法院認可之合資格律師及婚姻監禮人。香先生於英國萊斯特大學獲得法律學士學位。彼於法律專業擁有逾22年經驗。

香先生現時為董吳謝香律師事務所之合夥人、中發展控股有限公司(股份代號：475)之獨立非執行董事、獅子會教育基金之董事、香港特區葵青獅子會之董事及山東省中國人民政治協商會議之香港會員協會之委員會法律顧問。彼於二零零零年八月十八日至二零一五年三月三日期間獲委任為金達集團國際有限公司(股份代號：8266)之獨立非執行董事。



# Report of the Directors

## 董事會報告書

The Board has pleasure to present their annual report together with the audited consolidated financial statements of the Group for the year ended 30 June 2017.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in motor trading, car parking spaces rental, money lending business, securities trading and investment business and the business of research, development and application of technologies and solutions, manufacture, sale, trading and distribution of products, materials systems and services for green market segments including the environmental markets, agricultural markets, organic markets, green medical markets, green technology markets in the PRC market and overseas.

### PARTICULARS OF SUBSIDIARIES

Particulars of principal subsidiaries of the Company are set out in note 37 on pages 129 to 131 of the financial statements.

### RESULTS

The results of the Group for the year ended 30 June 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 62 to 63.

### BUSINESS REVIEW

The business review of the Group and an analysis of the Group's performance during the year using financial key performance indicators are set out in the section headed "Management's Report" on pages 4 to 12 of this annual report.

Description of possible risks and uncertainties that the Group may be facing can be found in the section headed "Management's Report" and Note 5 to the consolidated financial statements on pages 88 to 92 of this annual report.

### DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 30 June 2017 (2016: Nil).

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the shareholders of the Company to attend and vote at the annual general meeting, the register of members of the Company will be closed from Friday, 3 November 2017 to Wednesday, 8 November 2017 (both days inclusive), during which period no transfer of share(s) will be effected. In order to be eligible to attend and vote at the annual general meeting, all transfers documents, accompanied by the relevant share certificates, must be lodged with Union Registrars

董事會謹此欣然呈列本集團截至二零一七年六月三十日止年度的年報及經審核綜合財務報表。

### 主要業務

本公司主要業務為投資控股。本集團主要從事汽車買賣、停車位租賃、借貸業務、證券買賣及投資業務、中國及海外綠色市場(包括環保市場、農業市場、有機市場、綠色醫藥市場及綠色技術市場)技術與解決方案的研發及應用、生產、銷售、買賣及分銷相關產品、材料、系統及服務等綠色業務。

### 附屬公司之詳細資料

本公司各主要附屬公司之詳細資料刊載於第129至第131頁之財務報表附註37內。

### 業績

截至二零一七年六月三十日止年度本集團業績載於第62至63頁的綜合損益及其他全面收益表。

### 業務回顧

本集團之業務回顧及本集團根據主要財務表現指標得出之年內表現分析，載於本年報第4至12頁「管理層報告」一節。

本集團可能面臨之風險及不明朗因素之概述載於本年報「管理層報告」一節及第88至92頁綜合財務報表附註5。

### 股息

董事會不建議截至二零一七年六月三十日止年度的派付股息(二零一六年：零)。

### 暫停辦理股東登記手續

為釐定本公司股東出席股東週年大會及於會上投票的權利，本公司將由二零一七年十一月三日(星期五)至二零一七年十一月八日(星期三)止(包括首尾兩日)暫停辦理股東登記手續，期間暫停辦理股份過戶登記手續。為確保符合資格出席的本公司股東週年大會及於會上投票，所有股份過戶文件連同有關股票最遲須於二零一七年十

Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Thursday, 2 November 2017.

## SEGMENTS INFORMATION

An analysis of the Group's revenue and contribution to results by operating segments for the financial year is set out in Note 8 to the consolidated financial statements.

## SHARE CAPITAL

### Movement of share capital during the year

Details of the share capital of the Company and its movement during the year ended 30 June 2017 are set out in Note 29 of the consolidated financial statements.

## RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 66.

## DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 30 June 2017 amounted to HK\$675.33 million. Under section 34 of the Companies Law (Revised) of the Cayman Islands, the share premium is available for distribution to the Shareholders subject to the provisions of the articles of association of the Company (the "Articles of Association"), and no distribution may be paid to the Shareholders out of the Company's share premium unless the Company shall be able to pay its debt as they fall due in the ordinary course of business.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in Note 16 to the consolidated financial statements.

一月二日(星期四)下午四時三十分前送達本公司於香港之股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室，以辦理登記手續。

## 分類資料

於本財政年度按業務分類劃分之本集團收益及業績貢獻分析載於綜合財務報表附註8。

## 股本

### 本年度股本變動

本公司於截至二零一七年六月三十日止年度的股本詳情及其變動情況載於綜合財務報表附註29。

## 儲備

本集團年內儲備變動詳情載於第66頁的綜合權益變動表。

## 可分派儲備

本公司於二零一七年六月三十日的可分派儲備為675,330,000港元。根據開曼群島公司法(經修訂)第34章，股份溢價可分派予股東，惟須遵守本公司組織章程細則(「組織章程細則」)的條文，除非本公司可在日常業務過程中償還到期負債，否則不得自本公司股份溢價向股東作出分派。

## 物業、廠房及設備

年內物業、廠房及設備之變動詳情載於綜合財務報表附註16。





### DIRECTORS

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

#### Executive Directors

Mr. Yeung Chi Hang  
Mr. Leung Kwong Choi  
Mr. Wong Po Keung  
Mr. Chung Siu Wah  
Mr. Chik To Pan

#### Independent Non-executive Directors

Mr. Wong Kwai Sang  
Mr. Ong Chi King  
Mr. Heung Chee Hang, Eric

Pursuant to the Articles of Association, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Heung Chee Hang, Eric being the existing Directors longest in office since their last re-election, will retire by rotation and being eligible offer themselves for re-election.

No Director being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract which is not determinable by the Company and its subsidiaries within one year without payment of compensation, other than statutory compensation.

The Company has received, from each of Independent Non-executive Director, a written annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. The nomination committee of the Company and the Board considered that all Independent Non-executive Directors are independent.

### 董事

本財政年度及截至本報告日期止的董事如下：

#### 執行董事

楊智恒先生  
梁廣才先生  
黃保強先生  
鍾少樺先生  
戚道斌先生

#### 獨立非執行董事

黃貴生先生  
王子敬先生  
香志恒先生

根據章程細則，黃保強先生、鍾少樺先生及香志恒先生為彼等上次連任後在任時間最長之董事，彼等將輪席退任及符合資格重選。

擬於本公司應屆股東週年大會上膺選連任的董事概無訂立於一年內本公司及其附屬公司不作賠償(法定補償除外)則不可終止的服務合約。

根據聯交所證券上市規則(「上市規則」)第3.13條，本公司已收到各獨立非執行董事向本公司發出有關其獨立身份的週年書面確認。本公司提名委員會及董事會認為所有獨立非執行董事均為獨立。

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the interests and short positions held by each Director and chief executive of the Company and their associates in shares, underlying shares or debentures of the Company or any of its associated corporation, if any, (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules were as follows:

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

## 董事及最高行政人員於股份、相關股份及債券之權益

於二零一七年六月三十日，本公司各董事及最高行政人員和彼等之聯繫人於本公司或其任何相聯法團(如有)(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中擁有根據證券及期貨條例第352條本公司所存置登記冊記錄之權益及短倉；或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及短倉如下：

### 於本公司股份及相關股份之長倉

Name of Director 董事姓名	Capacity in which interests are held 持有權益之身份	Number of shares/underlying shares held in the Company 所持本公司股份／相關股份數目			Total interests Total interests 權益總額	Total interests as to % to the issued share capital as at 30 June 2017 (Note) 於二零一七年六月三十日權益總額佔已發行股本之百分比(附註)
		Interests in shares 股份權益	Interests under equity derivatives 根據股本衍生工具之權益	Interests under equity derivatives 根據股本衍生工具之權益		
Mr. Yeung Chi Hong 楊智恒先生	Beneficial owner 實益擁有人	187,500,000	14,142,817	201,642,817	11.88%	
Mr. Wong Po Keung 黃保強先生	Beneficial owner 實益擁有人	—	14,142,817	14,142,817	0.83%	
Mr. Chung Siu Wah 鍾少樺先生	Beneficial owner 實益擁有人	—	14,142,817	14,142,817	0.83%	
Mr. Chik To Pan 戚道斌先生	Beneficial owner 實益擁有人	—	14,142,817	14,142,817	0.83%	

Note:

附註：

The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,697,138,114 shares as at 30 June 2017.

持股百分比按二零一七年六月三十日本公司已發行股本1,697,138,114股為基準計算。



Save as disclosed above, as at 30 June 2017, none of the Directors, chief executive of the Company or their respective associates had any other personal, family, corporate and other interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SHARE OPTION SCHEME

#### (i) 2015 Share Option Scheme

The shareholders of the Company approved the adoption of a new share option scheme on 11 November 2015 (the "2015 Share Option Scheme"). The purpose of the 2015 Share Option Scheme is to provide the Group with a flexible means of giving incentive to, rewarding, remunerating and or providing benefits to the eligible persons and to provide the eligible persons with all opportunity to acquire a personal stake in the Group and to build common objectives of the Group and the eligible persons for the betterment of business and profitability of the Group and the Shareholders as a whole. The 2015 Share Option Scheme shall be valid and effective for a period of 10 years from its adoption. An ordinary resolution was passed at the extraordinary general meeting held on 29 July 2016 to refresh the scheme mandate limit under the 2015 Share Option Scheme. Based on 1,697,138,114 shares in issue of the Company as at the date of passing the ordinary resolution, the Company is allowed to grant further options under the 2015 Share Option Scheme for subscription of up to a total of 169,713,811 shares, representing 10% of the shares in issue of the Company as at the date of passing the ordinary resolution and as at the date of this report. The particulars relating to the 2015 Share Option Scheme and valuation of options are set out in Note 30 to the consolidated financial statements.

除上文所披露者外，於二零一七年六月三十日，本公司董事、最高行政人員或彼等各自之聯繫人概無於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第352條所存置登記冊記錄之其他個人、家族、公司及其他權益或短倉，或根據標準守則須知會本公司及聯交所的其他個人、家族、公司及其他權益或短倉。

### 購股權計劃

#### (i) 二零一五年購股權計劃

本公司股東於二零一五年十一月十一日批准採納新購股權計劃（「二零一五年購股權計劃」）。二零一五年購股權計劃旨在讓本集團能夠以靈活方式向合資格人士提供獎勵、獎賞、酬金及／或提供福利，以及給予合資格人士於本集團持有個人權益之機會，並讓本集團與合資格人士之間建立共同目標，以改善本集團之業務及盈利能力和提升股東整體價值。二零一五年購股權計劃自採納起計十年內有效及生效。於二零一六年七月二十九日舉行之股東特別大會上通過一項普通決議案，以更新二零一五年購股權計劃下之計劃授權限額。根據本公司於通過普通決議案日期之1,697,138,114股已發行股份計算，本公司可根據二零一五年購股權計劃增發之購股權可合共認購最多169,713,811股股份，佔本公司於通過普通決議案日期及於本報告日期已發行股份之10%。有關二零一五年購股權計劃及購股權估值的詳情載於綜合財務報表附註30。

The following table set out movements in the Company's shares options granted under the 2015 Share Options Scheme during the year:

下表載列根據二零一五年購股權計劃已授出之本公司購股權之年內變動：

Category	Date of grant	Exercise price	Exercisable period	Number of Share Options					As at 30 June 2017 於二零一七年六月三十日
				As at 1 July 2016 於二零一六年七月一日	Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效	
類別	授出日期	行使價 (HK\$) (港元)	行使期						
<b>Directors</b>									
<b>董事</b>									
Yeung Chi Hang 楊智恒	22 April 2016 二零一六年四月二十二日	0.2064	22 April 2016–21 April 2026 二零一六年四月二十二日至二零二六年四月二十一日	14,142,817	—	—	—	—	14,142,817
Wong Po Keung 黃保強	22 April 2016 二零一六年四月二十二日	0.2064	22 April 2016–21 April 2026 二零一六年四月二十二日至二零二六年四月二十一日	14,142,817	—	—	—	—	14,142,817
Chung Siu Wah 鍾少權	22 April 2016 二零一六年四月二十二日	0.2064	22 April 2016–21 April 2026 二零一六年四月二十二日至二零二六年四月二十一日	14,142,817	—	—	—	—	14,142,817
Chik To Pan 戚道斌	22 April 2016 二零一六年四月二十二日	0.2064	22 April 2016–21 April 2026 二零一六年四月二十二日至二零二六年四月二十一日	14,142,817	—	—	—	—	14,142,817
Employee 僱員	22 April 2016 二零一六年四月二十二日	0.2064	22 April 2016–21 April 2026 二零一六年四月二十二日至二零二六年四月二十一日	14,142,817	—	—	—	—	14,142,817
Total 總額				70,714,085	—	—	—	—	70,714,085

The closing price of the Company's shares immediately before the date of grant of the options was HK\$0.202.

本公司緊接購股權授出日期前之股份收市價為0.202港元。

As at 30 June 2017, options to subscribe for an aggregate of 70,714,085 shares of the Company were outstanding, representing 4.17% of the shares in issue of the Company as at the date of this report.

於二零一七年六月三十日，可認購本公司合共70,714,085股股份之購股權未獲行使，佔本公司於本報告日期4.17%已發行股份。

No option was granted, exercised, cancelled or lapsed during the year.

概無購股權於年內獲授出、行使、註銷或失效。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the following persons, other than Directors or chief executive of the Company, were interested or had short positions in more than 5% of shares and underlying shares of the Company or its subsidiaries according to the register required to be kept under Section 336 of the SFO as follows:

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

## 主要股東於股份、相關股份及債券之權益

根據證券及期貨條例第336條所存置登記冊記錄，於二零一七年六月三十日，以下人士（並非董事或本公司最高行政人員）擁有本公司或其附屬公司之股份及相關股份5%以上權益或短倉如下：

### 於本公司股份及相關股份之長倉

Name of Shareholders	Capacity in which interests are held	Number of shares/underlying shares held in the Company 所持本公司股份／相關股份數目			Total interests	Total interests as to % to the issued share capital as at 30 June 2017 (Note) 於二零一七年六月三十日權益總額佔已發行股本之百分比 (附註)
		Interests in shares	Interests under equity derivatives	根據股本衍生工具之權益		
股東姓名	持有權益之身份	股份權益	根據股本衍生工具之權益	權益總額		
Mr. Chu Ying Man 朱英文先生	Beneficial owner 實益擁有人	135,000,000	—	135,000,000	7.95%	

Note:

The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,697,138,114 shares as at 30 June 2017.

附註：

持股百分比按二零一七年六月三十日本公司已發行股本1,697,138,114股為基準計算。

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as Share Option Scheme disclosed above, at no time during the year, was the Company or any of its associated corporations a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and none of the Directors or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

## 董事購買股份或債券之權利

除上述所披露之購股權計劃外，本公司或其任何相聯法團於年度內概無訂立任何安排，致使董事可藉著購買本公司或任何其他法人團體之股份或債券而獲取利益，且並無任何董事或其配偶或其年齡在十八歲以下之子女獲授予任何權利以認購本公司或其任何相聯法團之任何股份或債券。



## CONNECTED TRANSACTION

On 26 March 2015, Prima Choice Limited, a wholly-owned subsidiary of the Company, as purchaser, had entered into a sale and purchase agreement with Fortune Group Investment Limited (1st Vendor) and Winbo Property Limited (2nd Vendor), pursuant to which (i) the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares; and (ii) the Vendors have conditionally agreed to sell and assign and the Purchaser has conditionally agreed to take up an assignment of the Sale Loan. The Transaction Consideration for the Acquisition will be satisfied by a combination of cash and by issue of the Promissory Note by the Company. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. The completion took place on 3 July 2015.

Mrs. Ma Shu Chin, mother of Mr. Yeung Chi Hang, an executive Director, the Chairman and chief executive officer of the Company owned 60% of each of the 1st Vendor and 2nd Vendor, therefore both Vendors are connected persons of the Company as defined under the Listing Rules. As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 25% but below 100%, the Acquisition constitutes a major and connected transaction of the Company and is therefore subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

## CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the following continuing connected transactions which are subject to disclosure requirement in the annual report under the Listing Rules:

On 6 August 2015, International Richway Limited, a wholly-owned subsidiary of the Company, as tenant, has entered into the Tenancy Agreement with High Brand Limited as landlord, in respect of the leasing of the Property for a term of 11 months and 26 days commencing from 6 August 2015 with a rental of HK\$166,075 per month. As High Brand Limited is a company which is indirectly owned as to 50% by Ms. Ma Shu Chin, mother of Mr. Yeung Chi Hang, an executive Director, the Chairman and chief executive officer of the Company and a substantial shareholder, High Brand Limited is a connected person of the Company under the Listing Rules and the Tenancy Agreement constituted a continuing connected transaction of the Company for the purpose of the Listing Rules.

On 6 July 2016, Harvest Top development Limited, an indirect-wholly-owned subsidiary of the Company, as tenant, has entered into the Tenancy Agreement with High Brand Limited as landlord, in respect of the leasing of the Property for a term of 2 years commencing from 1 August 2016 with a rental of HK\$173,740 per month. As High Brand Limited is a company which is indirectly

## 關連交易

於二零一五年三月二十六日，本公司之全資附屬公司Prima Choice Limited (作為買方) 與Fortune Group Investment Limited (第一賣方) 及Winbo Property Limited (第二賣方) 訂立買賣協議，據此，(i)賣方有條件同意出售而買方有條件同意收購待售股份；及(ii)賣方有條件同意出售及轉讓而買方有條件同意受讓銷售貸款。收購事項之交易代價將以現金結合本公司發行承兌票據方式償付。完成交易後，目標公司將成為本公司間接全資附屬公司。交易於二零一五年七月三日完成。

本公司執行董事、主席及行政總裁楊智恒先生之母馬淑金女士擁有第一賣方及第二賣方各60%權益，故兩位賣方均為本公司之關連人士(定義見上市規則)。由於有關收購事項之若干適用百分比率(定義見上市規則)超過25%但低於100%，收購事項構成本公司之主要及關連交易，因此須遵守上市規則第十四章及第十四A章之申報、公告、通函及獨立股東批准之規定。

## 持續關連交易

本公司已訂立以下持續關連交易，其須遵守上市規則下於年報披露之規定。

於二零一五年八月六日，本公司之全資附屬公司國際富旭有限公司(作為租戶)與鴻升有限公司(作為業主)就租賃物業訂立租賃協議，租期由二零一五年八月六日起十一個月及二十六日，租金每月166,075港元。由於本公司執行董事、主席及行政總裁以及主要股東楊智恒先生之母馬淑金女士間接擁有鴻升有限公司50%權益，根據上市規則，鴻升有限公司為本公司之關連人士，而就上市規則而言租賃協議構成本公司一項持續關連交易。

於二零一六年七月六日，本公司之間接全資附屬公司潤昇發展有限公司(作為租戶)與鴻升有限公司(作為業主)就租賃物業訂立租賃協議，租期由二零一六年八月一日起兩年，租金每月173,740港元。由於本公司執行董事、主席及行政總裁以及主要股



owned as to 50% by Ms. Ma Shu Chin, mother of Mr. Yeung Chi Hang, an executive Director, the Chairman and chief executive officer of the Company and a substantial shareholder, High Brand Limited is a connected person of the Company under the Listing Rules and the Tenancy Agreement constituted a continuing connected transaction of the Company for the purpose of the Listing Rules.

Pursuant to Rule 14A.56 of the Listing Rules, the board of directors engaged the auditor of the Company to carry out assurance procedures in respect of the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported the conclusion to the board of directors by confirming in a letter to the effect that nothing has come to its attention that causes it to believe that the above transactions:

- (1) have not been approved by the Board;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (4) have exceeded the cap.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

The independent non-executive directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions have been entered into by the Group:

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

東楊智恒先生之母親馬淑金女士間接擁有鴻升有限公司50%權益，根據上市規則，鴻升有限公司為本公司之關連人士，而就上市規則而言租賃協議構成本公司一項持續關連交易。

根據上市規則第14A.56條，董事會委聘本公司核數師根據香港會計師公會頒布之香港核證委聘準則第3000號(經修訂)[審核或審閱過往財務資料以外之核證委聘]及參照實務說明第740號[關於香港《上市規則》所述持續關連交易的核數師函件]進行有關本集團持續關連交易核證程序。核數師已於致董事會的函件中向董事會報告確認其並未獲悉任何事宜令其相信上述交易：

- (1) 並未獲董事會批准；
- (2) 在各重大方面沒有按照本集團的定價政策進行；
- (3) 在各重大方面沒有根據有關交易的協議進行；及
- (4) 超逾上限。

本公司確認其已根據上市規則第14A章遵守披露規定。

獨立非執行董事已審閱持續關連交易及核數師報告，並已確認該等由本集團訂立之交易：

- (i) 在本集團一般及日常業務過程中訂立；
- (ii) 以正常商業條款或以不遜於本集團提供予獨立第三方或從獨立第三方獲得的條款訂立；及
- (iii) 根據規管該等交易的相關協議，按公平合理且符合本公司股東整體利益的條款訂立。



## DISCLOSURE UNDER RULE 14A.72 OF THE LISTING RULES

The related party transaction relating to rental expenses disclosed in Note 36(a) to the consolidated financial statements was a connected transaction for which the disclosure requirements under Chapter 14A of the Listing Rules have been met and is mentioned in the above paragraphs. Other related party transactions taken place in financial year ended 30 June 2017 which were disclosed in Note 36(a) and (b) to the consolidated financial statements did not constitute connected transactions of the Company which are required to be disclosed under Chapter 14A of the Listing Rules.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "connected transaction" and "continuing connected transaction", no transactions, arrangement or contracts of significance, to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## DIRECTORS' SERVICE CONTRACTS

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

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance, to which the Company or any of its subsidiaries was a party in which a Shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The Board is of the opinion that during the year ended 30 June 2017, the Directors did not have interests in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange.

## 上市規則第14A.72條項下之披露資料

於綜合財務報表附註36(a)有關租賃開支披露之關連人士交易乃一項關連交易而須遵守上市規則第14A章項下之披露規定，並已於上文提述。於截至二零一七年六月三十日止財政年度發生之其他關連人士交易披露於綜合財務報表附註36(a)及(b)，其並不構成需根據上市規則第14A章下作出披露之本公司關連交易。

## 董事於重大交易、安排或合約中的權益

除「關連交易」及「持續關連交易」兩節所披露者外，本公司或其任何附屬公司概無訂立於本年度結束時或年內任何時間仍然有效而董事直接或間接擁有重大權益的重大交易、安排或合約。

## 董事服務合約

擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂立不可於一年內由本公司終止而毋須付出賠償（一般法定責任除外）之服務合約。

## 控股股東於重大合約之權益

本公司或其任何附屬公司概無訂立股東於其中擁有重大權益（不論直接或間接）且於本年度末或於年內任何時間存續的任何重大合約。

## 董事於競爭業務的權益

董事會認為，截至二零一七年六月三十日止年度，董事並無擁有與本集團業務直接或間接競爭或可能競爭的業務權益。

## 購買、出售及贖回本公司的上市證券

年內，本公司及其任何附屬公司概無購買、出售或贖回本公司於聯交所的任何上市證券。



## EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2017, the Group had 26 employees (2016: 27 employees) in both Hong Kong and the PRC. The Group implements remuneration policy, bonus and share options scheme to ensure that pay scales of its employees are rewarded on a performance-related basis within the general framework of the Group's remuneration.

## ENVIRONMENTAL POLICIES

The Group puts great emphasis on environmental protection and sustainable development. The conscientious use of resources and the adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection, complies with environmental legislations and promotes awareness towards environmental protection to its employees. Several measures have been implemented by the Group in order to promote environmental protection, including, among others:

- (i) promoting energy saving by encouraging its staff to switch off all air-conditioners and lightings before leaving the office, and to utilise the timer-control function of all air-conditioning systems;
- (ii) reducing energy consumption by using energy-saving light bulbs in the corridors and the reception area of its offices;
- (iii) promoting recycling by placing recycle bins next to printers for collecting used papers for reusing and recycling purposes, and by encouraging two-sided printing and/or the use of scratch papers;
- (iv) reducing the use of disposable products by, for example, cancelling the distribution of plastic bags in office; and
- (v) reducing water consumption by replacing all water taps by automatic faucets in offices.

The Environmental, Social and Governance Report of the Group is set out on pages 49 to 57 of this annual report.

## COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 30 June 2017 and up to the date of this report, we have complied with all the relevant laws and regulations in the mainland China and Hong Kong that have a significant impact on the Group.

## DONATIONS

During the year, the Group did not make any charitable donations.

## 僱員及酬金政策

於二零一七年六月三十日，本集團於香港及中國共有26(二零一六年：27)名僱員。本集團實施薪酬政策、花紅及購股權計劃，以確保僱員之薪金數額乃於本集團一般薪酬架構內來釐定並以其表現為評核基準。

## 環境保護政策

本集團高度重視環境保護及可持續發展。本集團承諾保護環境，並於業務過程中謹慎使用資源及採取最佳實踐。本集團鼓勵環境保護及遵守環境法例，努力提高僱員的環境保護意識。本集團採取若干環境保護措施，包括但不限於：

- (i) 透過鼓勵員工離開辦公室時關閉所有空調及照明工具以及使用空調系統定時功能促進節能；
- (ii) 透過於走廊及辦公室接待區域使用節能燈減少能源消費；
- (iii) 透過在打印機旁邊放置回收桶收集使用後紙張用於重用及資源回收以及鼓勵雙面打印及／或使用便簽促進循環利用；
- (iv) 減少使用一次性產品，如取消在辦公室派發塑料袋；及
- (v) 透過在辦公室安裝感應水龍頭減少用水量。

本集團之環境、社會及管治報告載於本年報第49至57頁。

## 遵守法律及法規

於截至二零一七年六月三十日止年度及截至本報告日期，吾等已遵守其對本集團有重大影響的中國大陸及香港的所有相關法律及法規。

## 捐贈

年內，本集團沒有作出慈善捐款。

## EQUITY-LINKED AGREEMENTS

Save for the share option schemes as disclosed in the Annual Report, no equity-linked agreement was entered into during the year or subsisted at the end of the year.

## PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Group.

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the sales to the Group's five largest customers accounted for approximately 53% of the total sales for the year and the sales to the largest customer included therein amounted to 26%. Purchases from the Group's five largest suppliers accounted for approximately 69% of the total purchases for the year and the purchase from the largest supplier included therein amounted to approximately 30%.

None of Directors, any of their associates or any substantial Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

## RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group's management policies, working environment, career prospects and employees' benefits have contributed to building a good employee relations and employee retention of the Group. The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, provident funds, bonuses and a share option scheme. The management regularly reviews its employee's remuneration packages to ensure they are up to prevailing market standard.

The Group keeps a high standard in selecting reputable and reliable suppliers, in order to meet our own quality, safety, environmental and product criteria. During the year ended 30 June 2017 and up to the date of this report, the Group maintained good relationship with its suppliers. The Group has a well-established business relationship with the customers.

## 股票掛鈎協議

除於年報所披露之購股權計劃外，於本年度內或於本年度末概無訂立或存在股票掛鈎協議。

## 獲准許的彌償條文

根據本公司之章程細則，每名董事就其作為董事獲判勝訴或獲判無罪之民事或刑事訴訟中進行辯護所招致之一切損失或責任，均有權從本公司資產中獲得彌償。本公司已就本集團之董事可能面對任何訴訟時產生的責任和相關的費用購買保險。

## 主要客戶及供應商

於回顧年內，本集團向五大客戶的銷售額佔本年度總銷售額約53%，其中最大客戶佔26%。本集團自五大供應商的採購額佔本年度總採購額約69%，其中最大供應商佔約30%。

各董事、彼等的聯繫人或據董事所知擁有本公司5%以上已發行股本的主要股東，概無擁有本集團五大客戶或五大供應商任何實益權益。

## 與僱員、供應商及客戶的關係

本集團的管理政策、工作環境、晉升前景及僱員福利有助本集團與僱員建立良好關係及留聘僱員。本集團為僱員提供符合行業慣例並具競爭力的薪酬待遇及各種僱員福利，包括醫療福利、社保、強積金、花紅及購股權計劃。管理層定期檢討其僱員薪酬組合，確保其符合現行市場水平。

本集團一貫地嚴格挑選具有聲譽和可靠的供應商，以符合公司本身對品質、安全、環境及產品的標準。於截至二零一七年六月三十日止年度及截至本報告日期，本集團與其供應商維持良好關係。本集團與其客戶擁有穩固業務關係。



### PRE-EMPTIVE RIGHTS

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

### PUBLIC FLOAT

As at the date of this report, the Company has maintained a sufficient public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of Directors.

### USE OF PROCEEDS FROM PLACING

The Group successfully raised over HK\$46.67 million through the Placing Shares to not less than six independent Placees at the Placing Price of HK\$0.165 per Placing Share on 13 May 2016 in order to enlarge capital base, strengthen the Group's financial position for future development and working capital position. The Placing Price of HK\$0.165 per Placing Share represents (i) a discount of approximately 18.32% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on 26 April 2016, being the date of the Placing Agreement; and (ii) a discount of approximately 19.51% to the average closing price of HK\$0.205 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 25 April 2016.

Upon the completion of the Placing, the Company received a gross proceeds of approximately HK\$46.67 million and a net proceeds from the Placing, after deducting relevant expenses incurred in relation to the Placing, amount to approximately HK\$45.61 million. As at 30 June 2017, the Group has utilized the proceeds to acquire 80% shares of a company together with its indirect non-wholly-owned subsidiary on 6 June 2017 and the remaining applied as general working capital.

### 優先購買權

組織章程細則或開曼群島公司法並無訂明優先購買權條文，規定本公司按比例向現有股東發售新股。

### 公眾持股量

於本報告日期，根據可供本公司索取的公開資料及就董事所知，本公司一直按上市規則規定維持充足公眾持股量。

### 配售事項所得款項用途

於二零一六年五月十三日，本集團向不少於六名獨立承配人按配售價每股配售股份0.165港元配售股份，以擴大資本基礎、加強本集團未來發展之財務狀況及營運資金狀況，並成功籌得逾46,670,000港元。配售價每股配售股份0.165港元較(i)二零一六年四月二十六日(即配售協議日期)於聯交所報收市價每股0.202港元折讓約18.32%；及(ii)截至二零一六年四月二十五日(包括該日)止五個連續交易日於聯交所報平均收市價每股0.205港元折讓約19.51%。

配售事項完成後，本公司收取配售事項所得款項總額約46,670,000港元及所得款項淨額(經扣除配售事項產生之相關開支)約45,610,000港元。於二零一七年六月三十日，本集團已於二零一七年六月六日動用所得款項收購一間公司之80%股本權益連同其一間間接非全資附屬公司及餘下用作一般其營運資金。



## AUDITORS

On 24 June 2014, Lau & Au Yeung C.P.A. Limited resigned as auditors of the Company and on 30 June 2014, ZHONGHUI ANDA CPA Limited was appointed as auditors of the Company.

The consolidated financial statements of the Group for the year ended 30 June 2017 were audited by ZHONGHUI ANDA CPA Limited as auditors of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint ZHONGHUI ANDA CPA Limited as auditors of the Company.

On behalf of the Board  
**China Environmental Resources Group Limited**  
**Yeung Chi Hang**  
*Chairman*

Hong Kong, 26 September 2017

## 核數師

劉歐陽會計師事務所有限公司於二零一四年六月二十四日辭任本公司核數師，中匯安達會計師事務所有限公司於二零一四年六月三十日獲委任為本公司核數師。

本集團截至二零一七年六月三十日止年度的綜合財務報表已由本公司核數師中匯安達會計師事務所有限公司審核。本公司將於應屆股東週年大會上提呈決議案，續聘中匯安達會計師事務所有限公司為本公司核數師。

代表董事會  
**中國環境資源集團有限公司**  
主席  
**楊智恒**

香港，二零一七年九月二十六日



# Corporate Governance Report

## 企業管治報告

The Board is committed to maintain and ensure high standards of corporate governance practice. The Company stresses the importance of maintaining the quality of the Board by ensuring that the Directors possess a wide range of expertise and the effective implementation of an accountability system, so as to ensure that business activities and decision making processes are regulated in a proper manner.

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rule Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the year ended 30 June 2017, except the followings:

Code provisions A.2.1 of the CG Code provides that the roles of chairman of the board and chief executive should be separate and should not be performed by the same individual. This code provisions also stipulate, inter alia, the role and responsibility of the chairman of the board and the chief executive.

Mr. Yeung Chi Hang was appointed as chairman of the Board and the chief executive officer of the Company on 27 January 2015. Thereafter, Mr. Yeung Chi Hang has assumed both roles. The directors were of the view that the vesting of the roles of chairman of the Board and chief executive officer in the same person can provide the Group with strong and consistent leadership and allow for more effective planning and execution of long-term business strategies, as well as ensuring effective oversight of management. The directors were also of the view that the present structure was considered to be appropriate under the circumstances of the Company. The Board would keep review of its current board structure from time to time.

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. Mr. Yeung Chi Hang was unable to attend the annual general meeting of the Company held on 9 November 2016 due to business trips. Mr. Wong Po Keung, an executive director, was elected and acted as chairman of the said annual general meeting.

本公司董事會致力維持及確保實施高水平之企業管治常規。本公司著重確保董事具備不同專長及實行有效問責制度，保持董事會的質素，確保業務運作及決策過程均受到適當規管。

截至二零一七年六月三十日止年度，除下文所載事項外，本公司一直遵守聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）的守則條文：

企業管治守則第A.2.1條守則條文規定，董事會主席及行政總裁之角色應有所區分，且不應由同一人士擔任。該條文亦規定（其中包括）董事會主席及行政總裁之職能及責任。

楊智恒先生於二零一五年一月二十七日獲委任為本公司董事會主席及行政總裁。楊智恒先生之後承擔該兩項職務。董事認為由同一人士承擔董事會主席及行政總裁能為本集團提供強勁而貫徹的領導，使本集團能更有效地規劃及執行長期業務策略，確保有效視察管理。董事亦認為就本公司的情况而言，現有架構屬恰當。董事會一直不時檢視其現行董事會架構。

企業管治守則第E.1.2條守則條文規定，董事會主席須出席股東週年大會。楊智恒先生因出差而未能出席本公司於二零一六年十一月九日舉行的股東週年大會。執行董事黃保強先生獲選擔任上述股東週年大會的主席。

## THE BOARD

The Board is charged with the responsibility of leadership and control of the Group. The Board promotes success of the Group and makes decisions objectively in the best interests of the Group. The Board's role is mainly to direct and supervise the affairs of the Group, establish its strategic directions and set objectives and business development plans. The Board authorizes the management to manage the day-to-day business operation of the Group. In addition, the Board has also delegated various responsibilities to the various Board committees and the Chief Executive Officer.

The Company has developed a schedule of matters reserved to the Board for decisions. The Board will review those arrangements on a regular basis to ensure that the arrangements meet the needs of the Company.

## BOARD COMPOSITION

The Board comprises eight Directors with five Executive Directors, namely, Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Chik To Pan and three Independent Non-executive Directors, namely, Mr. Wong Kwai Sang, Mr. Ong Chi King and Mr. Heung Chee Hang, Eric. There was no change in the composition of the Board during the year.

During the year, the Board held 9 meetings, including 4 regular meetings, and had also transacted its business by written resolutions. The Directors participated these meetings in person or through electronic means of communication. The attendance of Board meetings of each Director during the year is set out as below:

Name of Directors		Number of Board meetings attended/ Number of Board meetings held
董事姓名		已出席董事會會議次數/ 已舉行董事會會議次數
<b>Executive Directors</b>		<b>執行董事</b>
Mr. Yeung Chi Hang	楊智恒先生	7/9
Mr. Leung Kwong Choi	梁廣才先生	9/9
Mr. Wong Po Keung	黃保強先生	9/9
Mr. Chung Siu Wah	鍾少樺先生	5/9
Mr. Chik To Pan	戚道斌先生	8/9
<b>Independent Non-executive Directors</b>		<b>獨立非執行董事</b>
Mr. Ong Chi King	王子敬先生	8/9
Mr. Wong Kwai Sang	黃貴生先生	8/9
Mr. Heung Chee Hang, Eric	香志恒先生	6/9

## 董事會

董事會負責領導及管理本集團，促進本集團成功，以對本集團最有利的方式客觀地作出各項決策。董事會的主要職責為指導及監督本集團事務，訂立策略方向、目標及業務發展計劃。董事會授權管理層管理本集團的日常業務營運。此外，董事會亦授權多個董事委員會及行政總裁負責處理若干職務。

本公司已訂立一份保留待董事會決定的事項表。董事會會定期檢討該等安排，以確保有關安排符合本公司的需要。

## 董事會之組成

董事會現時由八名董事組成，即五名執行董事楊智恒先生、梁廣才先生、黃保強先生、鍾少樺先生及戚道斌先生及三名獨立非執行董事黃貴生先生、王子敬先生及香志恒先生。年內，董事會之組成並無變動。

於年內，董事會共舉行九次會議，包括四次常規會議，並透過書面決議案處理其事務。董事親身或透過電子通訊方式參與會議。各董事於年度內出席董事會會議情況載列於下表：



The Directors are provided with relevant information to make informed decisions. The Board and each Director have separate and independent access to the Company's senior management for information and making enquires if necessary. A Director, who considers there is necessary to seek independent professional advice in order to perform his duties as a Director, may convene, or request the company secretary of the Company (the "Company Secretary") to convene, a Board meeting to approve the consultation of independent legal or other professional adviser for advice at the Company's expenses.

For regular Board meeting, a notice of the meeting is sent to all Directors at least 14 days before the intended date of meeting and an agenda and accompanying board papers of the meeting are sent to all Directors at least three days before the intended date of meeting. For all other Board meeting, a notice of the meeting together with an agenda and accompanying board papers of the meeting are sent to all Directors in reasonable time. The Directors also from time to time transact the Board business by way of written resolutions.

Every Director is entitled to have access to the advice and service of the Company Secretary with a view to ensure that the Board procedures and applicable rules and regulations are complied with. All minutes are kept by the Company and are open for inspections by any Director during normal office hours by giving reasonable advance notice. Minutes of the Board meetings and the Board committee meetings record in sufficient details the matters considered in the meetings and decisions reached. Draft and final versions of minutes of the Board meetings and Board committee meetings have been sent to all Directors and relevant Board Committee members for their comments and records respectively within a reasonable time after the relevant meetings were held.

If a Director has a conflict of interest in a matter before the Board, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent board committee will be set up to deal with the matter.

To the best knowledge of the Board, there is no financial, business, family or other material/relevant relationship(s) between the members of the Board.

董事獲提供作出知情決定所需的相關資料。董事會及各董事均可於有需要時個別獨立向本公司高級管理層獲取資料及作出查詢。董事如認為履行其董事職務時需要徵求獨立專業意見，可自行或要求本公司公司秘書（「公司秘書」）召開董事會會議批准諮詢獨立法律或其他專業顧問意見，費用由本公司承擔。

舉行常規董事會會議時，將於會議擬定日期前至少14日向全體董事寄發會議通告，及將不遲於擬定會議日期前三日向全體董事寄發會議議程及隨附會議文件。就所有其他董事會會議而言，會議通告連同會議議程及隨附會議文件將於合理時間內寄發於全體董事。董事亦不時透過書面決議案的方式處理董事會事務。

各董事均可要求公司秘書提供意見及服務，確保遵守董事會程序及適用規則與法規。本公司須保存所有會議紀錄，任何董事可於發出合理事先通知後於正常辦公時間內查閱會議紀錄。董事會會議及董事委員會會議的會議紀錄須記錄會議所討論事項的所有內容及決定。董事會會議及董事委員會會議紀錄的草稿及最後定稿均須於相關會議結束後的合理時間內分別向全體董事及相關董事委員會成員寄發，使彼等可提供意見及備存。

倘董事在董事會將討論事項涉及利益衝突，有關事項將根據適用規則及獨立法規處理，如有需要，並會成立獨立董事委員會處理。

據董事會所知，董事會成員之間概無任何財務、業務或家族或其他重大／相關關係。

Every Director has sufficient time and attention to deal with the affairs of the Group. The Board considers the composition of Executive Directors and Independent Non-executive Directors is rational and appropriate and provides adequate checks and balances to safeguard the interests of shareholders and the Group.

The Independent Non-executive Directors provide the Group with diversified knowledge and expertise. Their suggestions, opinions and participation in the meetings of the Board and each Board committee bring independent opinions, suggestions and judgments on issues relating to the Group's strategy, development, operations, performance, risk control and conflicts of interest, to ensure that the interest of all shareholders are taken into account.

Information and responsibilities of all Directors are contained in this annual report on pages 13 to 15.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board and the Chief Executive Officer have different roles. The Chairman of the Board is responsible for the operation of the Board and the Chief Executive Officer is responsible for managing the operations and day-to-day management of the Group. Their functions have been clearly divided to ensure a balanced distribution of power and authority not concentrating on a single individual.

The Chairman of the Board is principally responsible for leading the Board and ensures the Board acts in the best interests of the Company. The Chairman of the Board shall ensure the Board operates effectively and performs its proper duties and discusses all important and proper matters in a timely manner. The Chairman of the Board is responsible for convening Board meetings, consulting, determining and approving the agenda of each Board meeting, and ensuring that Directors are provided sufficient information on current matters in a timely manner.

The Chief Executive Officer is principally responsible for the daily operation and management of the Group's overall operations and implementing the Board's operating strategy and policy and delegating tasks to all departments for implementation so as to realize the Board's objectives and decisions. In addition, the Chief Executive Officer is also responsible for coordinating close cooperation among all departments, uniting efforts of staff and encouraging the initiative of staff so as to ensure smooth and effective operation of the Company's operations and systems.

每名董事均有足夠時間及精力處理本集團的事務。董事會認為執行董事及獨立非執行董事的組成屬合理及適當，並充分發揮制衡作用，以保障股東及本集團的利益。

獨立非執行董事為本集團帶來多元化的經驗及專業知識。彼等提出的建議及意見，以及透過彼等參與董事會及各董事委員會會議，為本集團的策略、發展、營運、表現、風險控制及利益衝突等事宜提供獨立意見、建議及判斷，以確保所有股東的權益均獲得考慮。

所有董事的資料及職責載於本年報第13至15頁。

### 主席及行政總裁

董事會主席及行政總裁的角色不同。董事會主席負責董事會運作，而行政總裁負責管理本集團的業務及日常管理，兩者之間的職務已清楚區分，以確保權力和授權分佈均衡，不致集中在一位人士。

董事會主席的主要職責包括領導董事會，確保董事會行事符合公司最佳利益。董事會主席須確保董事會有效地運作及履行應有職責，並及時就所有重要的及適當的事項進行討論；董事會主席負責召開董事會會議，諮詢、釐定及批准每次董事會會議的議程，並確保董事及時獲悉當前的事項及充分的資料。

行政總裁的主要職責包括負責集團整體業務日常運作的經營及管理，貫徹董事會的經營策略及方針，下達任務至各部門執行，以實現董事會的目標和決定。此外，行政總裁亦負責協調各部門的緊密合作關係，團結員工的力量，鼓勵員工積極性，確保公司業務及制度暢順而有效地運行。



Code provision A.2.1 of the CG Code provide that the role of chairman of the board and chief executive should be separate and should not be performed by the same individual. This code provisions also stipulate, inter alia, the role and responsibility of the chairman of the board and the chief executive.

Mr. Yeung Chi Hang was appointed as Chairman of the Board and the chief executive officer of the Company 27 January 2015. Thereafter, Mr. Yeung Chi Hang has therefore assumed both roles. The Directors were of the view that the vesting of the roles of Chairman of the Board and Chief Executive Officer in the same person can provide the Group with strong and consistent leadership and allow for more effective planning and execution of long-term business strategies, as well as ensuring effective oversight of management. The Directors were also of the view that the present structure was considered to be appropriate under the circumstances of the Company. The Board would keep review of its current Board structure from time to time.

### RE-ELECTION OF DIRECTORS

In accordance with the CG Code and the Articles of Association, all Directors, including Independent Non-executive Directors, are subject to retirement by rotation once every three years. Composition of the Board will be reviewed regularly by the Board and also by the nomination committee of the Company to ensure that it covers a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Pursuant to the Article of Association, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Heung Chee Hang, Eric being the existing Directors longest in office since their last re-election, will retire by rotation and being eligible offer themselves for re-election at the forthcoming annual general meeting of the Company.

Each Director had entered into an appointment letter with the Company setting out the key terms and conditions of his appointment. The Directors are required to refer to the relevant key terms and conditions as set out in the Articles and Association and the guidelines for Directors and Guide for Independent Non-executive Directors (if applicable) published by the Hong Kong Institute of Directors.

企業管治守則第A.2.1條守則條文規定，董事會主席及行政總裁之角色應有所區分，且不應由同一人士擔任。該條文亦規定(其中包括)董事會主席及行政總裁之職能及責任。

楊智恒先生於二零一五年一月二十七日獲委任為本公司董事會主席及行政總裁。故此楊智恒先生之後承擔該兩項職務。董事認為由同一人士承擔董事會主席及行政總裁能為本集團提供強勁而貫徹的領導，使本集團能更有效地規劃及執行長期業務策略，確保有效察管理。董事亦認為就本公司的情况而言，現有架構屬合當。董事會一直不時檢視其現行董事會架構。

### 董事之重選

根據企業管治守則及組織章程細則，所有董事(包括獨立非執行董事)須每三年輪流退任一次。董事會及本公司提名委員會定期檢討董事會之組成，確保董事會具備本公司所需的各項專業知識、技能及適當經驗。

根據章程細則，黃保強先生、鍾少樺先生及香志恒先生為彼等上次連任在任時間最長之董事，彼等將在即將舉行的本公司股東週年大會上輪席退任及符合資格重選。

各董事已與本公司訂立載列其委任之主要條款及條件之委任函件。董事須參考組織章程細則之相關主要條款及條件及由香港董事學會出版之董事指引及獨立非執行董事指南(如適用)。

All Independent Non-executive Directors are appointed for a specific term, subject to retirement by rotation under the Articles of Association. The term of office of Mr. Wong Kwai Sang, Mr. Ong Chi King and Mr. Heung Chee Hang, Eric as Independent Non-executive Director is for three years until 1 March 2018, 27 January 2020 and 16 January 2018 respectively.

The Board has received from each Independent Non-executive Director a written annual confirmation of his independence and is satisfied with their independence in accordance with the Listing Rules. The Company considers that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent to the Company.

### AUDIT COMMITTEE

The Board has established an audit committee (the "Audit Committee") with the term of references in accordance with the Listing Rules. The Audit Committee currently comprises three Independent Non-executive Directors, namely, Mr. Ong Chi King (Chairman), Mr. Wong Kwai Sang and Mr. Heung Chee Hang, Eric. Mr. Ong Chi King has appropriate accounting and related financial management expertise as required under Rule 3.10 of the Listing Rules.

The primary duties of the Audit Committee includes:

1. to recommend to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor;
2. to consider and discuss with the external auditor the nature and scope of audit for each year;
3. to review and monitor the external auditor's independence and objectivity;
4. to review the interim and annual financial statements before submission to the Board and to discuss any problem and reservation arising therefrom;
5. to review the Group's financial controls, internal control and risk management systems; and
6. to consider other topics, as defined by the Board.

所有獨立非執行董事有指定任期，並須根據組織章程細則輪流退任。黃貴生先生、王子敬先生及香志恒先生擔任獨立非執行董事的任期為三年，分別至二零一八年三月一日、二零二零年一月二十七日及二零一八年一月十六日為止。

董事會已收到各獨立非執行董事發出其獨立身份的週年書面確認書，並接納彼等符合上市規則規定的獨立性。本公司認為所有獨立非執行董事符合上市規則第3.13條所載的獨立指引，均為本公司獨立人士。

### 審核委員會

董事會已根據上市規則成立審核委員會（「審核委員會」）並制訂權責範圍。審核委員會現時由三名獨立非執行董事組成，即王子敬先生（主席）、黃貴生先生及香志恒先生。王子敬先生擁有上市規則第3.10條所規定的適當會計及相關財務管理專業知識。

審核委員會之主要職責包括：

1. 向董事會提供委任、續聘及辭退外聘核數師的建議，批准委任外聘核數師的酬金及條款，以及處理任何有關核數師辭任或罷免的問題；
2. 考慮並與外聘核數師討論每年度的審核性質與範圍；
3. 檢討及監察外聘核數師的獨立性及客觀性；
4. 中期及年度財務報表遞交董事會前負責審閱有關報表，並討論任何相關問題及異議；
5. 檢討本集團的財務監控、內部監控及風險管理制度；及
6. 考慮其他董事界定的議題。





During the year, the Audit Committee had reviewed and discussed, in accordance with its terms of reference, the financial reporting matters with external auditor, including the review of the interim and annual consolidated financial statements, the internal control and the audit fee and made recommendation to the Board for re-appointment of external auditor.

During the year, the Audit Committee held 2 meetings and had transacted its business by written resolutions. The attendance of Audit Committee meetings of each member is set out below:

年內，審核委員會已根據其權責範圍與外聘核數師審閱及討論財務報告事宜，包括審閱中期及年度綜合財務報表、內部監控及審核費並就續聘外聘核數師向董事會提供建議。

年內，審核委員會舉行2次會議，並透過書面決議案處理其事務。各成員出席審核委員會會議情況載列如下：

Name of the Audit Committee Members		Number of Audit Committee meetings attended/Number of Audit Committee meetings held
審核委員會成員姓名		已出席審核委員會會議次數／已舉行審核委員會會議次數
Mr. Ong Chi King	王子敬先生	1/2
Mr. Wong Kwai Sang	黃貴生先生	2/2
Mr. Heung Chee Hang, Eric	香志恒先生	2/2

### REMUNERATION COMMITTEE

The Board has established a remuneration committee (the "Remuneration Committee") with the term of references in accordance with the Listing Rules. The Remuneration Committee currently comprises three Independent Non-executive Directors, namely, Mr. Ong Chi King (Chairman), Mr. Wong Kwai Sang and Mr. Heung Chee Hang, Eric.

The primary duties of the Remuneration Committee (as adopted pursuant to the terms of references of the Remuneration Committee) includes making recommendations to the Board on the Company's policy and structure of all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for development of remuneration policy.

Set out below is the summary of work of the Remuneration Committee done during the year:

- to review the Company's emolument policy and structure for all Directors;
- to review management's remuneration proposal with reference to the corporate goals and objective of the Board; and
- to recommend the remuneration of individual Executive Director and Independent Non-executive Director.

### 薪酬委員會

董事會已根據上市規則成立薪酬委員會（「薪酬委員會」）並制訂權責範圍。薪酬委員會現時由三名獨立非執行董事組成，即王子敬先生（主席）、黃貴生先生及香志恒先生。

薪酬委員會的主要職責（根據薪酬委員會的職權範圍獲採納）包括就本公司董事及高級管理層的整體薪酬政策及架構，及就制定此等薪酬政策而設立正規且透明的政策程序，向董事會提出建議。

以下載列薪酬委員會於年內完成的工作概要：

- 檢討本公司的薪酬政策及全體董事的架構；
- 參考企業目標及董事會宗旨檢討管理層的薪酬建議；及
- 就個別執行董事及獨立非執行董事的薪酬提供建議。

During the year, the Remuneration Committee held 1 meeting and had also transacted its business by written resolutions. The attendance of Remuneration Committee meeting of each member is set out below:

年內，薪酬委員會舉行1次會議，並透過書面決議案處理其事務。各成員出席薪酬委員會會議情況載列如下：

Name of Remuneration Committee Members	Number of Remuneration Committee meeting attended/ Number of Remuneration Committee meeting held	已出席薪酬委員會會議次數 / 已舉行薪酬委員會會議次數
Mr. Ong Chi King	王子敬先生	0/1
Mr. Wong Kwai Sang	黃貴生先生	1/1
Mr. Heung Chee Hang, Eric	香志恒先生	1/1

The Company's emolument policy is to ensure that the remuneration offered to employees, including Executive Directors and the senior management, is based on the skills, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages are also determined by reference to the Company's performance and profitability, remuneration level in the industry and the prevailing market conditions. The emolument policy for Independent Non-executive Directors, mainly comprising Directors' fees, is subject to annual assessment with reference to the market standard. Individual Director and the senior management would not be involved in deciding their own remuneration.

本公司的薪酬政策旨在確保提供予僱員(包括執行董事及高級管理層)的薪酬乃基於其技能、知識、職責及參與本公司事務而釐定。薪酬組合亦參照本公司的表現及盈利能力、行業薪酬水平以及當前市場狀況而釐定。獨立非執行董事的薪酬政策主要包括董事袍金，須參照市場標準每年進行評估。個別董事及高級管理層將不參與其各自薪酬的釐定。

Details of emoluments of Directors and the five highest-paid employees of the Group during the year are set out in Note 13 to the consolidated financial statements.

年內，本集團董事及五名最高薪人士的酬金詳情載於綜合財務報表附註13。



## NOMINATION COMMITTEE

The Board has established a nomination committee (the "Nomination Committee") with the term of references in accordance with the Listing Rules. The Nomination Committee currently comprises three Independent Non-executive Directors, namely, Mr. Ong Chi King (Chairman), Mr. Wong Kwai Sang and Mr. Heung Chee Hang, Eric.

The primary duties of the Nomination Committee includes review of the structure, size and composition of the Board and board diversity policy on a regular basis, assessing new candidates for appointment as Directors and the independence of Independent Non-executive Directors and considering the retirement and re-election of the Directors.

Set out below is the summary of work of the Nomination Committee done during the year:

1. to assess the independence of each Independent Non-executive Director;
2. to review the structure, size and composition of the Board; and
3. to make the recommendation of re-election of retiring Directors to the Board.

During the year, the Nomination Committee held 1 meeting and had also transacted its business by written resolutions. The attendance of Nomination Committee meetings of each member is set out below:

## 提名委員會

董事會已根據上市規則成立提名委員會(「提名委員會」)並制訂權責範圍。提名委員會現時由三名獨立非執行董事組成，即王子敬先生(主席)、黃貴生先生及香志恒先生。

提名委員會的主要職責包括定期檢討董事會的架構、人數及組成及董事會成員多元化政策、評估新候選人委任為董事及獨立非執行董事的獨立性以及考慮董事的退任與連任。

以下載列提名委員會於年內完成的工作概要：

1. 評估各獨立非執行董事的獨立性；
2. 檢討董事會的架構、人數及組成；及
3. 就重選退任董事向董事會提供建議。

年內，提名委員會舉行1次會議，並透過書面決議案處理其事務。各成員出席提名委員會會議情況載列如下：

Name of Nomination Committee Members		Number of Nomination Committee meetings attended/ Number of Nomination Committee meetings held 已出席提名委員會會議次數/ 已舉行提名委員會會議次數
Mr. Ong Chi King	王子敬先生	0/1
Mr. Wong Kwai Sang	黃貴生先生	1/1
Mr. Heung Chee Hang, Eric	香志恒先生	1/1

## INVESTMENT COMMITTEE

The Board has established an investment committee, which currently comprises two Executive Directors, namely, Mr. Leung Kwong Choi (Chairman) and Mr. Wong Po Keung. During the year, the investment committee of the Company had not held any meeting.

## CORPORATE GOVERNANCE FUNCTIONS

The Board has from time to time considered its policy for corporate governance and its duties and duties of various board committees. The Board has not established a corporate governance committee but has performed the obligations regarding corporate governance, including:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and
5. to review the Company's compliance with Appendix 14 (Corporate Governance Code and Corporate Governance Report) of the Listing Rules.

The Directors have disclosed to the Board the number and nature of offices held in public companies or organizations and other signification commitments. The Board will regularly review the contribution required by each Director to perform his responsibilities to the Company and whether he is spending sufficient time performing his duties.

## 投資委員會

董事會已成立投資委員會，其成員目前包括兩名執行董事，即梁廣才先生(主席)及黃保強先生。年內，本公司的投資委員會並無舉行任何會議。

## 企業管治職能

董事會不時考慮其企業管治政策及其職責以及各董事委員會職責。董事會並無成立企業管治委員會，但已履行下列企業管治責任，包括：

1. 制訂及審閱本公司的企業管治政策及常規；
2. 檢討及監察董事及高級管理層的培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
4. 制訂、檢討及監察適用於僱員及董事的操守準則及合規手冊；及
5. 檢討本公司遵守上市規則附錄十四(企業管治守則及企業管治報告)的情況。

董事已向董事會披露於公眾公司或組織擔任職務的數目與性質以及其他重大承擔。董事會將定期檢討各董事為履行其職能對本公司作出的貢獻及其是否花費足夠時間履行職責。





### BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (“the Policy”) which sets out the approach to achieve and maintain diversity on the Board in order to maintain a competitive advantage of the Board. Pursuant to Policy, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industry experience, background, gender and other qualities. The Board will from time to time consider to set measurable objectives to implement the Policy and review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objective. During the year, the Board has not set any measurable objectives to implement the Policy.

### TRAINING OF DIRECTORS

Newly appointed Director are provided with necessary information to ensure that he has a proper understanding of the Company’s operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations. The Company Secretary and representative of auditor update the Directors on the latest development and changes regarding the Listing Rules, accounting standards and other relevant regulatory requirements from time to time.

In addition, the Directors are provided with monthly updates on the Company’s performance and position to enable the Board as a whole and each Director to discharge their duties.

### 董事會成員多元化政策

本公司已採納了一份載列實現並保持董事會成員多元化途徑的董事會成員多元化政策(「本政策」)以保持董事會的競爭優勢。根據本政策，本公司透過考慮多項因素，包括但不限於才能、技能、地域及行業經驗、背景、性別及其他特質，以尋求實現董事會多元化。董事會將不時考慮制定可計量目標以推行本政策，並不時檢討該等目標以確保其合適度及確定達標的進度。年內，董事會並無制定任何可計量目標調整本政策。

### 董事培訓

新獲委任的董事獲提供必要的資料，以確保其對本公司的營運及業務以及其於相關法規、法律、規則及規例下的責任有適當了解。公司秘書及核數師代表不時為董事提供上市規則、會計準則及其他相關監管規定的最新發展及變動資料。

此外，董事亦獲提供本公司表現及狀況的每月最新資料，以便董事會整體及各董事履行其職務。

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. According to the records provided by the existing Directors, all Directors have participated in continuous professional development during the year.

本公司鼓勵所有董事參與持續專業發展，以發展及更新彼等的知識及技能。根據現任董事提供的記錄，全體董事已於年內參與持續專業發展。

Name of Directors		Reading regulatory updates/ attending in house briefing 閱讀監管最新資料/ 參加內部簡報會	Attending expert briefing/seminars/ conference relevant to the business/ director's duties 出席有關業務/董事職責的專家簡介會/ 研討會/會議
董事姓名			
Mr. Yeung Chi Hang	楊智恒先生	✓	—
Mr. Leung Kwong Choi	梁廣才先生	✓	—
Mr. Wong Po Keung	黃保強先生	✓	✓
Mr. Chung Siu Wah	鍾少樺先生	✓	✓
Mr. Chik To Pan	戚道斌先生	✓	—
Mr. Ong Chi King	王子敬先生	✓	✓
Mr. Wong Kwai Sang	黃貴生先生	✓	—
Mr. Heung Chee Hang, Eric	香志恒先生	✓	✓

### DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has arranged directors' and officers' liabilities insurance for all Directors and the senior management of the Company. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

### 董事及高級職員的責任保險

本公司已為本公司的全體董事及高級管理層安排董事及高級職員的責任保險。該等保險涵蓋企業活動中所產生的成本、費用、開支及責任。

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's Code of Conduct regarding Director's securities transactions. Having made specific enquiry, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 30 June 2017.

### 董事進行證券交易

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則(「標準守則」)作為本公司董事進行證券交易的行為守則。經作出特定查詢後，所有董事已確認彼等於截至二零一七年六月三十日止年度一直遵守標準守則的規定。



## RISK MANAGEMENT AND INTERNAL CONTROLS

The board recognizes its overall responsibilities for maintaining a sound and effective internal control system of the Group and risk taking is unavoidable as part of the Group's business. By appropriate risk management and continuous risk monitoring, risk taking can bring value to the Company. The board believes that risks are acceptable after prudent assessment of their impact and likelihood. The Company can protect its assets and shareholders' interests and create value simultaneously through appropriate risks management and control measures. The system includes a defined management structure with limits of authority, safeguards its assets against unauthorised use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliance with relevant laws and regulations. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

### Process used to identify, evaluate and manage significant risks

The Group recognise that it is necessary for identifying and assessing the significant business, operational, financial and compliance risks on an ongoing basis. Risk identification and assessment should be undertaken throughout the year, but in any event must be undertaken on an annual basis by the Audit Committee. Risk identification involves collecting information from the senior management to identify relevant risks and then need to update the risk register in response to changes in its business and the external environment. Risk assessment should include the review of (i) the timely and efficient management and reporting the key risks; and (ii) any events, incidents or trends that have arisen or might arise.

### Risk evaluation and risk prioritisation

Risk ranking process involves analysing the inherent likelihood and impact of each identified risk in order to facilitate the senior management to prioritise the identified risk items and identify the responsible risk owners.

### Risk reporting, managing and monitoring

Once the decision to mitigate the significant risk has been made and the strategy is identified, a mitigation plan should be developed. After the plan is implemented the residual risk is evaluated and is subject to monitoring. Once the plan is in place and the system is running, the effectiveness of the plan will be monitored, reviewed and adjusted if necessary. The ongoing monitoring program will be checked if risk priority numbers have changed to either higher or lower values. All employees can write down observations and to make recommendations. They can also

## 風險管理及內部監控

董事會意識到，在使本集團維持健全有效的內部監控系統上負有整體責任，而冒著風險行事為本集團業務不可避免的一部分。只要採取適當的風險管理及持續監察風險，冒險行事可為本公司創優增值。董事會相信，經過審慎評估風險的影響及出現的可能性，風險並非不可接受。本公司可透過適當的風險管理及控制措施，保障其資產及股東利益，同時使本公司創優增值。有關的系統包括一套明確有所約束的管理架構，以保障其資產免遭未獲授權使用或處置，確保存有適當的會計記錄，以提供可靠的財務資訊作內部使用或刊發，同時確保遵守相關的法律及法規。有關系統設計目的為管理而非免除未能達致業務目標的風險，並僅能就重大失實陳述或損失提供合理而非絕對的保證。

### 用於識別、評估及管理重大風險之程序

本集團確認必須持續識別及評估重大業務、營運、財務及合規風險。風險識別及評估須全年均進行，惟無論如何審核委員會必須每年進行。風險識別涉及自高級管理層收集資料，以識別相關風險，然後在風險評估表內更新，應付營商及外部環境變動。風險評估應包括檢討(i)及時有效管理及匯報關鍵風險；及(ii)已出現或可能出現的任何事件、事故或趨勢。

### 風險評估及風險先後次序

風險等級過程涉及分析各個已識別風險的固有可能性及影響，便於高級管理層將已識別風險項目制定先後次序，並識別須負責風險的人士。

### 風險匯報、管理及監察

一旦決定減輕重大風險及已識別策略，應制訂緩解計劃。計劃實施後，將會評估剩餘風險，並加以監察。計劃開始及系統運作後，本公司將會監察、檢討及調整(倘必須)計劃的成效。持續監察計劃將會檢查風險先後次序數是否已經變至較高或較低值。全體僱員可寫下觀察結果及作出推薦

make a recommendation if the change should be implemented urgently if it is time critical. The senior management evaluates the recommendations made by the employees and reports to board in timely manner.

### Procedures for the handling and dissemination of inside information

The Group is committed to a consistent practice of time, accurate and sufficiently detailed disclosure of material information. To ensure that proper safeguards exist to prevent a breach of a disclosure relation to the Group, which include but not limited by the following ways:

1. When any employee becomes aware of any actual or potential Inside Information, he/she must immediately inform any member of the Disclosure Working Group comprising the Chairman of the Board, Chief Executive Officer and Legal Counsel.
2. Meeting of Disclosure Working Group shall be convened to conduct preliminary assessment of the information received.
3. The Disclosure Working Group reviews and decides whether the information must be disclosed, as well as when and how the information shall be released and makes recommendation to the Board.
4. The Board reviews the recommendation of the Disclosure Working Group and approves the issue of an announcement and any other course of course as appropriate.

### Main features of the internal control system

A professional advisory firm was also appointed as the Group's outsourced internal audit function to conduct a review on the Group's internal control systems at the corporate level and business level on certain agreed control areas as stated in a three-year internal control review plan to the management and endorsed by the board and audit committee. The scope of the internal control review carried out during the year includes: a) understand how a control procedure is carried out during the period from 1 July 2016 to 30 June 2017 through discussion with the management, and reading relevant policies and procedures; b) consider and comment on whether a control procedure has been designed and implemented effectively by determining whether it exists at a specific point in time. This is achieved by reading policies and procedures, reviewing minutes, reports, organisational charts and other supporting documentation, and by performing selected walk-through and tests of samples; c) draw to the Company's attention to any significant control design and implementation weaknesses and deficiencies which come to its attention based on the limited procedures it agree to perform; d) provide recommendations to address the identified control design (in particular to corporate

建議。倘時間緊急，須迫切改變，彼等亦可提出推薦建議。高級管理層評估僱員作出的推薦建議，並及時向董事會報告。

### 處理及發放內幕消息之程序

本集團致力於貫切地以適時、準確及詳盡之方式披露重大資料。為確保有適當保障措施避免違反有關本集團的披露，包括但不限於下列方法：

1. 當任何僱員知悉任何實際或潛在內幕消息，彼必須立即知會由董事會主席、行政總裁及法律顧問組成的披露工作小組的任何成員。
2. 披露工作小組須召開會議，就所接獲的資料進行初步評估。
3. 披露工作小組審視消息並決定是否必須予以披露以及發佈消息的時間及方式，並向董事會作出推薦建議。
4. 董事會審閱披露工作小組的推薦建議，並批准適時刊發公佈及任何其他文件。

### 內部監控系統之主要特點

本公司亦委聘專業顧問公司為本集團之外判內部審核公司，就致管理層並經董事會及審核委員會核可的三年內部監控審閱計劃內訂明的若干協定監控範疇，於公司層面及商業層面為本集團的內部監控系統進行審閱。年內進行的內部監控審閱範疇包括：a)透過與管理層討論，並閱讀相關政策及程序，了解二零一六年七月一日至二零一七年六月三十日期間如何進行監控程序；b)釐定監控程序是否於特定時間存在，省覽及評價其是否有效設計及實施。此乃憑藉細閱政策及程序、審閱會議記錄、報告、機構圖表及其他佐證文件，並透過進行徹底調查及測試樣本而達致；c)根據外部顧問同意進行的有限程序，於發現任何重大監察設計以及執行的弱點及不足之處時知會本公司；d)提供推薦建議，處理已識別的監控設計(尤其是企業管制及現金收取處理政策)及執行的弱點及不足之處；及e)於本公司回應報告所訂明的發現後進





governance and cash receipt handling policy) and implementation weaknesses and deficiencies; and e) perform a follow-up review after the Company has responded to the findings stated in the Report. The final Report will be issued after the follow-up procedures have been complete. The report and recommendations have been submitted to the board and follow-up action has been taken based on recommendations, which will be monitored by the board.

The audit committee reviewed adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

### The board's confirmation on risk management

Based on the risk management mechanism and internal audit review activities mentioned in the aforesaid paragraphs, the board was of the opinion that the Company had maintained an effective risk management mechanism and internal control system during the financial year ended 30 June 2017.

### COMPANY SECRETARY

The Company Secretary is Mr. Lo Tai On who has been engaged and appointed by the Company from an external secretarial services provider.

The primary contact persons with the Company Secretary are Mr. Wong Po Keung, an Executive Director and the financial controller of the Company, and Ms. Ng Wing Suen, a senior officer of the Company. The Company Secretary has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

### ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the consolidated financial statements for each financial year which give true and fair view of the state of affairs of the Group in presenting the interim and annual consolidated financial statements and announcements to the Shareholders. The Directors aim to present a clear and understandable assessment of the Group's position and prospects.

The Board acknowledges its responsibility to present a clear and understandable assessment in the Company's annual and interim reports, other insider information announcements and other financial disclosures required under the Listing Rules and to report to the regulators.

The responsibility of the external auditor with respect to the financial reporting and its audit opinion are set out in the section "Independent Auditor's Report" on pages 58 to 61.

行跟進審閱。最終報告將於跟進程序完成後發表。已向董事會呈交的報告及推薦建議已按推薦建議採納，將由董事會監察。

審核委員會已檢討公司會計及財務報告部門之人力資源是否充裕以及是否有足夠具備所需資格及經驗之員工，員工培訓及預算。

### 董事會對風險管理之確認

基於上文各段所述之風險管理機制及內部審核檢討，董事會認為，本公司於截至二零一七年六月三十日止財政年度已實行有效的風險管理機制及內部監控系統。

### 公司秘書

本公司向外聘秘書服務機構聘用及委任公司秘書羅泰安先生。

與公司秘書的主要聯絡人為黃保強先生(執行董事及本公司財務總監)及吳穎璇女士(本公司一名高級職員)。公司秘書已適當遵守上市規則第3.29條有關培訓規定。

### 問責及審核

董事確認彼等須負責於每個財政年度編製真實公平反映本集團經營狀況的綜合財務報表，並向股東呈報中期及年度綜合財務報表以及公佈。董事旨在提呈清晰易明的本集團現況及前景評估。

董事會確認彼等須負責在本公司年度及中期報告內提呈清晰易明的評估報告、發出其他內幕資料公佈及根據上市規則披露其他財務資料以及向監管機構呈交所需報告。

有關外聘核數師的財務匯報責任以及其核數意見載於第58至61頁的「獨立核數師報告」。

## REMUNERATION OF THE AUDITOR

For the year, the remuneration in respect of audit services provided by auditor of the Company, ZHONGHUI ANDA CPA Limited, was HK\$850,000.

The non-audit service provided by auditor of the Company is detailed as follows:

		HK\$ 港元
Review service for the interim results for the six months ended 31 December 2016	就截至二零一六年十二月三十一日止六個月的中期業績的審閱服務	198,000

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board recognises the importance of good communication with the Shareholders. Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The general meetings of the Company are valuable forum for the Board to communicate directly with the shareholders of the Company (the "Shareholders"). The Shareholders are encouraged to attend the general meetings of the Company.

An extraordinary general meeting of the Company was held on 29 July 2016 (the "EGM") to approve the major and connected transactions of the Company. The members of independent board committee attended the EGM to answer the questions from the Shareholders. An annual general meeting of the Company was held on 9 November 2016 (the "2016 AGM"). A notice convening the 2016 AGM contained in a circular of the Company dated 7 October 2016 was dispatched to the Shareholders together with the 2016 Annual Report.

As Mr. Yeung Chi Hang was unable to attend the annual general meeting of the Company held on 9 November 2016 due to business trips. Mr. Wong Po Keung, an Executive Director, was elected and acted as Chairman of the 2016 AGM. He together with the board committees members attended the 2016 AGM to answer the questions from the Shareholders. The Chairman of the 2016 AGM explained detailed procedures for conducting a poll. All the resolutions proposed at the 2016 AGM were passed by the Shareholders by way of poll. The results of the poll were published on the websites of the Stock Exchange, the Singapore Stock Exchange and the Company on 9 November 2016.

## 核數師酬金

就本年度，本公司核數師中匯安達會計師事務所有限公司提供審計服務的酬金為850,000港元。

本公司核數師提供的非審計服務的詳情如下：

## 股東通訊及投資者關係

董事會深明與股東保持良好溝通的重要性。本集團透過多個正式渠道，包括中期及年度報告、公佈及通函，及時向股東提供有關本集團的資訊。

本公司的股東大會為董事會與本公司股東（「股東」）直接溝通的寶貴平台，因此本公司鼓勵各股東踴躍出席本公司的股東大會。

本公司於二零一六年七月二十九日舉行股東特別大會（「股東特別大會」），以批准本公司之主要及關連交易。獨立董事委員會成員已出席股東特別大會，以回答股東的提問。本公司已於二零一六年十一月九日舉行股東週年大會（「二零一六年股東週年大會」）。本公司日期為二零一六年十月七日的通函所含二零一六年股東週年大會通告已隨同二零一六年年報一併寄發予各股東。

由於楊智恒先生因出差而未能出席本公司於二零一六年十一月九日舉行之股東週年大會，於二零一六年股東週年大會上，執行董事黃保強先生獲選擔任大會主席，彼與出席二零一六年股東週年大會的董事委員會成員共同回答股東問題。二零一六年股東週年大會主席解釋進行投票表決的詳細程序。二零一六年股東週年大會上提呈的所有決議案已由股東透過投票表決通過。投票表決結果已於二零一六年十一月九日刊登於聯交所、新加坡證券交易所及本公司網站。



The attendance of general meetings held during the year of each Director is set out below:

各董事出席年內舉行之股東大會的情況載列於下：

Name of Directors		Number of general meetings attended/Number of general meetings held
董事姓名		已出席股東大會次數／已召開的股東大會次數
<b>Executive Directors</b>		
<b>執行董事</b>		
Mr. Yeung Chi Hang	楊智恒先生	0/2
Mr. Leung Kwong Choi	梁廣才先生	2/2
Mr. Wong Po Keung	黃保強先生	2/2
Mr. Chung Siu Wah	鍾少樺先生	0/2
Mr. Chik To Pan	戚道斌先生	0/2
<b>Independent Non-executive Directors</b>		
<b>獨立非執行董事</b>		
Mr. Ong Chi King	王子敬先生	1/2
Mr. Wong Kwai Sang	黃貴生先生	0/2
Mr. Heung Chee Hang, Eric	香志恒先生	0/2

The forthcoming annual general meeting of the Company will be held on 8 November 2017 (the "2017 AGM"). A notice convening 2017 AGM will be published on the websites of the Stock Exchange, the Singapore Stock Exchange and the Company and dispatched together with the 2017 Annual Report to the Shareholders as soon as practicable in accordance with the Article of Association and the CG Code.

本公司將於二零一七年十一月八日舉行應屆股東週年大會（「二零一七年股東週年大會」）。二零一七年股東週年大會通告將根據組織章程細則及企業管治守則儘快刊登在聯交所、新加坡證券交易所及本公司網站以及隨同二零一七年年報一併寄發予股東。

During the year, there was no change in the memorandum and articles of association of the Company.

年內，本公司組織章程大綱及細則概無變動。

## SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year at such place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM"). Set out below are procedures by which Shareholders may (a) convene an EGM; (b) put forward enquires to the Board; and (c) put forward proposals at general meetings. The procedures are subject to the Articles of Association and applicable legislation and regulation.

## 股東的權利

本公司股東大會為股東與董事會提供一個溝通的機會。本公司每年在董事會可能釐定的地點舉行股東週年大會。每次股東大會（股東週年大會除外）應稱之為股東特別大會（「股東特別大會」）。以下載列股東可能(a)召開股東特別大會；(b)向董事會提出查詢；及(c)於股東大會上提出建議的程序。程序受組織章程細則及適用法律及法規所規限。

## — Procedures for Shareholders to convene EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The written requisition must state the business to be transacted at the meeting, signed by the requisitionist(s) and deposited at the Company's registered office (with a copy of the said written requisition deposited at the Company's Hong Kong office) for the attention of the Board or the Company Secretary, and may consist of several documents in like form, each signed by one or more requisitionists. The requisition will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the requirements under the Articles of Association to all the registered Shareholders. On the contrary, if the requisition has been verified as invalid, the requisitionist(s) will be advised of this outcome and accordingly, an EGM will not be convened as requested.

If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The notice period to be given to all the registered Shareholders for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal, as follows:

- Not less than 14 clear days' and not less than 10 clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company; and
- Not less than 21 clear days' and not less than 10 clear business days' notice in writing if the proposal constitutes a special resolution of the Company.

## — 股東召開股東特別大會的程序

任何一位或以上於遞交要求當日持有不少於有權於本公司股東大會上投票之本公司繳足股本十分之一的股東，有權隨時透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會以處理要求中列明的交易；及相關會議將於遞交相關要求後兩個月內舉行。

書面要求必須述明會議上將予處理的事務，並由請求人簽署及存放於本公司的註冊辦事處(或上述書面要求的副本存放於本公司的香港辦事處)，註明董事會或公司秘書收；書面要求可包含數份同樣格式的文件，而每份文件均由一名或多名請求人簽署。本公司的香港股份過戶登記分處會核實有關要求，於其確認要求屬妥善及有效後，公司秘書將請董事會藉根據組織章程細則向全體登記股東送達足夠通知而召開股東特別大會。相反，倘若要求核實為無效，則請求人將會獲通知此結果，而股東特別大會亦因而不會按要求召開。

如董事會在該要求遞交日期起計二十一天內，未有妥為安排會議，則該等請求人可以同樣方式召開會議，請求人因董事會未能安排會議產生的所有合理費用應由本公司請求人報銷。

股東特別大會供全體登記股東考慮有關請求人所提出建議須給予的通知期因建議性質而異，載列如下：

- 倘建議構成本公司一項普通決議案，則不少於14個足日及不足於10個足營業日書面通知；及
- 倘建議構成本公司一項特別決議案，則不少於21個足日及不足於10個足營業日書面通知。





— Procedures for putting enquiries to the Board

Shareholders may, at any time, direct enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong or by email to [info@cergroup.com.hk](mailto:info@cergroup.com.hk) for the attention of the Board.

— Procedures for putting forward proposals at general meetings

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written request, duly signed by the Shareholder concerned, setting out the proposals at the Company's registered office (with a copy of the said written request lodged at the Company's Hong Kong office) for the attention of the Board and the Company Secretary. The request will be verified with the Company's branch share registrar in Hong Kong and upon its confirmation that the request is proper and in order, the Company Secretary will pass the request to the Board. Whether a proposal will be put to a general meeting will be decided by the Board in its discretion, unless the proposal put forward by a Shareholder is (i) pursuant to a requisition by a Shareholder to convene an EGM referred to above or (ii) forms part of ordinary business to be considered at an annual general meeting as described in Article 75 of the Articles of Association.

The procedures for Shareholders to propose a person for election as Director are posted on the Company's website at <http://www.cergroup.com.hk>.

— 向董事會提出查詢的程序

股東可隨時向董事會提出直接查詢。所有查詢須以書面作出，並郵寄往本公司的香港主要營業地點或以電郵發送至 [info@cergroup.com.hk](mailto:info@cergroup.com.hk)，註明董事會收。

— 在股東大會提出建議的程序

如欲在本公司股東大會提出建議，股東應送交書面要求，其由有關股東妥為簽署，載列有關建議，並交回本公司的註冊辦事處(或上述書面要求的副本存放於本公司的香港辦事處)，註明董事會及公司秘書收。本公司的香港股份過戶登記分處會核實有關要求，於其確認要求屬妥善及有效後，公司秘書會將要求交給董事會。建議會否提呈股東大會，將由董事會酌情決定，除非股東提出的建議(i)乃根據上述股東請求召開股東特別大會而作出或(ii)構成組織章程細則第75條內所述在股東週年大會上考慮的普通事務的一部分，則作別論。

股東提名他人參選董事的程序載於本公司網站 <http://www.cergroup.com.hk>。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### PRINCIPLES

China Environmental Resources Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) persistently strive to operate its business in an economic, social and environmentally sustainable manner. During the year, while seeking business growth, the Group assumed its corporate environmental and social responsibilities proactively by making constant progress towards sustainable development. The Group has developed and improved the Group’s environmental policies, optimised the efficiency in the use of energy and resources, advocated and promoted environmental protection and reduced the impact of its business development on the environment.

As a responsible corporate citizen, the Group strictly follows the regulatory requirements on employment, human rights, labour rights, supply chain management, product responsibility and anti-corruption. The Group cares for the community and the environmental disadvantages as well as creates value for stakeholders including its employees, suppliers, clients and the community in order to make contribution to the overall advancement and sustainable development of the society.

The Company is pleased to present its first Environmental, Social and Governance Report, which aims to demonstrate its efforts on sustainability developments to both internal and external stakeholders.

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The report primarily highlights the Group’s major initiatives and activities implemented from 1 July 2016 to 30 June 2017 (“Year 2017”). For information regarding the governance section, please refer to the Corporate Governance Report as incorporated in the Company’s Annual Report 2017.

### 宗旨

中國環境資源集團有限公司(「本公司」)及其附屬公司(統稱為「本集團」)力求在經濟、社會及環境方面採用可持續發展的方式經營業務。年內，本集團在尋求業務增長的同時，透過在可持續發展方面不斷取得進展，積極承擔企業環境及社會責任。本集團已制定並改進本集團的環境政策，優化能源及資源的使用效率，提倡並推動環境保護，以及減低業務發展對環境的影響。

作為盡責的企業公民，本集團恪守關於僱傭、人權、勞工權益、供應鏈管理、產品責任及反貪污的監管規定。本集團關注社區及環境的不利因素，並為僱員、供應商、客戶及社區等持份者創造價值，務求為社會的整體進步及可持續發展出一分力。

本公司欣然提呈其首份環境、社會及管治報告，旨在向內外界持份者展示其在可持續發展方面的努力。

本報告乃按照香港聯合交易所有限公司證券上市規則附錄27所載的環境、社會及管治報告指引編製。本報告主要顯示本集團於二零一六年七月一日至二零一七年六月三十日(「二零一七年度」)實施的主要措施及活動。有關管治部分的資料，請參閱本公司二零一七年年報所載的企業管治報告。



The Company is committed to the long-term sustainability of its business, as well as providing support to environmental protection and the communities in which it operates. Quality products and services are delivered to customers, and its business is managed prudently under sound decision-making processes. Dialogue is maintained with stakeholders such as shareholders, customers, employees, suppliers, creditors and regulators. The Company seeks to balance the views and interests of these stakeholders through constructive conversation with a purpose to set the course for long-term prosperity. The board of directors (the “Board”) is responsible for evaluating and determining the environmental, social and governance risks of the Company, and ensuring that relevant risk management and internal control systems are in place and operate effectively. The Group has set up the ESG Working Team which meets regularly to review and evaluate the corporate performance on the relevant environmental, social and governance issues.

As a start, this report will focus on one subsidiary named Power Asia Motorsport Company Limited (“PAM”) which is engaged in distribution and trading of motor vehicles and related accessories, with major brand names such as “Norton” and “Bimota”. The operation of PAM is the material business segments of the Group relating to the environmental aspect.

This report has primarily highlighted the major performance and disclosure with effective from Year 2017 for the three environmental aspects and eight social aspects.

### EMISSIONS

PAM is principally engaged in distribution and trading of motor vehicles and related accessories. Hence, the emission, which relating to air and greenhouse gas emissions, discharges into the water and land, as well as generation of hazardous and non-hazardous wastes are minimal in Year 2017.

During the Year 2017, the major emissions of the PAM and office in Sheung Wan were: (i) the fuel consumed, kilometers travelled and greenhouse gases generated from use of motor vehicles; (ii) greenhouse gases generated from the electricity consumed; (iii) greenhouse gases generated from the paper waste disposed at landfills; and (iv) greenhouse gases generated from business air travel by employees.

本公司致力維持其業務的長遠可持續發展，以及為環境保護及其營運所在的社區提供支援。本公司為客戶提供優質的產品及服務，並根據可靠的決策程序審慎管理業務。本公司與股東、客戶、僱員、供應商、債權人及監管機構等持份者保持聯繫，並透過具建設性的溝通，致力平衡該等持份者的意見及利益，從而釐定長遠的發展方向。董事會（「董事會」）負責評估及釐定本公司的環境、社會及管治風險，並確保相關風險管理及內部監控系統適當及有效運作。本集團已成立環境、社會及管治工作團隊，而該團隊會定期會面以檢討及評估公司在相關環境、社會及管治事宜方面的表現。

首先，本報告將會把焦點放在就一間名為 Power Asia Motorsport Company Limited (「PAM」) 的附屬公司，該公司從事主要以「Norton」及「Bimota」品牌分銷及買賣汽車及相關配件。PAM的營運為本集團與環境範疇有關的重大業務分部。

本報告主要報告於二零一七年度生效在三個環境範疇及八個社會範疇的主要表現及披露。

### 排放物

PAM主要從事汽車及相關配件分銷及買賣。因此，於二零一七年度，有關廢氣的排放及溫室氣體排放、向水及土地的排污以及產生的有害及無害廢棄物甚少。

於二零一七年度，PAM及上環辦事處的主要排放為：(i)燃料消耗、行駛里數及使用汽車產生的溫室氣體；(ii)用電產生的溫室氣體；(iii)於堆填區處置廢紙產生的溫室氣體；及(iv)僱員航空差旅產生的溫室氣體。

In order to minimise the fuel consumption, energy consumption, paper wastage and air travel by employees, various sustainable development measures have been enforced to address environmental responsibilities under normal operating procedures, including but not limited to the following: (i) motor vehicles are restricted to serve for senior management to attend business meetings and to be used by important client or business partners; (ii) employees are advised to switch off the light and air-conditioning after use; (iii) employees are encouraged to print only when necessary and priority to use recycle papers for printing; (iv) use of electronic form of documents to reduce paper usage; (v) employees are encouraged to prevent unnecessary overseas business travel; and (vi) video/voice conference call are extensively adopted.

The main sources of exhaust gas and greenhouse gases are emitted by two motor vehicles used by PAM in Year 2017. The Group has improved the use of its vehicles by ensuring the effective usage and environmentally friendly operation as well as strictly controlling exhaust gas emissions.

General office wastes and domestic wastes are sorted and collected before being delivered to environmental hygiene stations for centralised treatment.

The electricity consumed in PAM and office in Sheung Wan were 67,288 kWh and 6,555 kWh respectively for Year 2017, representing 36,336 kg and 5,178 kg of carbon dioxide ("CO<sub>2</sub>") emitted respectively.

Fuel consumption by PAM's motor vehicles are the major sources of nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matter ("PM") emissions. The NOx, SOx and PM emissions were 0.1130 kg, 0.0045 kg and 0.0083 kg respectively in Year 2017.

Greenhouse gas emissions by PAM's motor vehicles are mainly CO<sub>2</sub>, methane ("CH<sub>4</sub>"), nitrous oxide ("N<sub>2</sub>O"). The CO<sub>2</sub> emissions, CO<sub>2</sub> equivalent emissions of CH<sub>4</sub> and CO<sub>2</sub> equivalent emissions of N<sub>2</sub>O emissions were 715.08 kg, 9.05 kg and 4.32 kg respectively in Year 2017.

### Compliance with relevant laws and regulations

The Group is not aware of any non-compliance with the relevant laws and regulations that has an impact relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste of the Group in Year 2017.

No fines or non-monetary sanctions for non-compliance with relevant laws and regulations had been reported in Year 2017.

為盡量減少燃料消耗、能源消耗、紙張浪費及僱員航空差旅，本公司已實行各種可持續發展措施，務求在一般營運程序中履行環境責任，包括但不限於以下各項：(i) 限制汽車僅可供高級管理人員參加商務會議時使用以及供重要客戶或業務夥伴使用；(ii) 建議僱員在使用後關閉照明設備及空調；(iii) 鼓勵僱員僅在有需要時打印，並優先使用回收紙打印；(iv) 使用電子形式的文件以減少紙張使用；(v) 鼓勵僱員避免不必要的海外差旅；及(vi) 廣泛採用視像／語音會議。

於二零一七年度，廢氣及溫室氣體的主要來源為PAM使用的兩輛汽車。本集團一直改善汽車的使用情況，確保有效使用汽車及以環保方式運作，並嚴格監控廢氣排放。

一般辦公室垃圾及生活垃圾會分類及收集後送往環境衛生垃圾站作中央處理。

PAM及上環辦事處於二零一七年度的耗電量分別為67,288千瓦時及6,555千瓦時，相當於分別排放36,336公斤及5,178公斤二氧化碳(「二氧化碳」)。

PAM的汽車燃料消耗為排放氮氧化物(「氮氧化物」)、硫氧化物(「硫氧化物」)及顆粒物(「顆粒物」)的主要來源。於二零一七年度，本公司排放的氮氧化物、硫氧化物及顆粒物分別為0.1130公斤、0.0045公斤及0.0083公斤。

PAM的汽車排放的溫室氣體排放物主要為二氧化碳、甲烷(「甲烷」)及一氧化二氮(「一氧化二氮」)。於二零一七年度，二氧化碳排放、二氧化碳相等甲烷排放及二氧化碳相等一氧化二氮排放分別為715.08公斤、9.05公斤及4.32公斤。

### 遵守相關法例及規例

於二零一七年度，本集團並不知悉與本集團在廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生方面有關，並構成影響的任何違反相關法例及規例的情況。

於二零一七年度，概無因違反相關法例及規例而被判處罰款或非金錢處罰。





### USE OF RESOURCES

The Group is committed to minimising the impact of business activities on the environment, and supporting environmental protection programmes. In particular, a number of initiative measures designing to conserve resources were introduced to promote employee awareness of the need in order to achieve efficient utilisation of resources.

As mentioned in the above “Emissions” section, the Group has a series of policies and procedures to minimise the electricity consumed by the employees in PAM and office in Sheung Wan.

In addition, multi-function devices with printing, scanning and photocopying have been extensively adopted. Employees are advised to switch on the computers only when use and switch off after office hours.

For the efficient use of water resources in the offices, all employees are encouraged to save water at pantry. The drinking water containers are well maintained to prevent leakage. For use of packaging material, all employees are encouraged to use recycle paper boxes.

In Year 2017, the Group continued to drive its efforts in energy saving and emission reduction. The specific measures taken by the Group include: (i) low-energy consumption laptops and energy-efficient lights are installed in the office; (ii) the rule “turn off the power before leaving” is adopted for the lighting, air-conditioners and electric appliances in PAM and office spaces; (iii) the electronic devices are configured to energy-saving mode; and (iv) the number of video equipment is equipped in the Sheung Wan office and encourages the use of video conference to reduce business trips.

### THE ENVIRONMENT AND NATURAL RESOURCES

The Group encourages all employees to participate in different kinds of recycling activities and to minimise the use of natural resources. In Year 2017, there was no significant impact on the environment and natural business from the operations of the Group, in particular, the PAM and office in Sheung Wan.

The Group integrates promotion with practice in its daily office operation, develops the environmental awareness of its employees and encourages its employees to fulfill its environmental responsibilities.

The Group actively introduces environmental protection measures in the office spaces, including priority to use of energy-saving lighting and electrical appliances, turning off electric equipment and lighting during non-office hours and reusing of papers. In addition, the Group also encourages its employees to save resources, cherish food and avoid wastage of resources.

### 資源使用

本集團致力盡量減少業務活動對環境的影響，並積極支持環保活動。具體而言，本集團推出多項旨在節約資源的主動措施，讓僱員意識到有關需要，從而有效利用資源。

誠如上文「排放物」一節所述，本集團設有一系列政策及程序，以盡量減少PAM及上環辦事處的僱員耗電量。

此外，本公司已廣泛採用具有打印、掃描及複印功能之多功能設備，並建議僱員僅在需要使用時開啟電腦，並在下班後關閉電腦。

就於辦事處有效利用水資源而言，本公司鼓勵所有僱員在茶水間節約用水，並為飲水機進行良好保養，以防止漏水。至於使用包裝材料方面，本公司鼓勵所有僱員使用回收紙箱。

於二零一七年度，本集團繼續致力推動節能減排。本集團採用的具體措施包括：(i) 於辦事處安裝低耗能筆記本電腦及節能照明；(ii) 對PAM及辦公空間的照明設備、空調及電器採用「離開前關閉電源」的原則；(iii) 將電子產品設置為節能模式；以及(iv) 於上環辦事處配備多種視像設備，鼓勵使用視像會議，減少差旅。

### 環境及天然資源

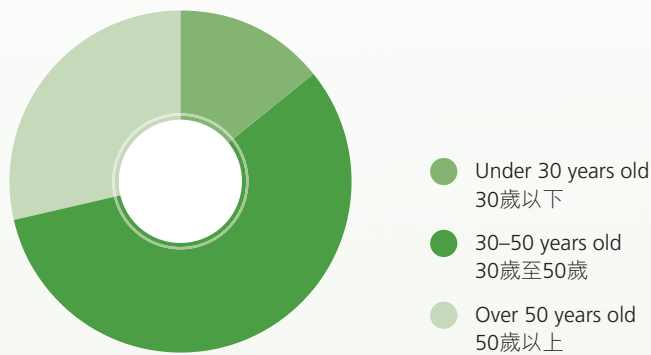
本集團鼓勵全體僱員參與各種回收活動並盡量減少使用天然資源。於二零一七年度，本集團的營運(特別是PAM及上環辦事處)概無對環境及自然構成重大影響。

本集團在日常辦公室運作中結合推動與實踐的方式，培養僱員的環保意識並鼓勵僱員履行環保責任。

本集團在辦公空間積極實施環保措施，包括優先選用節能照明設備及電器、確保在非辦公時間關閉電子設備及照明設備及重複使用紙張。此外，本集團亦鼓勵僱員實行節約資源、珍惜食物及避免浪費資源。

## EMPLOYMENT

The Group has implemented a rigorous recruitment procedure to select and attract outstanding talents for the Group through a combination of external recruitment and internal training. In Year 2017, the proportion of employees employed by the Group, by age band is as follows: (i) 14.29% of 30 years old or below; (ii) 57.14% between 30 and 50 years old; and (iii) 28.57% over 50 years old.



The Group emphasises on developing human resources and provides competitive remuneration and welfare packages. Promotion opportunities and salary increments are benchmarked against individual performance. Employees are entitled to different kinds of leaves and benefits such as paid annual leave, sickness leave, marriage leave, maternity leave, jury service leave, examination leave, compassionate leave, hospitalisation leave etc. and medical insurance coverage in accordance with Employment Ordinance.

The Group emphasises on equal opportunities for all employees in respect of hiring, pay rates, training and development, promotion and other terms of employment. The Group is committed to providing a working environment that is free from discrimination on the basis of ethnicity, gender, religion, age, disability or sexual orientation.

The working hours for general employees are normally not more than 8 hours a day and 40 hours a week. Integrated computation of working hours is implemented with reference to the requirements of the Employment Ordinance.

Treatment of employee's misconduct must be fair and reasonable in all of the circumstances. Misconduct may lead to a warning, and more serious misconduct may lead to a dismissal. Any acts of misconduct would be reported to the human and administration department. In Year 2017, no incident of serious misconduct was identified.

## 僱傭

本集團執行嚴謹的招聘程序，通過外部招募與內部培養相結合的方式為集團甄選及吸納優秀的人才。於二零一七年度，本集團聘用僱員年齡佔比共分為三個類別：(i) 30歲及以下的僱員人數佔14.29%；(ii) 30歲至50歲 佔57.14%；及 (iii) 50歲以上 佔28.57%。

本集團重視發展人力資源及提供富競爭力的薪酬和福利待遇，並根據個人表現給予晉升機會及加薪。根據僱傭條例，僱員有權享有有薪年假、病假、婚假、產假、陪審團假、考試假、恩恤假、住院假及醫療保險等各種假期及福利。

本集團注重在招聘、薪酬、培訓與發展、晉升及其他聘用條款方面為全體僱員提供平等機會。本集團致力提供一個不存在種族、性別、宗教、年齡、殘疾或性取向等歧視的工作環境。

一般僱員的工作時間通常不超過每天8小時及每週40小時。工作時間乃經參考僱傭條例規定綜合計算。

僱員如有不當行為，在所有情況下均須公平合理地處理。一經發現不當行為，將給予警告，而在嚴重的情況下，則予以解僱。任何不當行為均會向人力及行政部門報告。於二零一七年度，並無發現涉及嚴重不當行為的事件。



The Group has diversified cultures including the employees with different genders, ages, skills, educational backgrounds, industry experiences and other qualifications in order to achieve the most suitable composition and balance.

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that has a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group in Year 2017.

No non-compliance with law that resulted in significant fines or sanctions had been reported in Year 2017.

### HEALTH AND SAFETY

The Group places a high priority on securing health and safety of all its employees. The Group endeavors to protect them from work-related accidents or injuries and pledges full compliance with the relevant occupational health and safety in Hong Kong business under the Occupational Safety and Health Ordinance.

The Group complies with the regulations and guidelines by execution of health and safety policies to prevent of occupational accident. The specific measures taken by the Group include: (i) providing tailored-made safety training to the repair department staff in carrying out the electrical works and machine; (ii) providing and ensuring the use of suitable personal protective equipment, such as protective gloves and safety glasses, to put additional protection to the repair department staff; and (iii) exercise adequate monitoring and effective supervision to ensure that the safety precautionary measures are strictly implemented.

The PAM prohibits smoking in all common areas. Regular indoor cleaning services and pest control services are provided for shop and office in Sheung Wan.

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that has a significant impact on the Group relating to provide a safety working environment and protecting employees from occupational hazards in Year 2017.

No non-compliance with law that resulted in significant fines or sanctions had been reported in Year 2017.

本集團擁有多元文化，包括聘用不同性別、年齡、技能、教育背景、行業經驗及其他資格的僱員，以達致最合適的組合及平衡。

### 遵守相關法例及規例

於二零一七年度，本集團並不知悉與本集團在薪酬及解僱、招聘及晉升、工作時間、假期、平等機會、多元化、反歧視以及其他待遇及福利方面有關並構成重大影響的任何嚴重違反相關法例及規例的情況。

於二零一七年度，概無因違反法例而被判處重大罰款或處罰。

### 健康與安全

本集團將保障全體僱員的健康及安全列作重要的考慮。本集團致力保護僱員以免發生工傷事故，並承諾就香港業務全面遵守職業安全及健康條例項下的相關職業健康及安全法例。

本集團執行健康與安全政策，遵守法規及指引，避免職業意外。本集團採取的特定措施包括：(i)為維修部門進行電器工程及機械的員工提供度身訂製安全培訓；(ii)提供及確保使用合適人身保護設備，例如保護手套及護目鏡，為維修部門員工多添保障；及(iii)充足監察及有效監督，確保嚴格執行安全防範。

PAM禁止於所有共用範圍吸煙。店舖及上環辦事處會定期獲提供室內清潔服務及滅蟲服務。

### 遵守相關法例及規例

於二零一七年度，本集團並不知悉與本集團在提供安全工作環境及保障僱員避免職業性危害方面有關並構成重大影響的任何嚴重違反相關法例及規例的情況。

於二零一七年度，概無因違反法例而被判處重大罰款或處罰。



### DEVELOPMENT AND TRAINING

The Group strives to provide an environment where its employees can grow professionally and develop their career path that meets the long-term growth of their expectation simultaneously. In view of that, the Group encourages its employees to participate in the continuous learning activities especially the safety training programs. The Group also provides training to directors with regular reading materials to ensure that they keep abreast of the latest regulatory requirements, corporate governance practices, financial information and market trends.

The Group encourages relevant employees to participate external training at accredited professional institution during office hours such as seminar held by The Stock Exchange of Hong Kong Limited.

The health and safety of employees are the basis of smooth operation. The Group actively promotes the safety strategy, continuously improves responsibility, implements safety risk prevention and processes control and the safety training, to strengthen the awareness of safety for the employees at all levels.

### LABOUR STANDARDS

The Group fully understands that exploitation of child and forced labour is universally condemned, and therefore takes the responsibilities against child and forced labour very seriously. The Group strictly complies with all laws and regulations against child and forced labour. Internal policies are also in place to ensure that no person who is under age or under coercion is hired and, if any such case is identified during the recruitment process, it will be reported to the relevant authorities.

Employment by the Group is based on the principle of fairness, openness and willingness. All individuals enter into employment contracts without acts of forced labour.

To prevent the exploitation of child, human resources department staff checks the identity card of permanent employees.

#### Compliance with relevant laws and regulations

The Group is not aware of any non-compliance with the relevant laws and regulations relating to preventing child or forced labour on the Group in Year 2017.

No non-compliance with law that resulted in significant fines or sanctions had been reported in Year 2017.

### 發展及培訓

本集團致力提供一個良好的環境，讓其僱員可在專業方面有所成長及發展彼等的事業以同時滿足彼等實現長遠發展的期望。有鑑於此，本集團鼓勵其僱員參加持續進修活動，尤其是安全培訓課程。本集團亦定期以提供閱讀材料為董事提供培訓，務求確保彼等緊貼最新的監管規定、企業管治常規、財務資訊及市場趨勢。

本集團鼓勵相關僱員於辦公時間內在認可的專業機構參加外部培訓，例如香港聯合交易所有限公司舉辦的講座。

員工的健康及安全乃平穩運營的基礎。本集團積極推動安全策略，持續改善責任，實施安全風險防治，進行監控及安全培訓，從而提升所有級別員工的安全意識。

### 勞工準則

本集團深知僱用童工及強制勞工嚴重違反普世價值觀，因此竭力反對一切僱用童工及強制勞工的行為。本集團嚴格遵守所有針對僱用童工及強制勞工的法例及規例。本集團亦設有內部政策，以確保絕不僱用未成年或受脅迫的人士，而倘若在招聘過程中發現任何有關情況，將上報相關機構。

本集團本著公平、公開及自願的原則僱用員工。全體僱員均簽訂僱傭合約，並無強制勞工行為。

為防止僱用童工，人力資源部門的員工會核對長期僱員的身份證。

#### 遵守相關法例及規例

於二零一七年度，本集團並不知悉與本集團在防止僱用童工或強制勞工方面有關的任何違反相關法例及規例的情況。

於二零一七年度，概無因違反法例而被判處重大罰款或處罰。





### SUPPLY CHAIN MANAGEMENT

The Group has policy named "Procurement and Tender Procedure" (採購及投標程序) which requires the newly hired suppliers and contractors to have demonstrable track records of satisfactory performance. The Group requires their suppliers to act responsibly and adhere to their environmental, social and governance standards.

The Group has the greatest respect for the laws and regulations that govern its business. The Group always adheres to good practices and conducts fair and unbiased procurement processes when dealing with suppliers.

In situations where several companies can meet its project requirements, the Group will select those with a good reputation for being environmentally and socially responsible and/or that hold environmental certification. The Group offers its contractors encouragement and support in its efforts to further improve their environmental protection.

### PRODUCT RESPONSIBILITY

The Group places a high priority to ensure customer satisfaction in terms of its products and services. Strenuous efforts are made to ensure compliance with the laws and regulations relating to product health and safety, labelling and privacy matters of the jurisdictions in which the Group operates. The Group requires its employees to comply with the applicable governmental and regulatory laws, rules, codes and regulations. In addition, PAM runs training sessions for its relevant employees in respect of product responsibilities and specification. Orientation training is conducted for new employees, while refreshment trainings are provided for all employees on a regular basis.

PAM inspects and ensures that all products are in good quality before they are sold to the client. To enhance after sales services, PAM provides repairing services for motor vehicles at the shop.

#### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that has a significant impact relating to health and safety, labelling and privacy matters relating to products and services provided and methods of redress on the Group in Year 2017.

No significant fines had been reported in Year 2017.

### 供應鏈管理

本集團有一項名為「採購及招標程序」的政策，規定新聘供應商及承包商展示表現令人滿意的往績記錄。本集團要求供應商盡責行事，恪守其環境、社會及管治標準。

本集團嚴格遵守規管其業務的法例及規例。本集團一直以良好慣例及公平公正的採購程序處理與供應商的交易。

倘若有多間公司符合本集團的項目要求，本集團會選擇在環保及社會責任方面具備良好聲譽及／或持有環保認證的公司。本集團鼓勵及支持其承包商進一步改善彼等的環保表現。

### 產品責任

確保客戶滿意產品及服務是本集團的主要目標。本集團致力確保其在產品健康與安全、標籤及私隱方面均遵守其經營所在司法權區的法例及規例。本集團要求其僱員遵守適用的政府及監管法例、規則、守則及規例。此外，PAM為其相關僱員舉辦產品責任及規格方面的培訓課程。本集團為新僱員安排入職培訓，而所有現有僱員則定期接受再培訓。

PAM調查及確保所有產品的品質良好後，方會將產品售予客戶。為改善售後服務，PAM於店舖提供汽車維修服務。

#### 遵守相關法例及規例

於二零一七年度，本集團並不知悉與本集團所提供產品及服務的健康與安全、標籤及私隱事宜以及補救方法方面有關並構成重大影響的任何嚴重違反相關法例及規例的情況。

於二零一七年度，概無任何重大罰款。

## ANTI-CORRUPTION

The Group has policy regarding bribery and corruption in any form or at any level named “Practical Guide on Corruption Prevention” (防貪防腐防違規指引). The policy sets out its requirements and practices regarding the prevention, identification, and handling of any instances of alleged, proven bribery or corruption.

The Group has established a regular review process on its business practices and anti-corruption measures and guidelines, as well as reported improprieties investigation.

Sound organisational structures and policies are in place in the Group to uphold a high standard of corporate governance and maintain an ethical corporate culture.

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that has a significant impact on the issuer relating to bribery, extortion, fraud and money laundering in Year 2017.

There was no legal case concerning corruption brought against the Group or its employees in Year 2017.

## COMMUNITY INVESTMENT

The Group aims to help creating a harmonious, dynamic and liveable environment for the communities in which the Group operates by developing and managing properties that take into account of the local culture, environment and community's priorities. The Group maintains an appropriate level of community involvement and provides support to community activities and encourages employees to take part into work-life balance activities and community services.

## 反貪污

本集團設有禁止任何形式或任何層面名為「防貪防腐防違規指引」的政策。該政策有其就防止、識別及處理任何涉嫌及經證實涉及賄賂或貪污的事件採納的規定及做法。

本集團已定期檢討其業務慣例、反貪污措施及相關指引，以及調查被舉報的不當行為。

本集團設有健全的組織架構及政策，以維持高水平的企業管治及維繫符合道德水平的企業文化。

### 遵守相關法例及規例

於二零一七年度，本集團並不知悉在賄賂、勒索、欺詐及洗黑錢方面與發行人有關並構成重大影響的任何嚴重違反相關法例及規例的情況。

於二零一七年度，本集團或其僱員並無涉及有關貪污的法律訴訟。

## 社區投資

本集團在開發及管理物業過程中考慮當地文化、環境及社區優先事項，務求協助本集團營運所在社區創造和諧、富有活力的宜居環境。本集團維持適當水平的社區參與度，支持社區活動，並鼓勵僱員參與有助達致工作與生活平衡的活動及社區服務。



# Independent Auditor's Report

## 獨立核數師報告



### TO THE SHAREHOLDERS OF CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of China Environmental Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 131, which comprise the consolidated statement of financial position as at 30 June 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2017, 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 (the "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 ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 致中國環境資源集團有限公司股東

(於開曼群島註冊成立之有限公司)

### 意見

吾等已審核第62至131頁所載中國環境資源集團有限公司(「貴公司」)及其附屬公司(合稱「貴集團」)的綜合財務報表，包括於二零一七年六月三十日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要的綜合財務報表附註。

吾等認為，綜合財務報表真實中肯反映貴集團於二零一七年六月三十日的綜合財務狀況，及其截至該年度的綜合財務表現及其綜合現金流量已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)妥為編製且符合香港《公司條例》的披露規定。

### 意見基準

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。吾等於該等準則下之責任，已於吾等的報告中「核數師於審核綜合財務報表下的責任」一節中進一步表述。根據香港會計師公會頒佈之專業會計師職業道德守則(「守則」)，吾等獨立於貴集團，並已根據守則履行吾等之其他道德責任。吾等相信所取得之審核憑證能充份及適當地為吾等的意見提供基準。



## 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Biological assets

#### Refer to Note 18 to the consolidated financial statements

The Group measured its biological assets at fair value less costs to sell with the changes in fair value recognised in profit or loss. This fair value measurement is significant to our audit because the balance of biological assets of HK\$506,022,000 as at 30 June 2017 and the loss from changes in fair value less costs to sell of HK\$33,233,000 for the year then ended are material to the consolidated financial statements. The Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the competence, independence and integrity of the external valuer engaged by client;
- Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's fair value measurement of the biological assets is supported by the available evidence.

## 主要審核事項

主要審核事項是指根據吾等的專業判斷，對吾等審核本期綜合財務報表最為重要的事項。此等事項已於吾等整體審核綜合財務報表時，以及就達致吾等之意見時處理，而吾等不會就此等事項提供獨立意見。吾等已釐定下述之事項，為將於吾等之報告中交待之主要審核事項。

### 生物資產

#### 謹此提述綜合財務報表附註18

貴集團以公允值減銷售成本計量其生物資產，而公允值之變動於損益中確認。此公允值計量對吾等之審核有重大影響，因為生物資產於二零一七年六月三十日之結餘506,022,000港元，以及截至該日止年度之公允值減銷售成本變動之虧損33,233,000港元，對綜合財務報表具重要性。貴集團之公允值計量涉及運用判斷，並基於假設及估計。

吾等的審核程序包括(其中包括)：

- 評估客戶委聘的外部估值師的能力、獨立性及誠信；
- 取得外部估值報告，並與外部估值師會面，以商討估值過程、使用的估值方法、支持重大判斷的市場證據，以及估值模型所應用的假設，並提出質疑；
- 查核估值模型中的主要假設及輸入數據，以支持證據；
- 查核估值模型的算術準確度；及
- 評估綜合財務報表內公允值計量的披露。

吾等認為 貴集團對生物資產的公允值計量獲現有證據所支持。





### Intangible assets

#### Refer to Note 19 to the consolidated financial statements

The Group tested the amount of intangible assets for impairment. This impairment test is significant to our audit because the balance of intangible assets of HK\$103,635,000 as at 30 June 2017 is material to the consolidated financial statements. In addition, the Group's impairment test involve application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Evaluating the Group's impairment assessment;
- Obtaining and checking to evidence to support the Group's impairment assessment;
- Assessing the competence, independence and integrity of the external valuer engaged by client;
- Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model;
- Checking arithmetical accuracy of the valuation model; and
- Checking key assumptions and input data in the valuation model to supporting evidence.

We consider that the Group's impairment test for intangible assets is supported by the available evidence.

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

### 無形資產

#### 謹此提述綜合財務報表附註19

貴集團已就減值測試無形資產。此減值測試對吾等之審核有重大影響，原因是於二零一七年六月三十日，無形資產的結餘為103,635,000港元，並對綜合財務報表具重要性。此外，貴集團減值測試涉及運用判斷，並基於假設及估計。

吾等的審核程序包括(其中包括)：

- 評估 貴集團之減值測試；
- 取得支持 貴集團減值評估之證據並對此進行查核；
- 評核客戶委聘的外部估值師的能力、獨立性及誠信；
- 取得外部估值報告，並與外部估值師會面，以商討估值過程、使用的估值方法、支持重大判斷的市場證據，以及估值模型所應用的假設，並提出質疑；
- 查核估值模型的算術準確度；及
- 查核於估值模型的關鍵假設及輸入數據為支持證據。

吾等認為 貴集團的無形資產減值測試獲現有證據所支持。

### 其他資料

董事對其他資料負有責任。其他資料包括 貴公司年報內的所有資料，但不包括綜合財務報表及載於其中的吾等核數師報告。其他資料預期於本核數師報告日期後提供予吾等。

吾等對綜合財務報表的意見並不涵蓋其他資料，而吾等將不就其表達任何形式的保證結論。

就吾等對綜合財務報表之審核而言，吾等的責任為閱讀其他資料，於出現時識別上述各項，並就此考慮其他資料是否與綜合財務報表或吾等於審核時所知者重大不一致之處，或可能存在重大失實陳述。

# Independent Auditor's Report

## 獨立核數師報告

### RESPONSIBILITIES OF DIRECTORS 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.

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

This description forms part of our auditor's report.

**ZHONGHUI ANDA CPA Limited**  
*Certified Public Accountants*  
**Sze Lin Tang**  
*Audit Engagement Director*  
Practising Certificate Number P03614

Hong Kong,  
26 September 2017

### 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》的披露規定，編製及真實公允地列報綜合財務報表，以及進行董事認為必要的內部監控，以確保所編製的綜合財務報表並無因欺詐或錯誤而引致的重大失實陳述。

於編製綜合財務報表時，董事負責評核貴集團持續經營的能力，並於適當情況下披露與持續經營相關的事項，及使用持續經營為會計基礎，除非董事有意對貴集團進行清盤或停止營運，或別無其他實際的替代方案。

### 核數師就審核綜合財務報表須承擔的責任

吾等的目標為取得合理的保證，以決定綜合財務報表整體是否並無因欺詐或錯誤而引致重大失實陳述，並出具包括吾等意見之核數師報告。吾等僅向全體股東作出報告，除此以外，本報告概不可用作其他用途。吾等概不就本報告的內容，對任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港核數準則進行的審核，如果某一重大失實陳述存在時，吾等總能發現。失實陳述可以由欺詐或錯誤引起，如果合理預期其單獨或總計起來可能影響此等綜合財務報表使用者依賴此等綜合財務報表所作出的經濟決定，則有關的失實陳述可被視作重大。

有關吾等就審核綜合財務報表之進一步概述，請瀏覽香港會計師公會網頁：

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

本概述組成吾等核數師報告之一部分。

**中匯安達會計師事務所有限公司**  
*執業會計師*  
**施連燈**  
*審核項目董事*  
執業牌照號碼 P03614

香港，  
二零一七年九月二十六日



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
<b>Revenue</b>	<b>收益</b>	7	<b>13,971</b>	13,365
Cost of sales	銷售成本		<b>(6,755)</b>	(8,220)
<b>Gross profit</b>	<b>毛利</b>		<b>7,216</b>	5,145
Other income	其他收入	9	<b>6,677</b>	3
Administrative and operating expenses	行政及營運開支		<b>(42,756)</b>	(49,301)
Net loss on fair value changes on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之公允價值變動之虧損淨額		<b>(949)</b>	(33,161)
Gain on deregistration of a subsidiary	註銷一間附屬公司之收益	32	<b>4,864</b>	—
Gain/(loss) on disposals of subsidiaries	出售一間附屬公司之收益/(虧損)	32	<b>17</b>	(12)
Loss arising from changes in fair value less costs to sell of biological assets	生物資產公允價值變動減出售成本產生之虧損	18	<b>(33,233)</b>	(45,603)
<b>Loss from operations</b>	<b>經營虧損</b>		<b>(58,164)</b>	(122,929)
Finance costs	融資成本	10	<b>(161)</b>	(661)
<b>Loss before tax</b>	<b>除稅前虧損</b>		<b>(58,325)</b>	(123,590)
Income tax credit	所得稅抵免	11	<b>9,238</b>	16,704
<b>Loss for the year</b>	<b>年度虧損</b>	12	<b>(49,087)</b>	(106,886)
<b>Other comprehensive loss after tax:</b>	<b>除稅後其他全面虧損：</b>			
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益之項目：</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		<b>(7,063)</b>	(36,979)
<b>Other comprehensive loss for the year, net of tax</b>	<b>年內其他全面虧損 (除稅後)</b>		<b>(7,063)</b>	(36,979)
<b>Total comprehensive loss for the year</b>	<b>年度全面虧損總額</b>		<b>(56,150)</b>	(143,865)

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註		
<b>Loss for the year attributable to: 下列人士應佔年度虧損:</b>			
Owners of the Company	本公司擁有人	(48,277)	(106,609)
Non-controlling interests	非控股權益	(810)	(277)
		<b>(49,087)</b>	<b>(106,886)</b>
<b>Total comprehensive loss for the year attributable to: 下列人士應佔年度全面虧損總額:</b>			
Owners of the Company	本公司擁有人	(55,340)	(143,588)
Non-controlling interests	非控股權益	(810)	(277)
		<b>(56,150)</b>	<b>(143,865)</b>
<b>Loss per share 每股虧損</b>			
	14		
Basic (HK cents per share)	基本(每股港仙)	(3)	(8)
Diluted (HK cents per share)	攤薄(每股港仙)	(3)	(8)





# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 30 June 2017 於二零一七年六月三十日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	16	4,087	5,765
Investment properties	投資物業	17	210,845	134,347
Biological assets	生物資產	18	506,022	547,224
Intangible assets	無形資產	19	103,635	110,011
Goodwill	商譽	20	1,087	1,087
			<b>825,676</b>	798,434
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	21	13,356	8,576
Trade and other receivables	應收賬款及其他應收款項	22	28,602	22,051
Loans receivable	應收貸款	23	25,899	13,072
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	24	1,264	5,433
Refundable secured deposit	可退還已抵押按金	25	70,000	70,000
Cash and cash equivalents	現金及等同現金項目		13,015	81,359
			<b>152,136</b>	200,491
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	26	17,153	9,258
Current tax liabilities	流動稅項負債		3,460	7,976
			<b>20,613</b>	17,234
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>131,523</b>	183,257
<b>Total assets less current liabilities</b>	<b>資產總額減流動負債</b>		<b>957,199</b>	981,691
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	27	152,414	164,324
Promissory note	承兌票據	28	28,881	—
			<b>181,295</b>	164,324
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>775,904</b>	817,367

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 30 June 2017 於二零一七年六月三十日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	29	33,943	33,943
Reserves	儲備		728,370	783,710
Equity attributable to owners of the Company	本公司擁有人應佔權益		762,313	817,653
Non-controlling interests	非控股權益		13,591	(286)
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>775,904</b>	817,367

The consolidated financial statements on pages 62 to 131 were approved and authorised for issue by the Board of Directors on 26 September 2017 and are signed on its behalf by:

第62至131頁所載綜合財務報表乃經董事會於二零一七年九月二十六日批准及授權發行，並由以下董事代表董事會簽署：

**Yeung Chi Hang**

楊智恒

Director

董事

**Leung Kwong Choi**

梁廣才

Director

董事



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium account	Statutory reserve	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total
		股本	股份溢價賬	法定儲備	股本儲備	股份酬金儲備	外匯兌換儲備	累計虧損	總額	非控股權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2015	於二零一五年七月一日	18,857	969,958	5,407	76	—	81,475	(299,739)	776,034	—	776,034
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	—	(36,979)	(106,609)	(143,588)	(277)	(143,865)
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	—	—	—	(9)	(9)
Open offer (note 29(i))	公開發售 (附註29(i))	9,429	123,244	—	—	—	—	—	132,673	—	132,673
Share option	購股權	—	—	—	—	6,923	—	—	6,923	—	6,923
Placing of new shares under general mandate (note 29(ii))	根據一般授權配售新股份 (附註29(ii))	5,657	39,954	—	—	—	—	—	45,611	—	45,611
At 30 June 2016	於二零一六年六月三十日	33,943	1,133,156	5,407	76	6,923	44,496	(406,348)	817,653	(286)	817,367
At 1 July 2016	於二零一六年七月一日	33,943	1,133,156	5,407	76	6,923	44,496	(406,348)	817,653	(286)	817,367
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	—	(7,063)	(48,277)	(55,340)	(810)	(56,150)
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	—	7	7
Acquisition of assets	收購資產	—	—	—	—	—	—	—	—	14,680	14,680
At 30 June 2017	於二零一七年六月三十日	33,943	1,133,156	5,407	76	6,923	37,433	(454,625)	726,313	13,591	775,904

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Cash flows from operating activities</b>	<b>經營活動所得現金流</b>		
Loss before tax	除稅前虧損	(58,325)	(123,590)
Adjustments for:	已就下列各項調整：		
Depreciation	折舊	6,838	6,310
Finance costs	融資成本	161	661
Interest income from refundable secured deposit	可退還已抵押按金利息收入	(5,830)	—
Net loss on fair value changes on financial assets at fair value through profit or loss	按公允值計入損益之金融資產公允值變動之虧損淨額	949	33,161
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	—	822
Loss on write-off of property, plant and equipment	撤銷物業、廠房及設備之虧損	11	—
Amortisation of intangible assets	無形資產攤銷	4,793	4,996
Gain on deregistration of a subsidiary (Gain)/loss on disposals of subsidiaries	註銷一間附屬公司之收益 出售附屬公司之(收益)/虧損	(4,864) (17)	— 12
Loss arising from changes in fair value less costs to sell of biological assets	生物資產公允值變動減銷售成本產生之虧損	33,233	45,603
Equity-settled share-based payments	以權益結算以股份為基礎付款	—	6,923
Operating loss before working capital changes	營運資金變動前之經營虧損	(23,051)	(25,102)
Change in inventories	存貨變動	(4,780)	(8,575)
Change in trade and other receivables	應收賬款及其他應收款項變動	(6,551)	(17,871)
Change in loans receivable	應收貸款變動	(12,827)	(8,062)
Changes in financial assets at fair value through profit or loss	按公允值計入損益之金融資產變動	3,220	4,993
Change in trade and other payables	應付賬款及其他應付款項變動	445	1,032
Cash used in operations	經營所用現金	(43,544)	(53,585)
Income tax refunded/(paid)	已退還/(已付)所得稅	60	(200)
Interest income from refundable secured deposit	可退還已抵押按金利息收入	5,830	—
Interests paid	已付利息	—	(661)
<b>Net cash used in operating activities</b>	<b>經營活動所用現金淨額</b>	<b>(37,654)</b>	<b>(54,446)</b>



## Consolidated Statement of Cash Flows

### 綜合現金流量表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Cash flows from investing activities</b>	<b>投資活動所得現金流</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(223)	(3,591)
Purchase of investment properties	購買投資物業	—	(36,514)
Acquisition of subsidiaries	收購附屬公司	(30,496)	(1,001)
Proceeds from disposal of a subsidiary	出售一間附屬公司所得款項	—	1,005
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(30,719)</b>	(40,101)
<b>Cash flows from financing activities</b>	<b>融資活動所得現金流</b>		
Repayment of promissory note	償還承兌票據	—	(60,000)
Net proceeds from the open offer	公開發售所得款項淨額	—	132,673
Net proceeds from the placing of new shares	配售新股份所得款項淨額	—	45,611
<b>Net cash generated from financing activities</b>	<b>融資活動所得現金淨額</b>	<b>—</b>	118,284
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及等同現金項目(減少)/增加淨額</b>	<b>(68,373)</b>	23,737
Effect of foreign exchange rate changes	外匯匯率變動的影響	29	—
Cash and cash equivalents at beginning of year	年初之現金及等同現金項目	81,359	57,622
<b>Cash and cash equivalents at end of year</b>	<b>年終之現金及等同現金項目</b>	<b>13,015</b>	81,359
<b>Analysis of cash and cash equivalents</b>	<b>現金及等同現金項目分析</b>		
Bank and cash balances	銀行及現金結餘	13,015	81,359

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 1. GENERAL INFORMATION

China Environmental Resources Group Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Ugland House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies. The address of its principal place of business is 2811, 28/F West Tower Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Singapore Exchange Limited.

During the year, the Company's principal activity is investment holding. The principal activities of its subsidiaries are set out in note 37. The Company and its subsidiaries hereinafter collectively referred to as the "Group".

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 July 2016. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standard, and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

### 1. 一般資料

中國環境資源集團有限公司(「本公司」)是於開曼群島註冊成立的有限責任公司。註冊辦事處位於 Ugland House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies。主要營業地點位於香港干諾道中168-200號信德中心西翼28樓2811室。本公司股份於香港聯合交易所有限公司(「聯交所」)主板及新加坡證券交易所上市。

年內，本公司的主要業務為投資控股。其附屬公司之主要業務載列於附註37。本公司及其附屬公司此後統稱為「本集團」。

### 2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已採納香港會計師公會(「香港會計師公會」)頒佈並與本集團之業務有關且於二零一六年七月一日開始之會計年度已生效之所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新訂及經修訂香港財務報告準則對本集團之會計政策、本集團綜合財務報表之呈列及就本年度及過往年度所呈報之金額並無造成重大變動。

本集團並無應用已頒佈惟尚未生效之新香港財務報告準則。本集團已開始評估該等新香港財務報告準則之影響，惟尚未能斷定該等新香港財務報告準則是否會嚴重影響其經營業績及財務狀況。



### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of biological assets which are carried at their fair values less costs to sell and financial assets at fair value through profit or loss which are carried at their fair values. The consolidated financial statements are presented in Hong Kong Dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors of the Company to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4.

The significant accounting policies applied in the preparation of the consolidated financial statements are set out below.

### 3. 編製基準及重大會計政策

#### 合規聲明

綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則、香港公認會計原則及香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例所規定之適用披露。

綜合財務報表乃根據歷史成本慣例編製，並經生物資產(按公允值減出售成本列值)及按公允值計入損益之金融資產(按公允值列值)之重新估值調整。綜合財務報表乃按港元(「港元」)呈列，除另有指明外，所有數值均湊整至最接近千位數。

為遵守香港財務報告準則，編製綜合財務報表時須使用若干主要假設及估計，亦要求本公司董事於應用會計政策之過程中作出判斷。有關涉及關鍵判斷之範疇及假設及估計對此等綜合財務報表而言屬重大之範疇，請參閱附註4之披露。

已於編製此等綜合財務報表時應用之重大會計政策列載如下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated exchange fluctuation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

### 3. 編製基準及重大會計政策 (續)

#### 綜合入賬

綜合財務報表包括本公司及其附屬公司截至六月三十日止之財務報表。附屬公司是指本集團對其擁有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權力賦予其目前掌控有關業務(即大幅影響實體回報的業務)時，則本集團對該實體行使權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。在持有人能實際行使潛在投票權的情況下，方會考慮其權利。

附屬公司在控制權轉移至本集團之日綜合入賬，而在控制權終止之日起停止綜合入賬。

引致喪失控制權的附屬公司出售所產生的收益或虧損指以下兩項的差額：(i)銷售代價公允值加於該附屬公司所保留的任何投資的公允值及(ii)本公司分佔該附屬公司資產淨值加該附屬公司有關的任何商譽餘額及任何相關的累計外匯波動儲備。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。倘有需要，附屬公司之會計政策會作出調整，以確保符合本集團採納之政策。

非控股權益指並非直接或間接歸本公司之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內列賬。於綜合損益及其他全面收益表內，非控股權益呈列為本年度溢利或虧損及全面收益總額在非控股股東與本公司擁有人之間的分配。

溢利或虧損及其他全面收益項目歸本公司擁有人及非控股股東，即使導致非控股權益結餘出現虧蝕。





### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in profit or loss as a gain on bargain purchase which is attributed to the Company.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

### 3. 編製基準及重大會計政策 (續)

#### 業務合併及商譽

於業務合併中收購附屬公司乃按收購會計法處理。收購成本按於收購當日所交付資產、所發行股本工具、所產生負債及或然代價之公允值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購當日之公允值計算。

收購成本超出本公司攤分附屬公司可識別資產及負債之公允淨值之差額將以商譽列賬。本公司攤分可識別資產及負債之公允淨值高於收購成本之差額將於溢利或虧損內確認屬本公司之議價收購收益。

商譽於每年進行減值測試，或倘出現可能減值之事宜或情況出現變動，則會作更頻密測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計算方法與其他資產所用者相同(如下文會計政策所述)。商譽之減值虧損於溢利或虧損內確認且不會於其後撥回。就減值測試而言，商譽會被分配至受惠於收購之協同效益之現金產生單位。

於附屬公司之非控股權益初步按非控股股東於收購當日攤分附屬公司之可識別資產及負債公允淨值之比例計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currency translation

##### (a) Functional and presentation currency

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

##### (b) Transactions and balances in each entity’s financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

##### (c) Translation on consolidation

The results and financial position of all the group entities that have a functional currency different from the Group’s presentation currency are translated into the Group’s presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case incomes and expenses are translated at the exchange rates on the transaction dates); and

### 3. 編製基準及重大會計政策 (續)

#### 外幣匯兌

##### (a) 功能及呈列貨幣

各集團實體財務報表內之項目，均以實體經營業務之主要經濟環境之貨幣（「功能貨幣」）計算。綜合財務報表以港元列賬，其為本公司之功能貨幣和本集團之呈列貨幣。

##### (b) 各實體財務報表內之交易及結餘

外幣交易於首次確認時按交易日之現行匯率折算為功能貨幣。以外幣計值之貨幣資產及負債按各呈報期末之匯率折算。該折算政策所產生之收益及虧損於損益表確認。

以外幣之公允值計量的非貨幣項目，乃使用於釐定公允值當日之匯率進行兌換。

當非貨幣項目之收益或虧損於其他全面收入確認時，該收益或虧損之任何匯兌組成部分於其他全面收入中確認。當非貨幣項目之收益或虧損於損益中確認，該收益或虧損之任何匯兌組成部分於損益中確認。

##### (c) 於綜合賬目時兌換

功能貨幣有別於本集團呈列貨幣的所有集團實體的業績及財務狀況乃按下列方式兌換為本集團的呈列貨幣：

- (i) 所呈列財務狀況表內的資產及負債乃按該財務狀況表日期的收市匯率兌換；
- (ii) 收益及開支乃按平均匯率兌換（除非該平均值並非該等交易日期當時匯率的累計影響的合理約數，在此情況下收益及開支則按交易日期的匯率兌換）；及



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currency translation (Continued)

##### (c) Translation on consolidation (Continued)

- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their costs less their residual values over the estimated useful lives on a straight-line basis. The principal annual rate is as follows:

Leasehold improvements	Over the shorter of 20%–33% or the remaining unexpired terms of the leases
Furniture, fixtures and equipment	19%–33%
Cruiser	30%

### 3. 編製基準及重大會計政策 (續)

#### 外幣匯兌 (續)

##### (c) 於綜合賬目時兌換 (續)

- (iii) 所有導致的匯兌差額乃於外幣兌換儲備中確認。

於綜合賬目時，兌換海外實體的投資淨額及借款時產生的匯兌差額乃於外幣兌換儲備中確認。當出售海外業務時，有關匯兌差額乃於損益表內確認為出售時的收益或虧損之一部分。

因收購海外實體而產生的商譽及公允值調整，乃以海外實體之資產及負債方式處理，並以收市匯率兌換。

#### 物業、機器及設備

物業、機器及設備乃按成本列值減累計折舊及減值虧損。

只有當與該項目相關的日後經濟利益可能流入本集團且該項目的成本可以可靠地計量時，往後的成本才計入該資產的賬面值或確認為獨立資產(視情況而定)。所有其他維修及保養乃於產生期間內於損益內列為開支。

物業、機器及設備的折舊乃按足以撇銷其成本的數值減其估計可使用年期內的剩餘價值以直線法計算。主要年度數值如下：

租賃裝修	20%–33%或租賃之餘下未屆滿期間(以較短者為準)
傢具、裝置及設備	19%–33%
遊艇	30%

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

#### Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. Investment properties are measured initially at their cost including all direct costs attributable to the properties.

After initial recognition, the investment properties are stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight line method to allocate the cost to the residual value over their estimated useful lives of 20 and 30.5 years.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

### 3. 編製基準及重大會計政策 (續)

#### 物業、機器及設備(續)

於各報告期末，剩餘價值、可使用年期及折舊法均會檢討及調整(如適合)。

出售物業、機器及設備的收益或虧損乃銷售所得淨額及有關資產的賬面值之間的差額，並於損益表內確認。

#### 投資物業

投資物業指為賺取租金收入及／或資本增值而持有之土地及／或樓宇。投資物業初步按成本(包括物業應佔所有直接成本)計量。

於初步確認後，投資物業以成本扣除累積折舊及減值虧損入賬。折舊按其20及30.5年估計可使用年期以直線法計算以分配成本至其剩餘價值。

出售投資物業之收益或虧損乃出售所得款項淨額與該物業之賬面值兩者之差額，並於損益表內確認。





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases.

#### The Group as lessee

Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

#### The Group as lessor

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

#### Intangible assets

##### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately. Amortisation is calculated on a straight-line basis over their estimated useful lives of 30 years.

#### Biological assets

A biological asset is defined as a living plant managed by the Group which is involved in the agricultural activity of the transformation of biological assets for sale, into agricultural produce, or into additional biological assets.

Biological assets comprise standing timbers in the People's Republic of China (the "PRC"), which are stated at fair value less costs to sell at initial recognition and at the end of each reporting period. The gain or loss arising on initial recognition, and subsequent change in fair values less costs to sell of biological assets is recognised in profit or loss in the reporting period in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and taxes. Standing timber is transferred to inventory at its fair value less costs to sell at the date of harvest.

### 3. 編製基準及重大會計政策 (續)

#### 經營租賃

並無將資產擁有權的所有風險及回報絕大部分轉移至本集團的租賃均視為經營租賃。

#### 本集團為承租人

租賃款項在扣除自出租人收取的任何獎勵金後，於租賃期內以直線法確認為開支。

#### 本集團為出租人

經營租賃之租金收入於相關租賃期內按直線法確認。

#### 無形資產

##### 業務合併所購無形資產

業務合併所購及於商譽以外另行確認之無形資產，於收購日期按公允值(被視為成本)初步確認。

初步確認後，業務合併所購無形資產按成本減累計攤銷及累計減值虧損(如有)後計量，基準與另行收購之無形資產相同。攤銷以直線基準按其估計可使用年期30年計算。

#### 生物資產

生物資產指由參與將待售生物資產轉為農產品或其他生物資產的農業活動之本集團所管理的植物。

生物資產包括位於中華人民共和國(「中國」)的未採伐林木，以公允值減初步確認時及各報告期末之待售成本列賬。初步確認所產生的損益及公允值之其後變動減生物資產待售成本於所產生之報告期內於損益確認。待售成本包括直接因出售資產而增加之成本，惟不包括融資成本及稅項。未採伐林木按公允值減採伐日期之待售成本轉為存貨。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度



### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is 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.

#### Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

#### Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

### 3. 編製基準及重大會計政策 (續)

#### 存貨

存貨以成本值與可變現淨值兩者中之較低者列賬。成本值以先入先出基準釐定。製成品及在製品之成本包括原材料、直接工資、適量比例之日常生產費用以及分判費用(倘適用)。可變現淨值乃根據日常業務運作中之估計售價減估計完成成本及估計出售所需成本計算。

#### 確認及終止確認金融工具

倘本集團乃工具合約條款之訂約方，則金融資產及金融負債於綜合財務狀況表確認。

於收取資產現金流量之已訂約權利屆滿；本集團轉讓資產擁有權之絕大部分風險及回報；或本集團既無轉讓亦不保留資產擁有權之絕大部分風險及回報；但不保留資產之控制權時，終止確認金融資產。終止確認一項金融資產時，資產賬面值與已直接於其他全面收入確認之已收代價以及累計損益之總和之間之差額於損益內確認。

倘相關合約訂明之責任解除、註銷或失效，則終止確認金融負債。已終止確認金融負債賬面值與已付代價之間的差額於損益內確認。

#### 投資

倘根據要求在相關市場中約定的時間內交付該項投資的合同購買和出售投資，則有關投資會按交易日會計方法進行確認及終止確認，並初始按公允值加直接應佔交易費用計量，按公允值計入損益之財務資產除外。

按公允值計入損益之財務資產乃分類為持作買賣或於初步確認時指定按公允值計入損益之投資。該等投資其後按公允值計算。因該等投資之公允值變動所產生之收益或虧損乃於收益內確認。



### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Trade, loans and other receivables

Trade, loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade, loans and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

#### Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### 3. 編製基準及重大會計政策 (續)

#### 貿易、貸款及其他應收款

貿易、貸款及其他應收款為附有固定或可釐訂支付款項，且未於活躍市場報價之非衍生金融資產，並於初始確認時按公允值入賬，其後使用實際利率法按攤銷成本減去減值撥備釐定。倘有客觀證據顯示本集團將不能根據應收款項的原有期限收取所有到期金額，將會就貿易、貸款及其他應收款作出減值撥備。撥備金額乃應收款賬面值與估計未來現金流量的現值的差額，按初始確認時計算之實際利率貼現。撥備金額於損益中確認入賬。

於往後期間，倘應收款之可收回金額增加與確認減值後所發生之事項客觀相連，則撥回減值虧損並於損益內確認，惟於撥回減值日之應收款賬面值不得高於倘並無確認減值之攤銷成本。

#### 現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目指銀行及手頭上的現金、銀行及其他金融機構之活期存款、可轉為已知數量之現金及沒有明顯變值風險之短期高流動性投資。銀行透支應要求償還並構成本集團現金管理之主要部分，亦計入現金及等同現金項目之內。

#### 金融負債及權益工具

金融負債及權益工具乃根據所訂立合約安排之內容，及香港財務報告準則中金融負債和權益工具之定義予以分類。權益工具為可證明於本集團資產之餘額權益經扣除其所有負債後之任何合約。就特定金融負債及權益工具採納之會計政策載列如下。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial liabilities and equity instruments (Continued)

##### Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

##### Equity instruments

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

##### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenue from the sales of motor vehicles are recognised on transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

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

Rental income is recognised on a straight-line basis over the lease term.

##### Employee benefits

###### (a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

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

### 3. 編製基準及重大會計政策 (續)

#### 金融負債及權益工具(續)

##### 貿易及其他應付款

貿易及其他應付款初始按其公允值列賬，並於其後採用實際利息法按攤銷成本計算，除非貼現之影響輕微，則在此情況下按成本列賬。

##### 權益工具

由本公司所發行的權益工具乃按收取的所得款項減直接發行成本記錄。

##### 收益確認

收益乃按已收或應收代價之公允值計量，並於經濟利益可能流入本集團及收益金額可以可靠地計量時確認。

銷售汽車之收益於轉移擁有權之重大風險及回報時確認，此時間多數與貨品交付及擁有權轉移至客戶之時間一致。

金融資產的利息收入參考未償還本金額按時間基準以適用實際利率累計，實際利率指透過金融資產的預期年期將估計未來現金收入準確貼現至該資產的賬面淨值的利率。

租金收入於租期內按直線法確認。

##### 僱員福利

###### (a) 僱員應享有之假期

僱員應享有之年假及長期服務假期在僱員應享有時計入。就僱員於截至報告期間止所提供服務而應享有之年假及長期服務假期之估計負債作出撥備。

僱員享有之病假及產假於休假時始予確認。





### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Employee benefits (Continued)

##### (b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

##### (c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3. 編製基準及重大會計政策 (續)

#### 僱員福利(續)

##### (b) 退休金承擔

本集團向所有僱員均可參與之定額供款退休計劃作出供款。本集團與僱員對計劃之供款乃按僱員基本薪金之若干百分比供款。於損益內扣除之退休福利計劃費用乃指本集團應付基金之供款。

##### (c) 終止福利

終止福利於本集團不能再取消提供該等福利及本集團確認重組成本及計入終止福利付款時(以日期較早者為準)確認。

#### 借貸成本

因收購、建造或生產合資格資產(指需要相當長時間準備作擬定用途或出售之資產)而直接產生之借貸成本乃擴充為資產成本的一部分，直至該等資產大致上已準備就緒作擬定用途或出售。在符合資本化條件的資產支出之前，對特定借款的臨時投資所得的投資收入，從符合資本化條件的借款費用中扣除。

如借貸之一般目的及用途為獲取合資格資產，合資格資本化之借貸成本金額則採用資本化比率計算該項資產開支之方法釐定。資本化比率為適用於本集團於該期間未償還借貸之借貸成本加權平均值，但為獲得合資格資產之特別借貸除外。

所有其他借貸成本於產生期間在損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### Share options granted to directors and employees

The fair value of services received is determined by reference to the fair value of the share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based compensation reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share-based compensation reserve.

At the time when the share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to accumulated losses.

### 3. 編製基準及重大會計政策 (續)

#### 以權益結算及以股份為基礎付款的交易

##### 授予董事及僱員的購股權

所獲服務的公允值乃參考購股權於授出日期的公允值釐定，於歸屬期按直線法支銷，並於權益(股份酬金儲備)作相應增加。

本集團於報告期結算日修訂預期最終會歸屬的購股權數目估計。歸屬期間修訂估計的影響(如有)於損益賬確認，並會相應調整股份酬金儲備。

購股權獲行使時，過往於股份酬金儲備確認的數額將轉撥至股份溢價。倘購股權於歸屬日後被沒收或於屆滿日仍未獲行使，則過往於股份酬金儲備確認的數額將轉至累計虧損。

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation

Income tax represents the sum of the current tax and deferred tax.

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

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

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.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

### 3. 編製基準及重大會計政策 (續)

#### 稅項

所得稅指現時應付稅項及遞延稅項總額。

現時應付稅項乃按年度應課稅溢利計算。應課稅溢利不包括其他年度之應課稅或應扣減之收入及開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與損益所確認溢利不同。本集團之當期稅項負債按其於報告期末前已訂立或大致上訂立之稅率計算。

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額予以確認。遞延稅項負債一般按所有應課稅暫時性差額確認，遞延稅項資產則於很可能對銷應課稅溢利應用可扣減暫時差額之情況下，未用稅項虧損及未用稅項抵免均可動用才予以確認。倘暫時差額由商譽或初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債（業務合併除外）所產生，則有關資產及負債不予確認。

遞延稅項負債就於附屬公司之投資所產生應課稅暫時差額予以確認，若本集團有能力控制暫時差額還原，而暫時差額很可能不會於可見將來還原則除外。

遞延稅項資產之賬面值乃於各報告期末進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項根據於報告期末前已訂立或大致上訂立之稅率，按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項於損益中確認，除非遞延稅項關乎於其他全面收入或直接於權益確認之項目，在該情況下遞延稅項亦於其他全面收入或權益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (Continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### Related parties

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

(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 the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Company 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.

### 3. 編製基準及重大會計政策 (續)

#### 稅項(續)

遞延稅項資產及負債之計量反映本集團預期於報告期末收回或結付該資產及負債賬面值之方式所致使之稅務後果。

當擁有按法例可強制執行權利以抵銷本期稅項資產與本期稅項負債，及當有關權利涉及由同一稅務當局徵收之所得稅，以及本集團計劃按淨額基準結算其本年度稅項資產及負債時，遞延稅項資產及負債則互相抵銷。

#### 關連人士

關連人士為與本集團有關連的個人或實體。

(A) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本公司或本公司母公司的主要管理層成員。

(B) 倘符合下列任何條件，即實體與本集團有關連：

- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Related parties (Continued)

(B) (Continued)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also 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 the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

#### Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets except biological assets and goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

### 3. 編製基準及重大會計政策 (續)

#### 關連人士 (續)

(B) (續)

- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連。
- (vi) 實體受(A)所識別人土控制或受共同控制。
- (vii) 於(A)(i)所識別人土對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 實體或屬實體其中一部分的集團旗下任何成員公司為向本公司或本公司母公司提供主要管理人員服務。

#### 資產減值

於各報告期結算日，本集團對其資產之賬面值作出評估(生物資產及商譽除外)，以釐定有否任何跡象顯示該等資產出現減值虧損。如果存在任何此類跡象，則會對資產的可收回金額作出估計，以確定任何減值虧損之程度。倘若不大可能估計個別資產的可收回金額，則本集團估計資產屬於的現金產生單位的可收回金額。

可收回金額為公允值減去銷售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估之貨幣時間值及資產特定風險。

倘資產或現金產生單位之可收回金額估計將少於其賬面值，則資產或現金產生單位之賬面值會減少至其可收回金額。減值虧損會即時於損益確認為開支，除非相關資產按重估金額列賬，在該情況下減值虧損被視作重估減少處理。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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 is remote. Possible obligations, whose existence 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 is remote.

#### Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

### 3. 編製基準及重大會計政策 (續)

#### 資產減值(續)

倘減值虧損其後撥回，則增加資產或現金產生單位之賬面值至其可收回數額之修訂後估計金額，惟增加後之賬面值不能超過倘於過往年度並無確認該資產或現金產生單位之減值虧損而應確定之賬面值(扣除攤銷或折舊)。減值虧損之撥回會於損益內即時確認，惟在有關資產按重估金額列賬之情況下，減值虧損之撥回則被當作重估增值。

#### 撥備及或然負債

當本集團因過去事項須承擔法定責任或推定責任，而履行該責任很可能需要付出經濟效益並能可靠估計其數額時，便為未確定時間或金額之負債確認撥備。倘金錢時間值屬重大，則按預期履行該責任所需支出之現值列報撥備。

當不大可能有需要付出經濟效益，或其數額未能可靠估計，除非付出經濟效益之可能性極小，否則披露該責任為或然負債。當潛在責任之存在僅能以一宗或數宗未來事項發生或不發生來證實，除非付出經濟效益之可能性極小，否則亦披露為或然負債。

#### 報告期後事項

呈報本集團於報告期末狀況額外資料之報告期後事項或該等顯示持續經營假設為不適當之資料乃調整事項，並於綜合財務報表內反映。屬非調整事項之報告期後事項如屬重大者，乃於附註內披露。



#### 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

##### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### (a) Fair values less costs to sell of biological assets

The Group appointed an independent professional valuer to assess the fair values less costs to sell of its biological assets. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

##### (b) Impairment of intangible assets

The Group assesses whether there are any indicators of impairment for all intangible assets at the end of each reporting period. Such assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an assets or a cash-generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. To calculate the fair value less costs of disposal, the management estimates the expected future cash flows from the assets or cash-generating unit and chooses a suitable discount rate in order to derive the present value of those cash flows.

##### (c) Property, plant and equipment, investment properties and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment and investment properties. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment and investment properties of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

#### 4. 重要判斷及主要估計

##### 估計不確定因素的主要來源

下文載述對下一個財政年度之資產及負債賬面值作出重大調整之重大風險之有關未來之主要假設及於呈報期末估計不明朗因素之其他主要來源：

##### (a) 生物資產之公允值減銷售成本

本集團委任獨立專業估值師評估其生物資產的公允值減銷售成本。於釐定公允值時，估值師運用涉及若干估計的估值方法。董事經運用判斷後，認為估值方法能反映現時市況。

##### (b) 無形資產減值

本集團於各報告期末評估是否存在跡象表明所有無形資產減值。有關資產於存在跡象指示賬面值可能無法收回時進行減值測試。當資產或現金產生單位之賬面值超過其可收回金額（即其公允值減出售成本與其使用價值之較高者）時，則出現減值。計算公允值減出售成本時，管理層預估資產或現金產生單位之預期未來現金流量並選擇合適貼現率，從而得出該等現金流量之現值。

##### (c) 物業、廠房及設備、投資物業及折舊

本集團就其物業、廠房及設備及投資物業釐定估計可使用年期、剩餘價值及相關的折舊開支。估計乃基於性質及用途類似的物業、廠房及設備及投資物業的實際可使用年期及剩餘價值的歷史經驗。可使用年期及剩餘價值與原先估計不同時，本集團將重訂折舊開支，或撇銷或撇減技術過時或已報廢或出售之非戰略性資產。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 4. 重要判斷及主要估計(續)

### 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

#### (d) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of its trade, loans and other receivables, including the current creditworthiness, collateral security, financial condition and past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade, loans and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### (e) Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

#### (f) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

#### (d) 呆壞賬減值虧損

本集團之呆壞賬減值虧損乃根據其貿易、貸款及其他應收款項可收回性之評估而確認，包括每名債務人目前之信譽、抵押品、財務狀況及過往收款記錄。於發生顯示餘額可能無法收回之事件或情況變動下會出現減值。本集團需憑判斷及估計識別呆壞賬。倘實際結果有別於原來估計，則該等差額將於上述估計出現變動之年度影響貿易、貸款及其他應收款項及呆賬開支之賬面值。倘債務人之財務狀況變差而導致其付款能力出現減值，則可能需要做出額外撥備。

#### (e) 所得稅

本集團須於香港及中國繳納所得稅。釐定所得稅撥備須作出重大估計。於業務一般過程中存在許多最終稅項並無確切釐定之交易及計算。倘該等事項之最終稅務結果與起初錄得之金額有差異，該等差異將影響有關釐定發生期間之所得稅及遞延稅項撥備。

#### (f) 存貨之可變現淨值

存貨之可變現淨值乃日常業務過程中之估計售價，減估計完成成本及出售開支。該等估計乃基於現時市況及過往製造和出售類似性質產品之經驗，可能會因客戶偏好轉變及競爭對手所作出的行動而大幅變化。本集團會於每個報告期末重新評估有關估計。





## 5. FINANCIAL RISK MANAGEMENT

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

### (a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK\$ and Renminbi which are the functional currencies of the principal operating entities of the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### (b) Price risk

The Group is exposed to equity price risk in respect of its financial assets at fair value through profit or loss. The directors manage this exposure by maintaining a portfolio of investments with different risk profiles. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

At 30 June 2017, if the share prices of the investments increase/decrease by 10%, profit or loss for the year would have been HK\$106,000 (2016: HK\$454,000) higher/lower, arising as a result of the fair value gain/loss of the investments.

### (c) Credit risk

The carrying amount of bank and cash balances, trade and other receivables, loans receivable, financial assets at fair value through profit or loss and refundable secured deposit included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

## 5. 金融風險管理

本集團的活動令其承受多種金融風險：外幣風險、價格風險、信貸風險、流動資金風險及利率風險。本集團整體風險管理計劃專注於金融市場的不可預測性，以減少對本集團財務表現的潛在不利影響。

### (a) 外幣風險

由於大部分業務交易、資產及負債主要以本集團主要營運公司的功能貨幣港元及人民幣計值，故本集團的外匯風險甚微。本集團現時並無有關外匯交易、資產及負債的外匯對沖政策。本集團會密切監控外匯風險，並於有需要時考慮對沖重大外匯風險。

### (b) 價格風險

本集團就於損益賬按公允值處理之金融資產承擔股本價格風險。董事透過維持不同風險的投資組合來管理風險。本集團之股本價格風險主要集中於在聯交所報之股本工具。

於二零一七年六月三十日，如投資之股價增加／減少10%，則將因投資公允值收益／虧損而導致年內損益增加／減少106,000港元(二零一六年：454,000港元)。

### (c) 信貸風險

綜合財務狀況表中銀行及現金結餘、應收賬款及其他應收款項、應收貸款、透過損益按公允值計量之金融資產及可退還已抵押按金的賬面值為本集團就本集團金融資產面臨的最高信貸風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Credit risk (Continued)

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 79% (2016: 39%) and 99% (2016: 99%) of the its trade receivables were due from the largest customer and the five largest customers, respectively. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. In addition, the directors review the recoverable amounts of each individual trade and loan debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on financial assets at fair value through profit or loss is limited because the counterparties are well-established securities broker firms in Hong Kong.

The Group obtains collateral from the vendor to minimise the credit risk in respect of the refundable secured deposit.

### 5. 金融風險管理(續)

#### (c) 信貸風險(續)

於報告期末，本集團有若干信貸集中風險，因為本集團應收賬款分別約79%（二零一六年：39%）及99%（二零一六年：99%）來自本集團最大客戶及五大客戶。本集團設有政策確保銷售乃提供予擁有適宜信貸記錄之客戶。此外，董事定期檢視各筆貿易及貸款債務之可收回金額，以確保已就不可收回債務確認足夠減值虧損。就此而言，董事認為本集團之信貸風險大幅減低。

銀行及現金結餘的信貸風險有限，原因是交易對手為獲國際信貸評級機構頒授高信貸評級的銀行。

透過損益按公允值計量之金融資產的信貸風險有限，原因是交易對手為香港成立已久的證券經紀公司。

本集團自賣方取得抵押品，以減少可退還已抵押按金的信貸風險。

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## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

		Within 1 year or on demand 一年以內 或應要求 HK\$'000 千港元	Between 1 and 2 years 一至兩年 HK\$'000 千港元	Total undiscounted cash flow 未貼現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
<b>At 30 June 2017</b>	<b>於二零一七年 六月三十日</b>				
Trade and other payables	應付賬項及其他 應付款項	10,749	—	10,749	10,749
Promissory note	承兌票據	1,800	31,800	33,600	28,881
		12,549	31,800	44,349	39,630

		Within 1 year or on demand 一年以內 或應要求 HK\$'000 千港元	Between 1 and 2 years 一至兩年 HK\$'000 千港元	Total undiscounted cash flow 未貼現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
<b>At 30 June 2016</b>	<b>於二零一六年 六月三十日</b>				
Trade and other payables	應付賬款及其他 應付款項	3,126	—	3,126	3,126

#### (e) Interest rate risk

The directors of the Company are of the opinion that the Group does not have significant interest rate risk as the fluctuation in interest rates is not expected to be material. The Group will constantly review the economic situation and its interest rate risk profile, and will consider appropriate hedging measure in future as may be necessary.

### 5. 金融風險管理(續)

#### (d) 流動資金風險

本集團的政策是定期監察現時及預期流動資金需要，確保維持充足的現金儲備滿足短期及長期流動資金需要。

本集團金融負債之到期日分析如下：

#### (e) 利率風險

本公司董事認為，由於預期利率波動並不重大，本集團並無重大利率風險。本集團將經常審閱經濟情況及其利率風險組合，並將於必要時考慮合適的對沖措施。

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## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (f) Categories of financial instruments at 30 June 2017 and 2016

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Financial assets at fair value through profit or loss:	透過損益按公允值計量之金融資產：		
Held for trading	持作買賣	1,264	5,433
Loans and receivables (including cash and cash equivalents):	貸款及應收款項(包括現金及等同現金項目)：		
Trade receivables	應收賬款	772	4,873
Deposits and other receivables	按金及其他應收款項	1,540	1,353
Loans receivable	應收貸款	25,899	13,072
Refundable secured deposit	可退還已抵押按金	70,000	70,000
Cash and cash equivalents	現金及等同現金項目	13,015	81,359
		<b>112,490</b>	<b>176,090</b>
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities at amortised cost	按攤銷成本計量之金融負債	39,630	3,126

#### (g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

#### (h) Capital risk management

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

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, issue or buy-back shares, issued new debts, recover debts or sell assets to maintain sufficiency of working capital.

### 5. 金融風險管理(續)

#### (f) 於二零一七年及二零一六年六月三十日之金融工具類別

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Financial assets</b>		
Financial assets at fair value through profit or loss:		
Held for trading	1,264	5,433
Loans and receivables (including cash and cash equivalents):		
Trade receivables	772	4,873
Deposits and other receivables	1,540	1,353
Loans receivable	25,899	13,072
Refundable secured deposit	70,000	70,000
Cash and cash equivalents	13,015	81,359
	<b>112,490</b>	<b>176,090</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	39,630	3,126

#### (g) 公允值

綜合財務狀況表所示本集團金融資產及金融負債的賬面值與其各自的公允值相若。

#### (h) 資金風險管理

本集團管理資金的目標是維持本集團持續經營之能力，為股東及其他持分者提供回報及利益，並維持最佳資本結構，減少成本資金。自過往年度以來，本集團的整體策略維持不變。

本集團鑒於經濟狀況變動管理資本結構及對其作出調整。為維持或調整資本結構，本集團可能調整派付予股東的股息、發行或購回股份、發行新債務、收回債務或出售資產，維持足夠營運資金。





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For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (h) Capital risk management (Continued)

The Group's total capital is the shareholders' equity stated in the consolidated statement of financial position. The Group is not subject to external mandatory capital requirements and uses the liquidity ratio (i.e. proportion of current assets to current liabilities) to monitor the capital.

The liquidity ratio of the Group is as follows:

		2017 二零一七年	2016 二零一六年
Liquidity ratio	流動比率	7.38	11.63

### 6. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

### 5. 金融風險管理(續)

#### (h) 資金風險管理(續)

本集團的總資本為綜合財務狀況表列明的股東權益。本集團毋須遵守外部強制資本規定，並使用流動比率(即流動資產對流動負債的比例)監察資金。

本集團的流動比率如下：

### 6. 公允值計量

公允值之定義為市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格。以下公允值計量披露使用之公允值層級，將估值技術所用輸入數據分為三個等級，以計量公允值：

第一級輸入數據：本集團於計量日期可取得相同資產或負債於活躍市場報價(未經調整)。

第二級輸入數據：資產或負債可直接或間接觀察之輸入數據，第一級包括之報價除外；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 6. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 30 June 2017:

Description 概述		Fair value measurements using: 使用以下輸入數據之公允值計量:			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Recurring fair value measurements:	經常性公允值計量:				
Biological assets	生物資產	—	506,022	—	506,022
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	1,264	—	—	1,264
<b>Total recurring fair value measurements</b>	<b>經常性公允值計量總額</b>	<b>1,264</b>	<b>506,022</b>	<b>—</b>	<b>507,286</b>

Disclosures of level in fair value hierarchy at 30 June 2016:

Description 概述		Fair value measurements using: 使用以下輸入數據之公允值計量:			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Recurring fair value measurements:	經常性公允值計量:				
Biological assets	生物資產	—	547,224	—	547,224
Financial assets at fair value through profit or loss	按公允值計入損益之金融資產	5,433	—	—	5,433
<b>Total recurring fair value measurements</b>	<b>經常性公允值計量總額</b>	<b>5,433</b>	<b>547,224</b>	<b>—</b>	<b>552,657</b>

### 6. 公允值計量(續)

第三級輸入數據：資產或負債之不可觀察數據。

本集團之政策為確認截至於事項或狀況變動導致該轉移之日期止該等三個等級之任何轉入及轉出。

(a) 於二零一七年六月三十日之公允值層級披露：

於二零一六年六月三十日之公允值層級披露：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 6. FAIR VALUE MEASUREMENTS (CONTINUED)

- (b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's management is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes. The management reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the management and the Board of Directors at least twice a year.

The following table gives information about how the fair values of the Group's biological assets carried at fair value are determined.

#### Level 2 fair value measurements

Description 概述	Valuation technique 估值技術	Inputs 輸入數據	Fair value 公允值	Fair value 公允值
			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Biological assets 生物資產	Market approach 市值法	Market price of poplar trees per m <sup>3</sup> of RMB674 (2016: RMB716) 白楊樹每立方米市價人民幣674元(二零一六年：人民幣716元)	506,022	547,224

### 6. 公允價值計量(續)

- (b) 本集團所用估值過程披露及公允價值計量所用估值技術及輸入數據：

本集團管理層負責進行財務報告所規定之資產及負債公允價值計量。管理層直接向董事會報告該等公允價值計量。管理層與董事會每年至少討論估值過程及結果兩次。

下表載列有關本集團按公允價值計量生物資產的公允價值如何釐定。

#### 第二級公允價值計量

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## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 7. REVENUE

The Group's revenue, which represents sales of motor vehicles, rental income from car parking spaces and loan interest income, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trading of motor vehicles	買賣汽車	8,431	9,679
Rental income	租金收入	3,571	3,360
Loan interest income	貸款利息收入	1,969	326
		<b>13,971</b>	<b>13,365</b>

### 8. SEGMENT INFORMATION

The Group has six reportable segments as follows:

- (i) Sales of plantation materials and products
- (ii) Green technology advisory services
- (iii) Provision of financial services
- (iv) Securities trading and investment
- (v) Property investment
- (vi) Trading of motor vehicles

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include gain on deregistration of a subsidiary, interest income from refundable secured deposit, sponsor income, finance costs and income tax credit. Segment assets do not include refundable secured deposit. Segment liabilities do not include deferred tax liabilities and promissory note.

### 7. 收益

本集團的收益指銷售汽車、停車位租金收入及貸款利息收入，現列載如下：

### 8. 分部資料

本集團六個可呈報分部如下：

- (i) 銷售種植產品
- (ii) 綠色技術顧問服務
- (iii) 提供金融服務
- (iv) 證券買賣及投資
- (v) 物業投資
- (vi) 買賣汽車

本集團之可呈報分部為提供不同產品及服務之策略業務單位。由於各業務需要不同技術及市場推廣策略，故分開管理各可呈報分部。

分部溢利或虧損不包括註銷一間附屬公司之收益、可退還已抵押按金利息收入、贊助收入、融資成本及所得稅抵免。分部資產不包括可退還已抵押按金。分部負債不包括遞延稅項負債及承兌票據。





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 8. SEGMENT INFORMATION (CONTINUED)

Information about reportable segment revenue, profit or loss, assets and liabilities:

### 8. 分部資料(續)

有關可呈報分部的收益、損益、資產及負債的資料如下：

		Sales of plantation materials and products 銷售 種植產品 HK\$'000 千港元	Green technology advisory services 綠色技術 顧問服務 HK\$'000 千港元	Provision of financial services 提供 金融服務 HK\$'000 千港元	Securities trading and investment 證券 買賣及投資 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Trading of motor vehicles 買賣汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Year ended 30 June 2017</b>	<b>截至二零一七年六月三十日止年度</b>							
Revenue from external customers	來自外界客戶的收益	—	—	1,969	—	3,571	8,431	13,971
Segment (loss)/profit comprising:	分部(虧損)/收益包括:	(43,189)	(284)	1,895	(1,424)	(4,084)	(5,511)	(52,597)
Loss arising from changes in fair value less costs to sell of biological assets	生物資產公允值變動減出售成本產生之虧損	(33,233)	—	—	—	—	—	(33,233)
Depreciation and amortisation	折舊及攤銷	(4,793)	—	—	(250)	(4,945)	(599)	(10,587)
Proceeds from disposal of listed securities	出售上市證券所得款項	—	—	—	4,001	—	—	4,001
Costs of disposal of listed securities	出售上市證券的成本	—	—	—	(4,508)	—	—	(4,508)
Net unrealised losses on trading securities	買賣證券的未變現虧損淨額	—	—	—	(442)	—	—	(442)
<b>At 30 June 2017</b>	<b>於二零一七年六月三十日</b>							
Segment assets	分部資產	609,729	—	26,478	5,784	215,126	32,966	890,083
Segment liabilities	分部負債	1,197	—	343	467	2,917	903	5,827
<b>Year ended 30 June 2016</b>	<b>截至二零一六年六月三十日止年度</b>							
Revenue from external customers	來自外界客戶的收益	—	—	326	—	3,360	9,679	13,365
Segment (loss)/profit comprising:	分部(虧損)/溢利包括:	(54,928)	(731)	188	(34,188)	(1,364)	(3,425)	(94,448)
Loss arising from changes in fair value less costs to sell of biological assets	生物資產公允值變動減出售成本產生之虧損	(45,603)	—	—	—	—	—	(45,603)
Depreciation and amortisation	折舊及攤銷	(4,996)	(4)	—	(600)	(4,490)	(176)	(10,266)
Proceeds from disposal of listed securities	出售上市證券所得款項	—	—	—	21,947	—	—	21,947
Costs of disposal of listed securities	出售上市證券的成本	—	—	—	(55,197)	—	—	(55,197)
Net unrealised gains on trading securities	買賣證券的未變現收益淨額	—	—	—	89	—	—	89
<b>At 30 June 2016</b>	<b>於二零一六年六月三十日</b>							
Segment assets	分部資產	657,635	69	13,072	14,014	137,280	33,512	855,582
Segment liabilities	分部負債	1,182	4,860	39	467	487	1,075	8,110

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 8. SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

### 8. 分部資料(續)

有關可呈報分部的收益、損益、資產及負債的對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Revenue:</b>	<b>收益：</b>		
Total revenue of reportable segments	可呈報分部總收益	13,971	13,365
<b>Loss:</b>	<b>虧損：</b>		
Total loss of reportable segments	可呈報分部總虧損	(52,597)	(94,448)
Other profit or loss:	其他損益：		
Finance costs	融資成本	(161)	(661)
Gain on deregistration of a subsidiary	註銷一間附屬公司之收益	4,864	—
Income tax credit	所得稅抵免	9,238	16,704
Other income	其他收入		
— Interest income from refundable secured deposit	— 可退還已抵押按金利息收入	5,830	—
— Sponsor income	— 贊助收入	400	—
Corporate and unallocated loss	企業及未分配虧損	(16,661)	(28,481)
Consolidated loss for the year	年度綜合虧損	(49,087)	(106,886)
<b>Assets:</b>	<b>資產：</b>		
Total assets of reportable segments	可呈報分部總資產	890,083	855,582
Refundable secured deposit	可退還已抵押按金	70,000	70,000
Corporate and unallocated assets	企業及未分配資產	17,729	73,343
Consolidated total assets	綜合總資產	977,812	998,925
<b>Liabilities:</b>	<b>負債：</b>		
Total liabilities of reportable segments	可呈報分部總負債	5,827	8,110
Deferred tax liabilities	遞延稅項負債	152,414	164,324
Promissory note	承兌票據	28,881	—
Corporate and unallocated liabilities	企業及未分配負債	14,786	9,124
Consolidated total liabilities	綜合總負債	201,908	181,558

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 8. SEGMENT INFORMATION (CONTINUED)

#### Geographical information:

		Revenue 收益		Non-current assets 非流動資產	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
The PRC	中國	—	—	690,643	657,235
Hong Kong	香港	13,971	13,365	135,033	141,188
Macau and others	澳門及其他	—	—	—	11
		<b>13,971</b>	<b>13,365</b>	<b>825,676</b>	<b>798,434</b>

In presenting the geographical information, revenue is based on the locations of the customers.

Revenue from major customers:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trading of motor vehicles	買賣汽車		
Customer A	客戶A	N/A 不適用*	2,023
Customer B	客戶B	N/A 不適用*	2,000
Customer C	客戶C	N/A 不適用*	1,891
Customer D	客戶D	N/A 不適用*	1,782
Customer E	客戶E	1,800	—

Revenue from the above customers individually contributed more than 10% of the total revenue of the Group.

\* Customers did not contribute more than 10% of the total revenue of the Group for the year ended 30 June 2017.

### 8. 分部資料(續)

#### 地區資料：

於呈列地區資料時，收益乃根據客戶所在地計算。

來自主要客戶的收益：

來自上述客戶的收益個別佔本集團總收益10%以上。

\* 截至二零一七年六月三十日止年度，該等客戶並無佔本集團總收益10%以上。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 9. OTHER INCOME

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Interest income from refundable secured deposit (note 25)	可退還已抵押按金利息收入 (附註25)	5,830	—
Sponsor income	贊助收入	400	—
Others	其他	447	3
		<b>6,677</b>	<b>3</b>

### 10. FINANCE COSTS

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Interests on promissory note	承兌票據利息	161	661





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 11. INCOME TAX CREDIT

### 11. 所得稅抵免

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax — Hong Kong Profits Tax 即期稅項 — 香港利得稅		
Provision for the year 年度撥備	313	373
Over-provision in prior years 過往年度超額撥備	(30)	—
Deferred tax (note 27) 遞延稅項(附註27)	(9,521)	(17,077)
	<b>(9,238)</b>	<b>(16,704)</b>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the year ended 30 June 2017.

香港利得稅已按截至二零一七年六月三十日止年度之估計應課稅溢利之16.5% (二零一六年: 16.5%) 計提撥備。

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

其他地區之應課稅溢利稅項已按本集團經營所在國家之現行稅率，根本有關現行法例、詮釋及常規計算。

#### Reconciliation between income tax credit and accounting loss at applicable tax rate

#### 按適用稅率計量的所得稅抵免及會計虧損之對賬

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax 除稅前虧損	(58,325)	(123,590)
Tax calculated at applicable tax rate of 25% (2016: 25%) 按適用稅率25% (二零一六年: 25%) 計算之稅項	(14,581)	(30,898)
Effect of different tax rates of the subsidiaries 附屬公司稅率不一之影響	1,689	6,176
Tax effect of expenses that are not deductible 不可扣減開支之稅務影響	4,270	1,914
Tax effect of income that are not taxable 毋須課稅收入之稅務影響	(1,767)	(43)
Tax effect of temporary differences not recognised 未確認暫時差異之稅務影響	82	—
Tax over-provision in prior years 過往年度之稅項超額撥備	(30)	—
Tax effect of tax losses not recognised 未確認稅項虧損之稅務影響	1,099	6,147
Income tax credit 所得稅抵免	<b>(9,238)</b>	<b>(16,704)</b>

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## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 12. LOSS FOR THE YEAR

This is stated at after charging the following:

### 12. 年度虧損

此乃經扣除下列各項後表示：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Amortisation of intangible assets	無形資產攤銷	4,793	4,996
Auditor's remuneration	核數師酬金	850	780
Cost of inventories sold	已售存貨成本	6,755	8,220
Depreciation	折舊	6,838	6,310
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	—	822
Loss on write-off of property, plant and equipment	撤銷物業、廠房及設備之虧損	11	—
Operating lease charges on land and buildings	土地及樓宇經營租賃費用	3,923	5,122
Staff costs (including Directors' remuneration):	員工成本(包括董事酬金)：		
— salaries, bonuses and allowances	— 薪金、花紅及津貼	10,679	8,123
— retirement benefits scheme contributions	— 退休福利計劃供款	274	312
— equity-settled share-based payments	— 以股權結算以股份為基礎的付款	—	6,923
		<b>10,953</b>	<b>15,358</b>



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## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(a) The emoluments of each director are as follows:

### 13. 董事及行政總裁酬金

(a) 各名董事酬金列載如下：

		2017 二零一七年				Total
		Fees	Salaries and allowances	Discretionary bonus	Retirement benefit scheme contributions	
		袍金	薪金及津貼	酌情花紅	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Chief executive</b>	<b>行政總裁</b>					
Mr. Yeung Chi Hang	楊智恒先生	1,536	—	128	18	1,682
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Leung Kwong Choi	梁廣才先生	180	—	15	10	205
Mr. Wong Po Keung	黃保強先生	300	660	80	18	1,058
Mr. Chung Siu Wah	鍾少樺先生	1,056	—	88	18	1,162
Mr. Chik To Pan	戚道斌先生	480	—	40	18	538
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Wong Kwai Sang	黃貴生先生	120	—	10	—	130
Mr. Ong Chi King	王子敬先生	120	—	10	—	130
Mr. Heung Chee Hang	香志恒先生	120	—	10	—	130
<b>Total</b>	<b>總計</b>	<b>3,912</b>	<b>660</b>	<b>381</b>	<b>82</b>	<b>5,035</b>

		2016 二零一六年				Total
		Fees	Salaries and allowances	Discretionary bonus	Retirement benefit scheme contributions	
		袍金	薪金及津貼	酌情花紅	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Chief executive</b>	<b>行政總裁</b>					
Mr. Yeung Chi Hang	楊智恒先生	1,111	—	128	46	1,285
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Leung Kwong Choi	梁廣才先生	241	—	15	77	333
Mr. Wong Po Keung	黃保強先生	300	660	80	18	1,058
Mr. Chung Siu Wah	鍾少樺先生	821	—	88	36	945
Mr. Chen Yuyang	陳宇揚先生	437	152	60	—	649
Mr. Chik To Pan	戚道斌先生	240	—	3	9	252
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Wong Kwai Sang	黃貴生先生	120	—	10	—	130
Mr. Ong Chi King	王子敬先生	120	—	10	—	130
Mr. Heung Chee Hang	香志恒先生	120	—	10	—	130
<b>Total</b>	<b>總計</b>	<b>3,510</b>	<b>812</b>	<b>404</b>	<b>186</b>	<b>4,912</b>

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## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

There was no arrangement under which a director and chief executive waived or agreed to waive any emoluments during the years ended 30 June 2017 and 2016.

#### (b) Five highest paid individuals

The five highest paid individuals in the Group during the year included four (2016: four) directors whose emoluments are set out in note (a) above. The emoluments of the remaining one (2016: one) individual are set out below:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Basic salaries, allowances and benefits-in-kind	780	390

The remuneration of the individual fell within the band of below HK\$1,000,000.

No emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

### 14. LOSS PER SHARE

#### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$48,277,000 (2016: HK\$106,609,000) and the weighted average number of ordinary shares of 1,697,138,114 (2016: 1,395,685,877) in issue during the year.

#### Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 30 June 2017 and 2016.

### 13. 董事及行政總裁酬金(續)

截至二零一七年及二零一六年六月三十日止年度董事及行政總裁概無訂立放棄或同意放棄任何酬金的安排。

#### (b) 五名最高薪人士

年內，本集團五名最高薪人士包括四名(二零一六年：四名)董事，其酬金載列於上文附註(a)。餘下一名(二零一六年：一名)人士之酬金列載如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
基本薪金、津貼及實物利益	780	390

該人士的薪酬介乎1,000,000港元以下之組別。

本集團概無向任何董事或最高薪人士支付酬金，作為加入本集團或於加入本集團時之獎勵或離職補償。

### 14. 每股虧損

#### 每股基本虧損

本公司擁有人應佔每股基本虧損之計算基準為本公司擁有人應佔年內虧損約48,277,000港元(二零一六年：106,609,000港元)及年內已發行普通股加權平均數1,697,138,114股(二零一六年：1,395,685,877股)。

#### 每股攤薄虧損

截至二零一七年及二零一六年六月三十日止年度的所有潛在普通股影響屬反攤薄。





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 15. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 30 June 2017 and 2016.

### 15. 股息

董事並不建議或宣佈就截至二零一七年及二零一六年六月三十日止年度派付任何股息。

### 16. PROPERTY, PLANT AND EQUIPMENT

### 16. 物業、廠房及設備

		Leasehold improvements 租賃裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、裝置及設備 HK\$'000 千港元	Cruiser 遊艇 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>				
At 1 July 2015	於二零一五年七月一日	462	3,868	—	4,330
Additions	添置	2,809	782	3,000	6,591
Disposals	出售	(457)	(851)	—	(1,308)
At 30 June 2016 and 1 July 2016	於二零一六年六月三十日及二零一六年七月一日	2,814	3,799	3,000	9,613
Additions	添置	34	192	—	226
Write-off	撇銷	(5)	(18)	—	(23)
At 30 June 2017	於二零一七年六月三十日	2,843	3,973	3,000	9,816
<b>Accumulated depreciation</b>	<b>累計折舊</b>				
At 1 July 2015	於二零一五年七月一日	141	2,373	—	2,514
Charge for the year	於年內扣除	241	754	825	1,820
Disposals	出售	(185)	(301)	—	(486)
At 30 June 2016 and 1 July 2016	於二零一六年六月三十日及二零一六年七月一日	197	2,826	825	3,848
Charge for the year	於年內扣除	565	428	900	1,893
Write-off	撇銷	(3)	(9)	—	(12)
At 30 June 2017	於二零一七年六月三十日	759	3,245	1,725	5,729
<b>Carrying amount</b>	<b>賬面值</b>				
At 30 June 2017	於二零一七年六月三十日	2,084	728	1,275	4,087
At 30 June 2016	於二零一六年六月三十日	2,617	973	2,175	5,765

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 17. INVESTMENT PROPERTIES

### 17. 投資物業

		Car-parking spaces 停車位 HK\$'000 千港元	Industrial properties 工業物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>			
At 1 July 2015	於二零一五年 七月一日	—	—	—
Additions	添置	138,837	—	138,837
At 30 June 2016 and 1 July 2016	於二零一六年 六月三十日及 二零一六年 七月一日	138,837	—	138,837
Additions	添置	—	81,368	81,368
Exchange differences	匯兌差額	—	77	77
At 30 June 2017	於二零一七年 六月三十日	138,837	81,445	220,282
<b>Accumulated depreciation</b>	<b>累計折舊</b>			
At 1 July 2015	於二零一五年 七月一日	—	—	—
Charge for the year	於年內扣除	4,490	—	4,490
At 30 June 2016 and 1 July 2016	於二零一六年 六月三十日及 二零一六年 七月一日	4,490	—	4,490
Charge for the year	於年內扣除	4,488	457	4,945
Exchange differences	匯兌差額	—	2	2
At 30 June 2017	於二零一七年 六月三十日	8,978	459	9,437
<b>Carrying amount</b>	<b>賬面值</b>			
At 30 June 2017	於二零一七年 六月三十日	129,859	80,986	210,845
At 30 June 2016	於二零一六年 六月三十日	134,347	—	134,347

As at 30 June 2017, in the opinion of the directors, the fair value of the car-parking spaces is HK\$180,000,000 (2016: HK\$174,800,000). The fair value is based on the market value approach under fair value measurement level 2.

於二零一七年六月三十日，董事認為，停車位之公允值為180,000,000港元（二零一六年：174,800,000港元）。該公允值乃根據公允值計量第二級之市值法計算。

The industrial properties are situated in the PRC and held under medium term lease. As at 30 June 2017, in the opinion of the directors, the fair value of the industrial properties is HK\$80,057,000 (equivalent to RMB70,000,000). The fair value is based on the market value approach under fair value measurement level 2.

工業物業位於中國並以中期租約持有。於二零一七年六月三十日，董事認為，工業物業之公允值為80,057,000港元（相等於人民幣70,000,000元）。該公允值乃根據公允值計量第二級之市值法計算。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 18. BIOLOGICAL ASSETS

### 18. 生物資產

		Standing timbers 未採伐林木 HK\$'000 千港元
At 1 July 2015	於二零一五年七月一日	634,119
Loss arising from changes in fair value less costs to sell of biological assets	生物資產公允值變動減出售成本所產生之虧損	(45,603)
Exchange differences	匯兌差額	(41,292)
At 30 June 2016 and 1 July 2016	於二零一六年六月三十日及二零一六年七月一日	547,224
Loss arising from changes in fair value less costs to sell of biological assets	生物資產公允值變動減出售成本所產生之虧損	(33,233)
Exchange differences	匯兌差額	(7,969)
At 30 June 2017	於二零一七年六月三十日	506,022

The Group's biological assets represent standing timbers on plantation land of approximately 30,000 Chinese Mu with a lease term of 30 years, expiring in 2038. The standing timbers comprise mostly poplar trees (accounting over 99% of the total standing timbers), mixed with a very small portion of other species of deciduous trees such as elm and willow. During the year, the Group did not harvest or sell any standing timbers (2016: Nil).

The Group's standing timbers as at 30 June 2017 were independently valued by Roma Appraisals Limited ("Roma") which comprises a group of independent professional valuers with experience and expertise in relation to biological assets valuation. Their team consists of professional valuers and agricultural experts who work together in a wide array of biological assets to ensure the reliability and fairness of their valuation results. Accordingly, the directors are of the view that Roma is independent and competent to determine the fair value of the Group's biological assets.

本集團之生物資產指位於約30,000中國畝種植土地上的未採伐林木，該種植土地的租期為30年，於二零三八年屆滿。未採伐林木主要為白楊樹（佔全部未採伐林木的99%），夾雜少數其他品種的落葉喬木，例如榆樹及柳樹。年內，本集團並無砍伐或銷售任何未採伐林木（二零一六年：無）。

本集團於二零一七年六月三十日未採伐林木的價值由羅馬國際評估有限公司（「羅馬國際」）獨立評估，其由一組具備生物資產估值經驗及專業知識的獨立專業估值師組成。團隊包括專業估值師與農業專家，彼等於多項生物資產攜手合作，確認估值結果可靠及公平。因此，董事認為羅馬國際屬獨立及具備能力釐定本集團生物資產的公允值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 18. BIOLOGICAL ASSETS (CONTINUED)

Roma has adopted a market approach for the valuation of standing timbers. The method uses the present market value in terms of price per unit cubic meter of round logs and the total merchantable volume of timbers on the plantation land as at 30 June 2017 as a basis for calculating the fair value less costs to sell of the biological assets. Roma has adopted the measured merchantable volume of standing timbers as indicated by the forest manager of the Group and also verified the market price per cubic meter of logs by referencing to the market price lists, after taking into account of local timber manufacturing factories as well. The principal assumptions adopted are as follows:

1. no material changes in the existing political, legal, technological, fiscal, economic conditions, climate and any other natural condition;
2. poplar trees can grow to certain size and can be legally cut in 8 years and in 5 years with organic fertilisers added; and
3. the movements of the price of the timber, the setup fee and maintenance fee for tree plantation will move in line with the price index of forestry product in the PRC.

The valuation techniques used in the determination of fair values as well as the key inputs used in the valuation models are disclosed in note 6.

#### Nature risk

The Group's revenue depends significantly on the ability to harvest wood at adequate levels. The ability to harvest on the plantation land and the growth of the trees on the plantation land may be affected by unfavorable local weather conditions and natural disasters. Weather conditions such as earthquakes, rainfall, underground water, fire, disease, insect infestation and pests are examples of such events. The occurrence of severe weather conditions or natural disasters may diminish the supply of trees available for harvesting on the plantation land, or otherwise impede the Group's logging operations or the growth of the trees on the plantation land, which in turn may have a material adverse effect on the Group's ability to produce the products in sufficient quantities and a timely manner.

### 18. 生物資產(續)

羅馬國際採納市值法對未採伐林木進行估值。該方法按每單位立方米原木價格的現時市值及於二零一七年六月三十日種植土地的可銷售林木總量為基準計算公允值減銷售生物資產成本。羅馬國際已採納本集團森林管理人所述的可作為商品的經計量未採伐林木數量，亦參考市價列表(當中已計及本地林木生產工廠)核實每立方米原木的市價。所採用的主要假設如下：

1. 現行政治、法律、技術、財政、經濟狀況、氣候及任何其他自然條件並無重大轉變；
2. 白楊樹可於8年內成長至一定大小及可合法採伐，而以有機肥料種植的白楊樹於5年內即可採伐；及
3. 林業產品價格變動、林業種植的設置費及維護費會隨中國林木產品的物價指數而變動。

釐定公允值所用之估值技巧及估值模型所用之關鍵輸入數據於綜合財務報表附註6披露。

#### 自然風險

本集團的收入主要取決於能否採伐足夠的林木。在種植土地內採伐林木及種植土地樹木的生長或會受當地惡劣天氣情況及自然災害的影響。自然災害涉及地震、降雨量、地下水、火災、疫症、昆蟲侵襲及害蟲等天氣情況。惡劣天氣情況或自然災害可能令種植土地可供採伐的林木減少，亦可能妨礙本集團的原木經營或種植園林木的生長，從而嚴重影響本集團及時生產足夠產品數量的能力。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 19. INTANGIBLE ASSETS

### 19. 無形資產

		Operating rights 經營權 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>	
At 1 July 2015	於二零一五年七月一日	157,698
Exchange differences	匯兌差額	(10,470)
At 30 June 2016 and 1 July 2016	於二零一六年六月三十日及 二零一六年七月一日	147,228
Exchange differences	匯兌差額	(2,057)
At 30 June 2017	於二零一七年六月三十日	145,171
<b>Accumulated amortisation and impairment</b>	<b>累計攤銷及減值</b>	
At 1 July 2015	於二零一五年七月一日	34,607
Amortisation for the year	年內攤銷	4,996
Exchange differences	匯兌差額	(2,386)
At 30 June 2016 and 1 July 2016	於二零一六年六月三十日及 二零一六年七月一日	37,217
Amortisation for the year	年內攤銷	4,793
Exchange differences	匯兌差額	(474)
At 30 June 2017	於二零一七年六月三十日	41,536
<b>Carrying amount</b>	<b>賬面值</b>	
At 30 June 2017	於二零一七年六月三十日	103,635
At 30 June 2016	於二零一六年六月三十日	110,011

The operating rights relate to the favorable aspect of the right to use and operate the plantation land of a subsidiary of the Company. The subsidiary was acquired in the year ended 30 June 2009. The intangible assets are amortised using straight-line method over the useful life of 30 years and the remaining useful life is 21 (2016: 22) years.

經營權指本公司附屬公司使用及經營種植土地權利的有利內容。本公司於截至二零零九年六月三十日止年度收購附屬公司。無形資產使用直線法於可使用租期為30年內攤銷，而餘下可使用租期為21年(二零一六年：22年)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 20. GOODWILL

		HK\$'000 千港元
Cost	成本	
At beginning and end of reporting period	報告期初及期末	1,087

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the CGU of trading of motor vehicles.

#### Impairment testing of goodwill

##### Trading of motor vehicles CGU

Goodwill is tested for impairment for this CGU by the management by estimating the recoverable amount of the CGU based on value-in-use calculation.

As at 30 June 2017, the value-in-use calculation uses cash flow projections based on the financial budgets approved by the management covering a 5-year period. Key assumptions used by the management in the value-in-use calculation of the CGU include budgeted revenue and gross profit margin. The pre-tax discount rate used for estimating the value in use is 14%.

The assumptions have been determined based on past performance and management's expectations in respect of the motor vehicles trading in Hong Kong and the PRC.

The management is not currently aware of any other probable changes that would necessitate changes in its key estimates. No impairment loss has been recognised for the year ended 30 June 2017 (2016: Nil).

### 20. 商譽

於業務合併中收購的商譽於收購時分配至預期受惠於業務合併的現金產生單位（「現金產生單位」）。商譽賬面值已分配至汽車買賣現金產生單位。

#### 商譽減值測試

##### 汽車買賣現金產生單位

管理層就該現金產生單位進行商譽減值測試的方法為根據使用價值計算估計現金產生單位的可收回金額。

於二零一七年六月三十日，使用價值計算使用以管理層批准五年期間之財務預算為根據的現金流預測。管理層於現金產生單位使用價值計算中使用的主要假設包括預算收益及毛利率。估計使用價值的稅前貼現率為14%。

假設乃根據有關香港及中國汽車買賣的過往表現及管理層預期釐定。

管理層目前並不知悉導致必須改變其主要估計的任何其他可能變動。截至二零一七年六月三十日止年度，概無因減值測試確認減值虧損（二零一六年：無）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 21. INVENTORIES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Finished goods	製成品	13,356	8,576

### 22. TRADE AND OTHER RECEIVABLES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收賬款	772	4,873
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	27,830	17,178
		<b>28,602</b>	<b>22,051</b>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 180 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-90 days	0至90天	758	177
91-180 days	91至180天	10	4,696
181-360 days	181至360天	2	—
Over 360 days	超過360天	2	—
		<b>772</b>	<b>4,873</b>

### 21. 存貨

### 22. 應收賬款及其他應收款項

本集團主要以信貸方式與客戶訂立交易條款。信貸期一般介乎30至180天不等。每位客戶均有信貸上限。新客戶通常須要提前付款。本集團力求對其尚未償還應收款項維持嚴格監控。董事定期檢閱逾期結餘。

應收賬項按發票日期之賬齡分析(已扣除撥備)如下:

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

As of 30 June 2017, trade receivables of approximately HK\$14,000 (2016: Nil) were past due by 60 to 360 days but not impaired. These relate to a number of independent customers who have no recent history of default and have kept good track records with the Group. The Group does not hold any collateral over these balances. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there are no significant change in their respective credit quality and the balances are still considered fully recoverable.

### 23. LOANS RECEIVABLE

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loans receivable, secured	應收貸款，有抵押	7,500	7,800
Loans receivable, unsecured	應收貸款，無抵押	17,510	5,000
Loan interests receivable, secured	應收貸款利息，有抵押	446	75
Loan interests receivable, unsecured	應收貸款利息，無抵押	443	197
		<b>25,899</b>	13,072

The loans granted to independent individuals and companies are interest bearing at 9%–12% (2016: 5%–12%) per annum and 9%–12% (2016: 12%) per annum, respectively. A corporate loan was granted to an independent company which is secured over its own shares. The directors of the Company monitored the collectibility of the loans receivable closely with reference to their respective current creditworthiness and repayment records.

### 22. 應收賬款及其他應收款項 (續)

截至二零一七年六月三十日，應收賬款約14,000港元(二零一六年：零)為已逾期60至360天，但尚未減值。該等賬款與多名最近並無拖欠記錄且與本集團保持良好往績記錄的獨立客戶有關。本集團並無就該等結餘持有任何抵押品。根據過往經驗，管理層相信，由於信貸質素並無重大變動及該等結餘仍被視為可悉數收回，因此毋須就該等結餘計提減值撥備。

### 23. 應收貸款

授予獨立個人及公司之貸款分別按年利率9%至12%(二零一六年：5%至12%)及年利率9%至12%計息(二零一六年：12%)。本公司已向一間獨立公司授出公司貸款，該貸款以其自身股份作擔保。本公司董事參考其個別目前信用度及還款記錄，密切監察應受貸款的可收回性。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 23. LOANS RECEIVABLE (CONTINUED)

The ageing analysis of these loans and interests receivable, based on loan commencement or renewal date set out in the relevant contracts, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-90 days	0至90天	7,634	7,875
91-180 days	91至180天	10,319	5,197
Over 180 days	超過180天	7,946	—
		<b>25,899</b>	<b>13,072</b>

As at 30 June 2017, the balance was neither past due nor impaired (2016: HK\$5,197,000 was past due by over 180 days but not impaired).

### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Equity securities listed in Hong Kong, at fair value	於香港上市之股本證券，按公允值	1,264	5,433

The fair value of the listed equity securities was determined based on the quoted market bid prices of the corresponding listed equity securities.

### 23. 應收貸款(續)

根據相關合約載列的貸款開始或重續日期的該等貸款及應收利息賬齡分析如下：

於二零一七年六月三十日，結餘並非預期或已減值(二零一六年：5,197,000港元已逾期超過180天但未減值)。

### 24. 透過損益按公允值計量之金融資產

上市股本證券之公允值乃根據相應上市股本證券的所報市場購入價釐定。

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## 綜合財務報表附註

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### 25. REFUNDABLE SECURED DEPOSIT

### 25. 可退還已抵押按金

	HK\$'000 千港元
At beginning and end of reporting period 報告期初及期末	70,000

The Group entered into a sale and purchase agreement and a supplemental agreement on 27 November 2013 and 16 December 2013, respectively, with an independent third party in relation to the acquisition of 100% equity interest of a target company and its subsidiaries which are mainly engaged in hotel operations in the PRC (the "Proposed Acquisition"). On 23 December 2013, an amount of HK\$150,000,000 was paid by the Group as refundable deposit. The refundable deposit was charged over the entire issued share capital of a Hong Kong subsidiary of the target company and was classified as secured deposit for acquisition of subsidiaries as at 30 June 2014.

According to the Company's announcement dated 28 October 2014, the Group and the vendor entered into a termination agreement to terminate the Proposed Acquisition because certain conditions precedent of the Proposed Acquisition have not been satisfied. Pursuant to the termination agreement, the Group and the vendor agreed that the refundable deposit shall be refunded to the Group by three installments including HK\$60,000,000; HK\$45,000,000; and HK\$45,000,000, repayable on 10 November 2014, 27 January 2015 and 27 April 2015, respectively. The first installment of HK\$60,000,000 was received by the Company on 7 November 2014.

本集團與一名獨立第三方於二零一三年十一月二十七日及二零一三年十二月十六日分別訂立買賣協議及補充協議，內容有關收購目標公司及其附屬公司之100%股本權益，目標集團主要於中國從事酒店業務（「建議收購事項」）。於二零一三年十二月二十三日，本集團支付150,000,000港元，作為可退還按金。於二零一四年六月三十日，該筆可退還按金已就目標公司一間香港附屬公司之全部已發行股本作抵押，並分類為就收購附屬公司已抵押按金。

根據本公司日期為二零一四年十月二十八日之公佈，本集團與賣方訂立終止協議以終止建議收購事項，因為建議收購事項之若干先決條件尚未達成。根據終止協議，本集團與賣方協定，可退還按金將分三期退還予本集團，包括分別須於二零一四年十一月十日、二零一五年一月二十七日及二零一五年四月二十七日償還60,000,000港元、45,000,000港元及45,000,000港元。本公司已於二零一四年十一月七日收取第一期退款60,000,000港元。



## 25. REFUNDABLE SECURED DEPOSIT (CONTINUED) 25. 可退還已抵押按金(續)

According to the Company's announcement dated 18 June 2015, the Group and the vendor entered into a supplemental termination agreement to amend certain terms of the termination agreement relating to the refund of the remaining refundable deposit. Pursuant to the supplemental termination agreement, the Group and the vendor have agreed that the remaining refundable deposit shall be refunded to the Group by two installments including HK\$20,000,000 and HK\$70,000,000, together with respective interest as calculated at 5% per annum, repayable on 18 June 2015 and 19 November 2015, respectively. The second installment of HK\$20,000,000 together with interest was received by the Company on 18 June 2015. The last instalment together with the interest was overdue as at 30 June 2016. During the year, the Company received interest income of HK\$5,830,000, as set out in note 9, calculated at 5% per annum for the remaining unsettled deposit of HK\$70,000,000. Subsequent to the year and date, deposit of HK\$58,000,000 together with interest of HK\$2,000,000 were received by the Company on 6 September 2017.

No provision for impairment has been made as the directors of the Company are of the opinion that the outstanding refundable deposit is fully recoverable.

根據本公司日期為二零一五年六月十八日之公佈，本集團與賣方訂立一份補充協議，以就退還餘下可退還按金修訂終止協議之若干條款。根據補充終止協議，本集團與賣方協定，餘下可退還按金(包括20,000,000港元及70,000,000港元連同按年利率5%計算之利息相關利息)將分兩期退還予本集團，分別於二零一五年六月十八日及二零一五年十一月十九日償付。本公司已於二零一五年六月十八日接獲第二期款項20,000,000港元連同利息。最後一期款項連同利息於二零一六年六月三十日逾期。年內，誠如附註9所載，本公司已收利息收入5,830,000港元，乃就餘下未償付款70,000,000港元按年利率5%計算。於該年及日期後，於二零一七年九月六日，本公司已收取按金58,000,000港元連同利息2,000,000港元。

由於本公司董事認為尚未償還可退還按金可悉數收回，因此並無作出減值撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度



### 26. TRADE AND OTHER PAYABLES

### 26. 應付賬款及其他應付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	應付賬款	3	144
Other payables and accruals	其他應付款項及應計款項	17,150	9,114
		<b>17,153</b>	<b>9,258</b>

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

應付賬款按收貨日期之賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-90 days	0至90天	3	144





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 27. DEFERRED TAX

The movements in deferred tax liabilities are as follows:

### 27. 遞延稅項

遞延稅項負債變動如下：

		Financial assets at fair value through profit or loss 按公允價值計入損益之金融資產 HK\$'000 千港元	Fair value adjustment on biological assets 生物資產之公允價值調整 HK\$'000 千港元	Operating right 經營權 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 July 2015	於二零一五年七月一日	4,443	158,529	30,773	193,745
Credited to profit or loss for the year (note 11)	年內於損益計入(附註11)	(4,428)	(11,400)	(1,249)	(17,077)
Exchange differences	匯兌差額	—	(10,323)	(2,021)	(12,344)
At 30 June 2016 and 1 July 2016	於二零一六年六月三十日及二零一六年七月一日	15	136,806	27,503	164,324
Credited to profit or loss for the year (note 11)	年內於損益扣除(附註11)	(15)	(8,308)	(1,198)	(9,521)
Exchange differences	匯兌差額	—	(1,993)	(396)	(2,389)
At 30 June 2017	於二零一七年六月三十日	—	126,505	25,909	152,414

At the end of the reporting period, the Group has unused tax losses of HK\$62,728,000 (2016: HK\$43,919,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$12,151,000 (equivalent to RMB10,555,000) (2016: Nil) that will expire in 5 years from the year of origination. Other tax losses may be carried forward indefinitely.

於報告期末，本集團未動用稅項虧損約62,728,000港元(二零一六年：43,919,000港元)可供對銷未來溢利。由於無法預計未來溢利來源，故並無就未動用稅項虧損確認遞延稅項資產。計入未確認稅項虧損約12,151,000港元(相等於人民幣10,555,000元)(二零一六年：零)將自起始年度起計5年屆滿。其他稅項虧損可能無限期結轉。

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## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 28. PROMISSORY NOTE

On 6 June 2017, the Company acquired industrial properties as set out in note 17 by issuing Promissory Note (the "PN") with a principal amount of HK\$30,000,000 as a partial settlement of the consideration. The fair value of the PN was assessed to be approximately HK\$28,720,000 on 6 June 2017 by Roma. The PN is unsecured, denominated in HK\$, interest bearing at a fixed rate of 6% per annum and mature on 5 June 2019.

On initial recognition, the fair value of the PN is determined based on the present value of the contractual stream of future cash flows discounted at 8.08% per annum. The discount rate is determined with reference to the yield rate with credit rating and duration similar to the PN.

The movement of the carrying amount of the PN for the year is set out below:

		HK\$'000 千港元
At 1 July 2017	於二零一七年七月一日	—
PN issued on 6 June 2017	於二零一七年六月六日發行的承兌票據	28,720
Interest charged calculated at effective interest rate	按實際利率計算的已收利息	161
At 30 June 2017	於二零一七年六月三十日	28,881

### 28. 承兌票據

於二零一七年六月六日，誠如附註17所載，本公司以本金額為30,000,000港元的承兌票據（「承兌票據」）收購工業物業，作為部分清償代價。羅馬國際於二零一七年六月六日評估的承兌票據公允值約為28,720,000港元。承兌票據為無抵押、以港元計值、據按固定年利率6%計息，並於二零一九年六月五日到期。

於初步確認時，承兌票據的公允值乃按合約未來現金流量的現時價值每年折讓8.08%釐定。折讓率乃經參考與承兌票據類似的信貸評級收益率及期間而釐定。

下文載列承兌票據賬面值於本年度的變動：

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### 29. SHARE CAPITAL

### 29. 股本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Authorised:	法定：		
15,000,000,000 ordinary shares of HK\$0.02 each	每股面值0.02港元之 15,000,000,000股普通股	300,000	300,000
Issued and fully paid:	已發行及繳足：		
1,697,138,114 ordinary shares of HK\$0.02 each	每股面值0.02港元之 1,697,138,114股普通股	33,943	33,943

A summary of the movements in issued share capital of the Company is as follows:

本公司已發行股本之變動概要如下：

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
1 July 2015	於二零一五年七月一日	942,854,508	18,857
Open offer (note (i))	公開發售(附註(i))	471,427,254	9,429
Placement of new shares (note (ii))	配售新股份(附註(ii))	282,856,352	5,657
At 30 June 2016, 1 July 2016 and 30 June 2017	於二零一六年六月三十日、 二零一六年七月一日及 二零一七年六月三十日	1,697,138,114	33,943

Notes:

附註：

- (i) Open offer  
On 3 September 2015, a total of 471,427,254 ordinary shares of HK\$0.02 each was allotted and issued to the qualifying shareholders of the Company on the basis of one offer share for every two shares held on 12 August 2015, at a subscription price of HK\$0.29 per share. Upon completion of the open offer, the premium on the issue of shares amounting to approximately HK\$123,244,000, net of share issue expenses of approximately HK\$4,041,000, was credited to the Company's share premium account.
- (ii) Placement of new shares  
On 26 April 2016, the Company entered into a placing agreement with a placing agent in respect of the placement of 282,856,352 ordinary shares of HK\$0.02 each to independent investors at a price of HK\$0.165 per share. The placement was completed on 13 May 2016 and the premium on the issue of shares amounting to approximately HK\$39,954,000, net of share issue expenses of approximately HK\$1,060,000, was credited to the Company's share premium account.

- (i) 公開發售  
於二零一五年九月三日，合共471,427,254股每股面值0.02港元之普通股獲配發及發行予本公司之合資格股東，基準為於二零一五年八月十二日每持有兩股股份獲發一股發售股份，認購價為每股0.29港元。公開發售完成後，股份發行之溢價為約123,244,000港元，經扣除股份發行開支約4,041,000港元，於本公司之股份溢價賬入賬。
- (ii) 配售新股份  
於二零一六年四月二十六日，本公司與配售代理訂立一項配售協議，內容有關向獨立投資者以每股0.165港元之價格配售每股面值0.02港元之282,856,352股普通股。配售於二零一六年五月十三日完成，股份發行之溢價為約39,954,000港元，經扣除股份發行開支約1,060,000港元，於本公司之股份溢價賬入賬。

### 30. SHARE-BASED PAYMENTS

#### Equity-settled share option scheme

The existing share option scheme of the Company was approved on 11 November 2015 (“Share Option Scheme”) (the 10% general limit under the said share option scheme has been refreshed pursuant to a resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 11 November 2015). The purpose of the Share Option Scheme is to provide the Group with a flexible means of giving incentive to, rewarding, remunerating, and/or providing benefits to the participant and to provide the participant with the opportunity to acquire a personal stake in the Group and to build common objectives of the Group and the participant for the betterment of business and profitability of the Group and its shareholders as a whole.

The Board of Directors may, at their discretion, invite any participant to take up options. An option is deemed to have been granted and accepted by the grantee upon his or her signing the duplicate letter comprising acceptance of the option and paying HK\$1 by way of consideration for the grant thereof.

The subscription price for shares in the Company under the Share Option Scheme will be the highest of (i) the closing price of the shares in the Company as stated in the Stock Exchange’s daily quotations sheet on the offer date (which date must be a business day); (ii) a price being the average of the closing prices of the shares in the Company as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a share of the Company.

The total number of shares in the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in the Company in issue as at the date of approval of the Share Option Scheme. An option may be exercised during a period to be determined by the directors in its absolute discretion and in any such period shall not be longer than 10 years from the date upon which the option is granted.

### 30. 以股份為基礎的付款

#### 以股權結算之購股權計劃

本公司現行購股權計劃於二零一五年十一月十一日獲批准(「購股權計劃」)(本公司於二零一五年十一月十一日舉行的股東週年大會獲股東通過決議案更新購股權計劃的10%一般上限)。購股權計劃旨在以靈活方式向參與者給予獎勵、獎賞、酬金及／或提供福利，以及給予參與者於本集團持有個人權益之機會，並讓本集團與參與者之間建立共同目標，以改善本集團之業務及盈利能力和提升股東整體價值。

董事會可酌情邀請任何參與者接納購股權。承授人簽署一式兩份表示接納購股權之函件及支付1港元作為接納購股權之代價後，購股權將被視為已授出及獲承授人接納。

根據購股權計劃，本公司股份認購價須為以下各項之最高者：(i)提呈購股權當日(必須為營業日)在聯交所每日報價表所報本公司股份收市價；(ii)緊接提呈購股權前五個營業日聯交所每日報價表所報本公司股份收市價的平均價；及(iii)本公司股份面值。

根據購股權計劃及本公司任何其他購股計劃授出之全部購股權獲行使而可發行本公司股份總數，合共不得超過於批購股權計劃當日本公司已發行股份總10%。購股權可於董事全權酌情釐定之間內行使，惟在任何情況下，有關期間得遲於購股權授出日期後10年。





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### 30. SHARE-BASED PAYMENTS (CONTINUED)

#### Equity-settled share option scheme (Continued)

The maximum entitlement for any one participant is that the total number of shares issued and to be issued upon exercise of the options granted to each participant under the Share Option Scheme in any 12-month period shall not exceed 1% of the total number of shares in issue of the Company. Any further grant of options in excess of the 1% limit shall be subject to shareholders' approval in general meeting with such participant and his or her associates abstaining from voting. The Share Option Scheme will remain in force for a period of 10 years from the date upon which the option is deemed to be granted and accepted.

Details of the specific categories of options are as follows:

Participants	Date of grant	Exercise period	Exercise price	Number of share options		
				Balance as at 1 July 2015	Granted during the year ended 30 June 2016	Balance as at 30 June 2016 and 2017
參與人	授出日期	行使期	行使價 HK\$ 港元	於 二零一五年 七月一日 之結餘	截至 二零一六年 六月三十日 止年度內 授出	於 二零一六年及 二零一七年 六月三十日之 結餘
Options granted to directors 授予董事之購股權	22 April 2016 二零一六年四月 二十二日	22 April 2016 – 21 April 2026 二零一六年四月二十二日至 二零二六年四月二十一日	0.2064	—	42,428,451	42,428,451
Options granted to chief executive officer 授予行政總裁之購股權	22 April 2016 二零一六年四月 二十二日	22 April 2016 – 21 April 2026 二零一六年四月二十二日至 二零二六年四月二十一日	0.2064	—	14,142,817	14,142,817
Options granted to an employee 授予僱員之購股權	22 April 2016 二零一六年四月 二十二日	22 April 2016 – 21 April 2026 二零一六年四月二十二日至 二零二六年四月二十一日	0.2064	—	14,142,817	14,142,817
				—	70,714,085	70,714,085
Weighted average exercise price (HK\$) 加權平均行使價(港元)					0.2064	0.2064

### 30. 以股份為基礎的付款(續)

#### 以股權結算之購股權計劃(續)

根據購股權計劃，任何一名參與者在任十二個月期間內因行使獲授購股權而發或將發行之股份總數最高配額，不得超本公司已發行股份總數1%。進一步授出逾1%限額之購股權，須經股東於股東大批准，而該名參與者及其聯繫人不得就投票。購股權計劃於購股權被視為已授及接納之日期起計10年期間內有效。

購股權詳細分類之詳情如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 30. SHARE-BASED PAYMENTS (CONTINUED)

#### Equity-settled share option scheme (Continued)

The fair value of share options granted on 22 April 2016 was calculated using the binomial pricing model. The inputs into the model are as follows:

Stock price	股價	HK\$0.198港元
Strike price	行使價	HK\$0.2064港元
Historical volatility	歷史波幅	96.86%
Contractual life	合約年期	10
Risk free rate	無風險利率	1.311%
Dividend yield	股息收益率	0%
Early exercise multiple	提早行使倍數	2.8
Exit rate per annum	年流失率	22.92%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

### 30. 以股份為基礎的付款(續)

#### 以股權結算之購股權計劃(續)

於二零一六年四月二十二日授出的購股權之公允值乃使用二項期權定價模型計算。該模型之主要輸入數據如下：

預期波幅乃根據本公司股價於過往十年之歷史波幅而釐定。定價模式所用之預計年期已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 31. ACQUISITION OF SUBSIDIARIES

On 6 June 2017, the Group acquired assets and liabilities by way of acquisition of 80% equity interest of Warner Investments Limited at a consideration of approximately HK\$58,720,000, which was settled by cash and PN.

Assets and liabilities acquired:	已收購之資產及負債：	HK\$'000 千港元
Investment properties	投資物業	80,674
Cash and cash equivalents	現金及等同現金項目	198
Accruals and other payables	應計款項及其他應付款項	(2,375)
Amount due to shareholder	應付股東款項	(5,097)
Non-controlling interest	非控股權益	(14,680)
		58,720
Satisfied by:	已下列各項結付：	
Cash	現金	30,000
Promissory note	承兌票據	28,720
		58,720
Net cash outflow arising on acquisition:	收購事項產生的現金流出淨額：	
Cash consideration paid	已付現金代價	(30,000)
Acquisition cost paid	已付收購成本	(694)
Cash and cash equivalents acquired	已收購之現金及等同現金項目	198
		(30,496)

There is no significant changes to the Group's revenue and loss for the year if the acquisition had been completed on 1 July 2016.

On 4 August 2015, the Group acquired 90% of the issued share capital of BAC HK Limited for a cash consideration of approximately HK\$1,000,000. BAC HK Limited was engaged in trading of motor vehicles. In the opinion of the directors, the newly acquired subsidiary would broaden the principal activities of the Group and is expected to be one of the major revenue stream in the future.

### 31. 收購附屬公司

於二零一七年六月六日，本集團以收購華盟投資有限公司80%股本權益的方式收購資產及負債，代價約為58,720,000港元，以現金及承兌票據結付。

倘收購事項於二零一六年七月一日完成，則不會對本集團的年內收益及虧損造成重大影響。

於二零一五年八月四日，本集團收購BAC HK Limited之90%已發行股本，現金代價約1,000,000港元。BAC HK Limited年內從事買賣汽車。董事認為，新購附屬公司將拓展本集團之主要業務並預期成為日後的主要收入來源之一。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度



### 31. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The fair value of the identifiable assets and liabilities of BAC HK Limited acquired as at its date of acquisition is as follows:

		<b>BAC HK Limited</b>	<b>Others</b>	<b>Total</b>
		<b>BAC HK Limited</b>	<b>其他</b>	<b>總計</b>
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Net liabilities acquired:	已收購負債淨值：			
Other payable	其他應付款項	(95)	—	(95)
Non-controlling interest	非控股權益	9	—	9
		(86)	—	(86)
Goodwill	商譽	1,086	1	1,087
		1,000	1	1,001
Satisfied by:	支付方式：			
Cash	現金	1,000	1	1,001
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：			
Cash consideration paid	已付現金代價	1,000	1	1,001

There is no significant changes to the Group's revenue and loss for the year if the acquisition had been completed on 1 July 2015.

The goodwill arising on the acquisition of BAC HK Limited is attributable to the anticipated profitability of the distribution of the motor vehicles in Hong Kong and the PRC markets and the anticipated future operating synergies from the combination.

### 31. 收購附屬公司(續)

於收購日期所收購BAC HK Limited之可識別資產及負債之公允值如下：

倘收購於二零一五年七月一日完成，本集團之收益及虧損並無重大變動。

收購BAC HK Limited產生之商譽乃源自在香港及中國市場分銷汽車之預期盈利能力及因合併產生的未來經營協同效益。





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 32. DEREGISTRATION/DISPOSALS OF SUBSIDIARIES 32. 註銷／出售附屬公司

Net (liabilities)/assets at the date of deregistration/disposals are as follows:

於註銷／出售日期的(負債)／資產淨額如下：

		2017 二零一七年 HK\$'000 千港元 (note (i)) (附註(i))	2017 二零一七年 HK\$'000 千港元 (note (ii)) (附註(ii))	2016 二零一六年 HK\$'000 千港元 (note (iii)) (附註(iii))
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	—	—	1,017
Bank and cash balances	銀行及現金結餘	—	—	12
Accruals and other payables	應計款項及其他應付款項	(25)	(4,864)	—
Non-controlling interests	非控股權益	7	—	—
Net (liabilities)/assets disposed of	已出售(負債)／資產淨額	(18)	(4,864)	1,029
Total consideration	總代價	1	—	(1,017)
(Gain)/loss on deregistration/disposals of subsidiaries	註銷／出售附屬公司之(收益)／虧損	(17)	(4,864)	12
Net cash inflow arising on disposal:	出售產生的現金流入淨額：			
Cash consideration received	已收現金代價	—	—	1,017
Cash and cash equivalents disposed of	已出售現金及等同現金項目	—	—	(12)
		—	—	1,005

Notes:

- (i) On 25 July 2016, the Group disposed of all of its 70% of the issued share capital of Wise Win Holdings Limited for a consideration of HK\$546.
- (ii) The deregistration of a subsidiary Bright Delight Asia-Pacific Research Macao Commercial Offshore Co. Limited was completed on 31 October 2016.
- (iii) On 18 March 2016, the Group disposed 100% of the issued share capital of Bright Key Holdings Limited for a cash consideration of approximately HK\$1,017,000.

附註：

- (i) 於二零一六年七月二十五日，本集團出售其全部70%的Wise Win Holdings Limited已發行股本，代價為546港元。
- (ii) 註銷一間附屬公司朗悅亞洲研究(澳門離岸商業服務)有限公司已於二零一六年十月三十一日完成。
- (iii) 於二零一六年三月十八日，本集團出售啟耀集團有限公司100%已發行股本，現金代價約為1,017,000港元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES

#### (a) Statement of financial position of the Company

### 33. 本公司之財務狀況表及儲備

#### (a) 本公司之財務狀況表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司之投資	15,730	15,730
<b>Current assets</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	924	655
Due from subsidiaries	應收附屬公司款項	743,934	690,128
Bank balances	銀行結餘	3,813	38,131
		<b>748,671</b>	<b>728,914</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	應付賬款及其他應付款項	6,897	6,648
Due to subsidiaries	應付附屬公司款項	19,354	13,843
		<b>26,251</b>	<b>20,491</b>
<b>Net current assets</b>	<b>流動資產淨額</b>	<b>722,420</b>	<b>708,423</b>
<b>Total assets less current liabilities</b>	<b>資產總額減流動負債</b>	<b>738,150</b>	<b>724,153</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Promissory note	承兌票據	28,881	—
		<b>28,881</b>	<b>—</b>
<b>NET ASSETS</b>	<b>資產淨額</b>	<b>709,269</b>	<b>724,153</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	33,943	33,943
Reserves	儲備	675,326	690,210
<b>TOTAL EQUITY</b>	<b>權益總額</b>	<b>709,269</b>	<b>724,153</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES (CONTINUED)

#### (b) Reserves of the Company

		Share premium 股份溢價賬 HK\$'000 千港元	Share-based compensation reserve 股份酬金儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 1 July 2015</b>	<b>於二零一五年 七月一日</b>	969,958	—	(315,581)	654,377
Loss for the year	年度虧損	—	—	(134,288)	(134,288)
Open offer	公開發售	123,244	—	—	123,244
Share option	購股權	—	6,923	—	6,923
Placing of new shares under general mandate	根據一般授權 配售新股份	39,954	—	—	39,954
<b>At 30 June 2016</b>	<b>於二零一六年 六月三十日</b>	1,133,156	6,923	(449,869)	690,210
<b>At 1 July 2016</b>	<b>於二零一六年 七月一日</b>	1,133,156	6,923	(449,869)	690,210
Loss for the year	年度虧損	—	—	(14,884)	(14,884)
<b>At 30 June 2017</b>	<b>於二零一七年 六月三十日</b>	1,133,156	6,923	(464,753)	675,326

#### (c) Nature and purpose of reserves of the Group

##### (i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

##### (ii) Statutory reserve

In accordance with the relevant regulations of the PRC, the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the subsidiaries.

### 33. 本公司之財務狀況表及儲備 (續)

#### (b) 本公司儲備

#### (c) 本集團儲備之性質及用途

##### (i) 股份溢價賬

根據開曼群島公司法，本公司股份溢價賬之資金可分派予本公司股東，惟前提是緊隨建議分派股息日期後，本公司將能夠在日常業務過程中償還到期債項。

##### (ii) 法定儲備

根據中國相關法規，本集團於中國成立之附屬公司須將若干比例之除稅後溢利(如有)轉撥至法定儲備。在遵守相關法規所載之若干限制的情況下，法定儲備可用作抵銷附屬公司之累計虧損(如有)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度



### 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES (CONTINUED)

#### (c) Nature and purpose of reserves of the Group (Continued)

##### (iii) Capital reserve

Capital reserve represents the difference between the capital injection made by the Company over the nominal value of the registered capital of the PRC subsidiaries.

##### (iv) Share-based compensation reserve

The share-based compensation reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors and employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3.

##### (v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3.

### 34. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2017 and 2016.

### 33. 本公司之財務狀況表及儲備 (續)

#### (c) 本集團儲備之性質及用途 (續)

##### (iii) 資本儲備

資本儲備指本公司注入之資金與中國附屬公司註冊資本面值之間的差額。

##### (iv) 股份酬金儲備

股份酬金儲備指已根據就以股權結算以股份支付的款項(見附註3)採納之會計政策，確認向本集團董事及僱員授出之實際或估計數目之未行使購股權之公允值。

##### (v) 外匯儲備

外匯儲備包括換算海外業務財務報表所產生之所有匯兌差異。有關儲備根據附註3所載之會計政策處理。

### 34. 或然負債

本集團於二零一七年及二零一六年六月三十日並無任何重大或然負債。





# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 35. COMMITMENTS

As at 30 June 2017, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	4,535	1,425
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	706	1,565
After five years	五年後	553	595
		<b>5,794</b>	<b>3,585</b>

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases are negotiated for an average term of 1 to 3 years and rentals are fixed over the lease terms and do not include contingent rentals.

In addition, one of the subsidiaries of the Company has contracted to use and operate certain plantation land with an initial lease term of 30 years with annual concession fee payable of RMB30,000.

### 36. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, during the year, the Group entered into the following material related party transactions.

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Rental expenses	租賃開支	2,077	1,661
Sales to a director, Mr. Yeung Chi Hang	向一名董事楊智恒先生銷售	375	—

Rental expenses were paid to a company in which the mother of Mr. Yeung Chi Hang, Chairman and Chief Executive Director of the Company, has 50% indirect equity interest.

#### (b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and all the highest paid employees, is disclosed in note 13.

### 35. 承擔

於二零一七年六月三十日，本集團根據不可撤銷經營租賃未來應付之最低租金總額如下：

經營租賃付款指本集團就其若干辦事處須支付之租金。租賃經磋商，平均租期為1至3年，租期內之租金為固定，且不包括或然租金。

此外，本公司其中一間附屬公司已訂立合約使用及經營若干種植土地，初步租期為30年，應付年度特許費用為人民幣30,000元。

### 36. 關連人士交易

(a) 除於該等綜合財務報表其他部分披露之交易及結餘外，年內，本集團訂立以下重大關連人士交易。

租賃開支已支付予本公司主席兼行政總裁楊智恒先生之母親擁有50%間接股本權益的公司。

#### (b) 主要管理人員薪酬

本集團主要管理人員之薪酬包括支付予本公司董事及全體最高薪酬僱員之款項，於附註13披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

### 37. 本公司附屬公司詳情

Name of the subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立／註冊地點	Issued and paid-up/ registered capital 已發行及繳足／ 註冊資本	Percentage of ownership interest		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Bright Delight Group Limited 朗悅集團有限公司	The British Virgin Islands 英屬處女群島	100 shares of US\$1 each 每股面值1美元的100股 股份	100%	—	Research and development 研發
Cai Jin Limited 財進有限公司	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	100%	—	Investment holding 投資控股
CER Management Limited 中環管理有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Provision of management services 提供管理服務
Gold Vantage Forestry Limited 凱金林業有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Investment holding 投資控股
Grand Diamond Investment Limited 君鑽投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	—	Provision of money lending services 提供借貸服務
International Richway Limited 國際富旭有限公司	Hong Kong 香港	HK\$1 1港元	100%	—	Provision of management services 提供管理服務
Mega Choice Holdings Limited	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	100%	—	Securities trading and investments 證券買賣及投資
Prima Choice Limited	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	100%	—	Investment holding 投資控股
Star Asset Holdings Limited 星財集團有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Investment holding 投資控股
Triple Harvest Holdings Limited	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	—	100%	Investment holding 投資控股
Harvest Top Development Limited 潤昇發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100%	Property investment 物業投資
Wide World Inc.	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	100%	—	Investment holding 投資控股
Elise Company Limited	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	100%	—	Investment holding 投資控股

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (CONTINUED) 37. 本公司附屬公司詳情(續)

Name of the subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/註冊地點	Issued and paid-up/ registered capital 已發行及繳足/ 註冊資本	Percentage of ownership interest		Principal activities 主要業務
			Direct 直接	Indirect 間接	
BAC HK Limited	Hong Kong 香港	HK\$10,000 10,000港元	—	90%	Distributor and trading of motor vehicles and related accessories 分銷商及買賣汽車及相 關配件
Power Asia Motorspot Company Limited	Hong Kong 香港	HK\$10,000 10,000港元	—	90%	Distributor and trading of motor vehicles and related accessories 分銷商及買賣汽車及相 關配件
佛山凱金林業有限公司	The PRC 中國	RMB600,000 人民幣600,000元	—	100%	Plantation related business 種植相關業務
新疆普德士生物有限公司	The PRC 中國	RMB600,000 人民幣600,000元	—	100%	Dormant 並無業務
Goodland Union Limited	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	100%	—	Investment holding 投資控股
Allied Spread Limited 揚盟有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Investment holding 投資控股
World System Development Limited 永得發展有限公司	Hong Kong 香港	HK\$100 100港元	—	51%	Dormant 並無業務
Powerful Elite Limited 源宏有限公司	Hong Kong 香港	HK\$1 1港元	100%	—	Dormant 並無業務
First Rank Corporation	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	100%	—	Investment holding 投資控股
Warner Investments Limited 華盟投資有限公司	Hong Kong 香港	HK\$1,000 1,000港元	—	80%	Investment holding 投資控股
東莞大新科技有限公司	The PRC 中國	HK\$77,000,000 77,000,000港元	—	80%	Property investment 物業投資
Well Harvest Corporation	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	—	100%	Dormant 並無業務
Grand Riches Limited 浩益有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Dormant 並無業務

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

### 37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (CONTINUED)

### 37. 本公司附屬公司詳情(續)

Name of the subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立／註冊地點	Issued and paid-up/ registered capital 已發行及繳足／ 註冊資本	Percentage of ownership interest		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Bright Race Limited	The British Virgin Islands 英屬處女群島	1 share of US\$1 each 面值1美元的1股股份	—	100%	Investment holding 投資控股
Jumbo Well Limited 雋環有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Dormant 並無業務
CER Motorsport Limited	Hong Kong 香港	HK\$100 100港元	—	60%	Provision of services 提供服務

### 38. EVENTS AFTER THE REPORTING PERIOD

On 21 September 2017, the Group entered into a memorandum of understanding with the issuer in relation to proposed subscription for 70% of the enlarged issued share capital of the issuer upon completion of the issue of the new shares. The memorandum is not legally binding with regard to the proposed subscription. The issuer and its related companies are principally engaged in metal recycle business in Hong Kong and the PRC and are in the course of acquiring several related businesses for horizontal or vertical expansion. Up to the approval date of these consolidated financial statements, a refundable deposit of HK\$5,000,000 has been paid.

### 39. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 September 2017.

### 38. 報告期後事項

於二零一七年九月二十一日，本集團與發行人訂立諒解備忘錄，內容有關於發行新股完成後建議認購發行人經擴大已發行股本的70%。諒解備忘錄對建議認購事項並不具法律約束力。發行人及其關連公司主要於香港及中國從事金屬回收業務，並正收購若干相關業務，以進行水平或垂直擴張。直至該等綜合財務報表批准日期，已支付可退還按金5,000,000港元。

### 39. 通過財務報表

綜合財務報表於二零一七年九月二十六日獲董事會通過並授權發行。



# Five-Year Financial Summary

## 五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

本集團對上五個財政年度的業績及資產及負債之概要載於下文，內容乃摘錄自已刊發之經審核財務報表，並於適當情況下重新分類。

### RESULTS

### 業績

		For the years ended 30 June 截至六月三十日止年度				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Turnover	營業額	13,971	13,365	2,733	9,955	31,014
Loss before tax	除稅前虧損	(58,325)	(123,590)	(84,601)	(79,070)	(47,804)
Income tax credit	所得稅抵免	9,238	16,704	15,700	9,909	5,672
Loss for the year	年度虧損	(49,087)	(106,886)	(68,901)	(69,161)	(42,132)
Other comprehensive (loss)/ income	其他全面(虧損)/收入	(7,063)	(36,979)	1,246	(12,262)	14,918
Total comprehensive loss for the year	年度全面虧損總額	(56,150)	(143,865)	(67,655)	(81,423)	(27,214)
<b>Total comprehensive loss for the year attributable to:</b>	<b>以下人士應佔年度全面虧損總額：</b>					
Owners of the Company	本公司擁有人	(55,340)	(143,588)	(67,655)	(81,423)	(27,214)
Non-controlling interests	非控股權益	(810)	(277)	—	—	—
		(56,150)	(143,865)	(67,655)	(81,423)	(27,214)

### ASSETS AND LIABILITIES

### 資產及負債

		As at 30 June 於六月三十日				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Non-current assets	非流動資產	825,676	798,434	801,026	991,919	873,806
Current assets	流動資產	152,136	200,491	184,770	78,946	54,523
Current liabilities	流動負債	(20,613)	(17,234)	(16,017)	(15,949)	(19,866)
Non-current liabilities	非流動負債	(181,295)	(164,324)	(193,745)	(211,227)	(197,755)
<b>Net assets</b>	<b>資產淨值</b>	<b>775,904</b>	<b>817,367</b>	<b>776,034</b>	<b>843,689</b>	<b>710,708</b>
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	762,313	817,653	776,034	843,689	710,708
Non-controlling interests	非控股權益	13,591	(286)	—	—	—
<b>Total equity</b>	<b>權益總額</b>	<b>775,904</b>	<b>817,367</b>	<b>776,034</b>	<b>843,689</b>	<b>710,708</b>