



China Partytime Culture
Holdings Limited
中國派對文化控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1532



ANNUAL REPORT 年報

2017

Contents

目錄

Financial Highlights	財務摘要	2
Corporate Information	公司資料	4
Chairman's Statement	主席報告	6
Directors' Business Review and Management Discussion and Analysis	董事業務回顧與 管理層討論及分析	8
Corporate Governance Report	企業管治報告	19
Directors and Senior Management	董事及高級管理人員	33
Report of the Directors	董事會報告書	36
Environmental, Social and Governance Report	環境、社會及管治報告	46
Independent Auditor's Report	獨立核數師報告	63
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	71
Consolidated Statement of Financial Position	綜合財務狀況表	72
Consolidated Statement of Changes in Equity	綜合權益變動表	74
Consolidated Statement of Cash Flows	綜合現金流量表	75
Notes to the Consolidated Financial Statements	綜合財務報表附註	77
Five-Year Financial Summary	五年財務概要	156

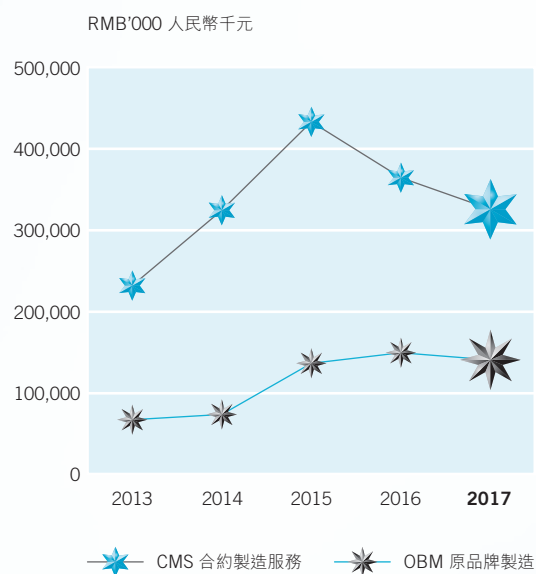
Financial Highlights

財務摘要

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	% change 變動百分比
Revenue	收益	466,371	513,883	(9.2%)
Gross Profit	毛利	109,509	145,057	(24.5%)
Profit for the year attributable to the equity holders of the Company	本公司權益持有人應佔年內溢利	13,988	56,682	(75.3%)
Gross Profit Margin	毛利率	23.5%	28.2%	(4.7%)
Net Profit Margin	純利率	3.0%	11.0%	(8.0%)

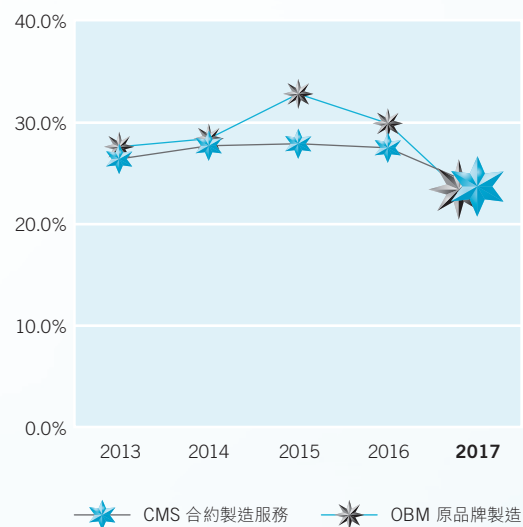
KEY SHAREHOLDER VALUE INDICES

Revenue 收益

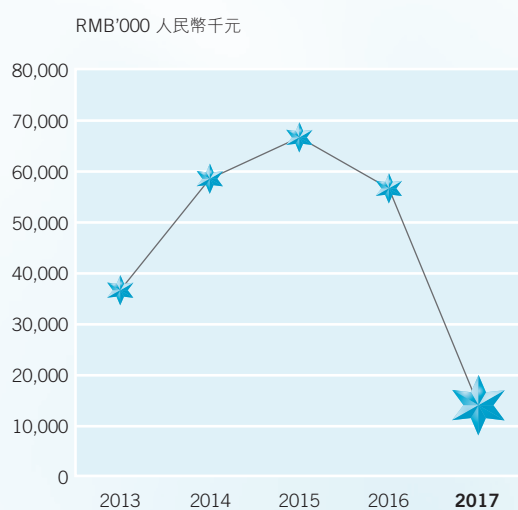


股東價值主要指標

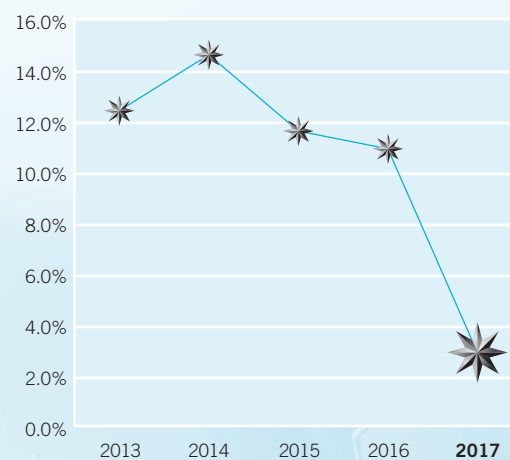
Gross Profit Margin 毛利率



Profit for the year attributable to equity holders of the Company 本公司權益持有人應佔年內溢利



Net Profit Margin 純利率



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lin Xin Fu (*Chairman*)
Mr. Ma Chi Kwan
Mr. Phen Chun Shing, Vincent

Non-Executive Director

Ms. Chen Sheng

Independent Non-executive Directors

Mr. Leung Siu Hong
Mr. Chen Wen Hua
Ms. Peng Xu

AUDIT COMMITTEE

Mr. Leung Siu Hong (*Chairman*)
Mr. Chen Wen Hua
Ms. Peng Xu

REMUNERATION COMMITTEE

Mr. Chen Wen Hua (*Chairman*)
Mr. Lin Xin Fu
Ms. Peng Xu

NOMINATION COMMITTEE

Ms. Peng Xu (*Chairlady*)
Ms. Chen Sheng
Mr. Chen Wen Hua

COMPANY SECRETARY

Mr. Chong Man Hung Jeffrey

REGISTERED OFFICE

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 3 Chunchao Road
Yichun Economic & Technological Development Zone
Jiangxi Province, China

董事會

執行董事

林新福先生 (主席)
馬志鈞先生
彭鎮城先生

非執行董事

陳升女士

獨立非執行董事

梁兆康先生
陳文華先生
彭淑女士

審核委員會

梁兆康先生 (主席)
陳文華先生
彭淑女士

薪酬委員會

陳文華先生 (主席)
林新福先生
彭淑女士

提名委員會

彭淑女士 (主席)
陳升女士
陳文華先生

公司秘書

莊文鴻先生

註冊辦事處

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

中國總公司及主要營業地點

中國江西省
宜春經濟技術開發區
春潮路3號

PLACE OF BUSINESS IN HONG KONG

Room 1907
Prosperity Centre
25 Chong Yip Street
Kwun Tong, Kowloon
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Principal

Estera Trust (Cayman) Ltd.
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Hong Kong branch

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

LEGAL ADVISOR

TC & Co., Solicitors

AUDITOR

Grant Thornton Hong Kong Limited
Certified Public Accountants

STOCK CODE

1532

COMPANY WEBSITE

www.partytime.com.cn

INVESTORS RELATIONS

ir@partytime.com.cn

香港營業地點

香港
九龍觀塘
創業街25號
創富中心
1907室

股份登記及過戶處

主要股份登記及過戶處

Estera Trust (Cayman) Ltd.
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

香港股份登記及過戶分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心22樓

法律顧問

崔曾律師事務所

核數師

致同(香港)會計師事務所有限公司
執業會計師

股份代號

1532

公司網址

www.partytime.com.cn

投資者關係

ir@partytime.com.cn

Chairman's Statement

主席報告

Dear Shareholders:

On behalf of the board (the “Board”) of directors (the “Directors”) of China Partytime Culture Holdings Limited (the “Company”, together with its subsidiaries, collectively referred to as the “Group”), I am pleased to present to each shareholder the annual report of the Group for the year ended 31 December 2017.

BUSINESS REVIEW

The global economy currently presents a mixed picture, with relatively strong growth in some areas counter-balanced by weak performance in others and below-target inflation in most advanced economies. Even our customers are diversified over 30 countries over the world, we still suffered and the overall revenue had decreased from approximately RMB513.9 million to approximately RMB466.4 million. On the other hand, the Group also faced challenges from the rising production cost, such as wages and raw materials costs, and also changing in customer demand and standards towards our products, which leads to the decline in gross profit margin from approximately 28.2% to 23.5%.

The turnover for the year ended 31 December 2017 amounted to approximately RMB466.4 million, representing a decrease of 9.2% as compared to last year. Gross profit margin and net profit margin were approximately 23.5% and 3.0% respectively. Profit for the year was approximately RMB14.0 million, representing a decrease of 75.3% as compared to last year. Furthermore, net cash generated from the operating activities of the Group during the year was approximately RMB36.9 million, representing a decrease of 67.3% as compared to last year.

各位股東：

本人代表中國派對文化控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」）董事（「董事」）會（「董事會」），欣然向各位股東呈列本集團截至二零一七年十二月三十一日止年度之年報。

業務回顧

目前全球經濟形勢喜憂參半，部分地區經濟增長相對較強，而其他地區經濟則表現疲弱，大部分發達經濟體的通脹率低於預期。儘管我們的客戶遍佈全球30多個國家，我們的整體收益仍由約人民幣513.9百萬元下降至約人民幣466.4百萬元。另一方面，本集團面臨來自生產成本上升的挑戰，如工資及原材料成本上漲，以及客戶需求及對我們產品標準要求的變化導致毛利率由約28.2%下滑至23.5%。

截至二零一七年十二月三十一日止年度之營業額為約人民幣466.4百萬元，較去年下跌9.2%，而毛利率及純利率分別為約23.5%及3.0%。年內溢利為約人民幣14.0百萬元，較去年下跌75.3%。此外，年內本集團經營活動所得現金淨額為約人民幣36.9百萬元，較去年下跌67.3%。

PROSPECTS

Looking ahead, the Group will continue to seek for cooperation with other intellectual property right owners to engage in different business, strengthen the Group's capabilities and rapidly enhance our competitive and operation scale.

On 13 March 2018, we have completed the placing of new shares under the general mandate with net proceeds of approximately HK\$72.5 million, the proceeds mainly used for the subscription of convertible bonds of HK\$70.0 million issued by Charm Success Global Investment Limited ("Issuer"), which its holding company have entered into a license agreement with Viacom Media Networks, a division of the Viacom International Inc., ("VMN"), pursuant to which VMN granted to the Issuer's holding company a right to, among others, design, develop, construct, launch and operate and manage a theme park in the PRC as a Nickelodeon themed and branded theme park using the approved licensed property elements as defined in the license agreement. We believe that the above strategy investment can add value to our existing business.

APPRECIATION

On behalf of the Board, I would like to extend our sincere gratitude to our shareholders, customers and business partners for their full support throughout the year. In addition, I would also like to take this opportunity to express my appreciation to all staffs for their persistent contributions to the Group.

On behalf of the Board

Lin Xin Fu
Chairman

Hong Kong, 22 March 2018

展望

展望未來，本集團將繼續尋求與其他知識產權擁有人的合作開展不同的業務，加強本集團能力及快速提升我們的競爭力及經營規模。

於二零一八年三月十三日，我們已根據一般授權完成配售新股份，錄得所得款項淨額約72.5百萬港元，所得款項主要用於認購Charm Success Global Investment Limited（「發行人」）發行之70.0百萬港元可換股債券，Charm Success Global Investment Limited之控股公司已與Viacom International Inc.之部門Viacom Media Networks（「VMN」）訂立許可協議，據此，VMN已授予發行人控股公司權利（其中包括）於中國設計、開發、建造、發佈及經營以及管理主題公園，以作為使用經批准許可物業（定義見許可協議）之Nickelodeon主題及品牌主題公園。我們相信上述投資策略可為我們的現有業務增值。

鳴謝

本人謹代表董事會，向股東、客戶及業務夥伴於本年度給予鼎力支持致以深切謝意。此外，本人亦藉此機會感謝各位員工努力不懈為本集團作出貢獻。

代表董事會

林新福
主席

香港，二零一八年三月二十二日

Directors' Business Review and Management Discussion and Analysis

董事業務回顧與管理層討論及分析

KEY PERFORMANCE INDICATORS

主要表現指標

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	% change 變動百分比
Performance Indicators	表現指標			
Revenue	收益	466,371	513,883	(9.2%)
Gross Profit	毛利	109,509	145,057	(24.5%)
Gross Profit Margin	毛利率	23.5%	28.2%	(4.7%)
Profit from operations	經營溢利	23,700	80,984	(70.7%)
Profit for the year attributable to equity holders of the Company	本公司權益持有人應佔年內溢利	13,988	56,682	(75.3%)
Net Profit Margin	純利率	3.0%	11.0%	(8.0%)
Return on total assets	總資產回報率	2.6%	10.2%	(7.6%)
Financial Health Indicators	財務狀況指標			
Bank balances and cash	銀行結餘及現金	69,206	81,604	(15.2%)
Net current assets	流動資產淨值	42,433	76,681	(44.7%)
Total assets	總資產	541,612	555,109	(2.4%)
Total liabilities	總負債	100,307	129,104	(22.3%)
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	441,305	426,005	3.6%
Return on equity	股本回報率	3.2%	13.3%	(10.1%)
Current ratio	流動比率	142.3%	168.2%	(25.9%)
Gearing ratio	資產負債比率	15.7%	18.2%	(2.5%)
Cash Flow and Capital Expenditure	現金流量及資本開支			
Cash generated from operations	經營所得現金	36,882	112,619	(67.3%)
Capital expenditure	資本開支	51,376	144,491	(64.4%)
Shareholders' Return Indicators	股東回報指標	RMB人民幣	RMB人民幣	
Earnings per share	每股盈利			
– Basic	– 基本	1.85 cents分	7.50 cents分	(75.3%)
– Diluted	– 攤薄	1.85 cents分	7.39 cents分	(75.0%)

BUSINESS REVIEW

The Group is principally engaged in design, develop, produce, sell and market cosplay products (including cosplay costumes and cosplay wigs) and non-cosplay apparels including mainly sexy lingerie. Our products are principally for export sales to more than 30 countries and regions around the globe including mainly the US, Germany, the UK and Australia.

Our business can be classified into two major categories, namely Contract Manufacturing Service (“CMS”) business and Original Brand Manufacturing (“OBM”) business.

業務回顧

本集團主要從事設計、開發、生產、銷售及營銷角色扮演產品（包括角色扮演服飾及角色扮演假髮）及非角色扮演服飾（包括性感內衣）。我們的產品主要出口銷售至全球30多個國家及地區，主要包括美國、德國、英國及澳洲。

我們的業務可劃分為兩個主要類別，即合約製造服務（「CMS」）業務及原品牌製造（「OBM」）業務。

		2017		2016		Increase/ (decrease) of revenue (approximate %)
		Revenue RMB'000	% of total	Revenue RMB'000	% of total	
		二零一七年 收益	佔總額 百分比	二零一六年 收益	佔總額 百分比	收益增加／ (減少) (概約百分比)
		人民幣千元	百分比	人民幣千元	百分比	
CMS business	CMS業務	325,717	69.8%	364,639	71.0%	(10.7)%
OBM business	OBM業務	140,654	30.2%	149,244	29.0%	(5.8)%
Total	總計	466,371	100.0%	513,883	100%	(9.2)

Revenue by operating and reportable segments

以經營及可呈報分部劃分的收益

		2017		2016		Increase/ (decrease) of revenue (approximate %)
		Revenue RMB'000	% of total	Revenue RMB'000	% of total	
		二零一七年 收益	佔總額 百分比	二零一六年 收益	佔總額 百分比	收益增加／ (減少) (概約百分比)
		人民幣千元	百分比	人民幣千元	百分比	
Wigs	假髮	200,656	43.0%	221,826	43.2%	(9.5)%
Clothing and others	服裝及其他	265,715	57.0%	292,057	56.8%	(9.0)%
Total	總計	466,371	100.0%	513,883	100%	(9.2%)

Directors' Business Review and Management Discussion and Analysis 董事業務回顧與管理層討論及分析

The global economy currently presents a mixed picture, with relatively strong growth in some areas counter-balanced by weak performance in others and below-target inflation in most advanced economies. Even our customers are diversified over 30 countries over the world, we still suffered and the overall revenue had decreased from approximately RMB513.9 million to approximately RMB466.4 million.

Profit for the year attributable to the equity holders of the Company decreased from approximately RMB56.7 million to approximately RMB14.0 million. Such decrease is primarily attributable to (i) a decrease in turnover by approximately 9.2% for the year ended 31 December 2017 as compared to that for the year ended 31 December 2016; (ii) the increase in research and development expenses for the development of the PRC market, such as enhancement of the products variety and different patents and technique; and (iii) the increase in our production cost, particularly in the inflationary wage costs and raw materials prices which has negative effects for the profitability of our group.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks and uncertainties can affect the Group's businesses, financial conditions, operational results or growth prospects lead to a divergence from the expected or the historical results. Key risk factors and uncertainties affecting the Group are outlined below. In dealing with these risk factors and uncertainties, the Group remains in touch with our stakeholders with the aim of understanding and addressing their concerns.

These factors are not exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could become material in the future.

Global Economy and Macro-economic Conditions

The global economic recovery has been weaker than expected with uneven recovery in advanced economies. Downside risks have increased due to economic pressures and geopolitical tensions such as slower economic growth in the emerging markets, the end of the quantitative easing program in the USA, and the instability in the Middle East and Eastern Europe.

目前全球經濟形勢喜憂參半，部分地區經濟增長相對較強，而其他地區經濟則表現疲弱，大部分發達經濟體的通脹率低於預期。儘管我們的客戶遍佈全球30多個國家，我們的整體收益仍由約人民幣513.9百萬元下降至約人民幣466.4百萬元。

本公司權益持有人應佔年內溢利由約人民幣56.7百萬元減少至約人民幣14.0百萬元。有關減少乃主要由於(i)截至二零一七年十二月三十一日止年度之營業額較截至二零一六年十二月三十一日止年度之營業額減少約9.2%；(ii)為發展中國市場之研發開支增加，例如提升產品多樣性及各種專利及技術；及(iii)生產成本上升，尤其是工資成本及原材料價格通脹，對本集團的盈利能力產生負面影響。

主要風險及不確定因素

風險及不確定因素可能影響本集團的業務、財務狀況、經營業績或增長前景，導致業績偏離預期或過往業績。影響本集團的主要風險因素及不確定因素概述如下。在處理這些風險因素及不確定因素時，本集團與持份者保持聯繫，旨在了解及解決彼等的憂慮。

這些因素並不詳盡或全面，除如下所示的風險外，亦可能有其他風險而本集團並不知悉或現時並非重大但將來可能屬重大者。

全球經濟和宏觀經濟狀況

全球經濟復甦趨勢遜於預期，而各發達經濟體的復甦步伐不一。由於經濟壓力及地緣政治局勢緊張，如新興市場增長放緩，美國結束量化寬鬆計劃，以及中東和東歐局勢的不穩定，皆促使下行風險增加。

Over 90% of our revenue was generated from sales to overseas customers over 30 countries. The industries in which the Group operates are affected by the economic conditions, consumer spending, contagious disease outbreaks and currency environment in these regions. Any combination of these factors or continuing adverse economic conditions in these regions may adversely affect the Group's financial position, potential income, asset value and liabilities.

Foreign currency exchange rate fluctuations

Most of our revenue are denominated in US dollars ("USD"). Our profit margins will be adversely affected if we are unable to increase the USD denominated selling prices of our products sold to overseas customers or shift the exchange risk to our customers to account for the appreciation of the RMB against the USD. Further, any significant fluctuation in the exchange rates between the RMB and the USD may result in increases or decreases in our reported costs and earnings, and may also materially affect our business and results of operations. Any future exchange rate volatility relating to the RMB may also give rise to uncertainties in the values of net assets, profits and dividends.

Changing trends and popularities of movie and animation characters

Some of our cosplay products in our CMS business feature popular cosplaying characters originated from animation characters, comics, cartoons and movies. These products are manufactured under the authorisations given by our CMS customers who are licensees or proprietors of popular animation characters. As trends and popularity of these characters may change from time to time, market demand and the revenue thus generated from our products featuring these characters will be affected accordingly.

The popularity of animation characters are largely determined by the appeal of such characters to the target audience and the effectiveness of the marketing campaigns conducted for the animations or films from which they originated. Their popularity is also subject to changes in market trends. If these animation characters do not achieve our customers' desired levels of market acceptance or the popularity of which drops drastically, the sale of our products featuring these animation characters will be adversely affected correspondingly. Eventually, we may not receive similar levels of purchase orders from our customers as we did in the past and the revenue thus generated from the sale of products featuring these animation characters would be substantially lower than our expectation at the time when we plan our expansion and expenditures.

我們收益的逾90%乃來自向逾30個國家的海外客戶的銷售。本集團所經營的行業受上述地區的經濟狀況、消費支出、傳染性疾病爆發和貨幣環境等因素影響。如上述任何因素結合或有關地區持續出現不利的經濟狀況，則可能會對本集團的財務狀況、潛在收入、資產價值和負債產生不利影響。

外幣匯率波動

我們的大部分收益以美元（「美元」）計價。倘我們無法提高我們銷售予海外客戶以美元計價的產品售價或將匯兌風險轉嫁予我們的客戶以應對人民幣對美元的升值，則我們的利潤率將受到不利影響。此外，人民幣與美元間匯率的任何大幅波動均可能增加或減少我們所呈報的成本及盈利，並亦可能對我們的業務和經營業績產生嚴重影響。未來任何與人民幣相關的匯率波動亦可能給資產淨值、利潤和股息帶來不確定性。

電影及動漫角色不斷變化的潮流及受歡迎程度

我們的CMS業務中部分角色扮演產品乃以來自動漫角色、漫畫、卡通及電影為原型的流行動漫角色為特色。該等產品根據CMS客戶（為流行動漫角色的持牌人或擁有人）的授權製造。由於該等角色的趨勢及流行可能不時變動，市場需求及具有該等角色特色的產品所產生的收益將相應受到影響。

動漫角色的流行很大程度上取決於該等角色對目標觀眾的吸引力及作為動漫角色原型的動漫或電影的營銷活動的有效性。動漫角色流行亦受市場趨勢變動所影響。倘若該等動漫角色並無達到客戶理想的市場接納水平或其流行度驟降，具有該等動漫角色特色的產品的銷售將因此相應受到不利影響。最終，我們可能不會收到來自我們過往進行業務的客戶類似水平的訂單及銷售具有該等動漫角色特色的產品所產生的收益因而將遠低於我們計劃擴充及開支時的預期。

IMPORTANT EVENTS AFFECTING THE GROUP THAT HAVE OCCURRED SINCE THE END OF THE FINANCIAL YEAR

Saved as those disclosed in this Annual report, we did not identify any important events affecting the Group that have occurred since the end of the financial year.

OUR BUSINESS STRATEGIES

The Group will continue to focus on expanding our business by implement the following principal strategies: (i) further strengthen our research and development capabilities; (ii) broaden our customer base by expanding our OBM business in the PRC market; (iii) increase the market share of our products in the overseas markets; and (iv) enhance our production capacities.

LAW AND REGULATION

Law and regulations in relation to workplace quality and environmental protection may have a material effect on the Group's principal activities.

Workplace Quality

The Group believes that continued business success relies on the full contribution and support of our employees. We are dedicated to promoting equal opportunities for all of our employees in different areas, including recruitment, compensation and benefits, training, staff promotion, transfer, and dismissal. All employees are assessed based on their ability, performance and contribution, irrespective of their nationality, race, religion, gender, age or family status.

The Group is committed to the health, safety and welfare of our employees. We pledge full compliance in all occupational health and safety legislations and we have provided a safe work environment for our employees during the year.

The Group has complied with labour or other relevant legislations. We did not identify any material non-compliance or breach of legislation related to workplace quality.

自財政年度末出現並影響本集團的重大事件

除本年報所披露者外，我們並無識別出自財政年度末發生並影響本集團的任何重大事件。

我們的業務策略

本集團將繼續專注於實施以下主要策略擴充業務：(i) 進一步增強我們的研發能力；(ii) 於中國市場拓展我們的OBM業務，從而擴大我們的客戶群；(iii) 擴大我們的產品在海外市場的市場份額；及(iv) 加強產能。

法律及法規

有關工作場所質素和環保的法律及法規可能對本集團的主要業務造成重大影響。

工作場所質素

本集團認為，業務的持續成功有賴於我們僱員的全力貢獻及支持。我們致力在不同範疇中為所有僱員推廣平等機會，當中包括招聘、薪酬及福利、培訓、員工晉升、調職和解僱。本集團乃根據所有僱員的能力、表現和貢獻來進行評估，而不論其國籍、種族、宗教信仰、性別、年齡或家庭狀況為何。

本集團致力確保僱員的健康、安全及福利。年內，我們承諾完全遵守所有職業健康與安全法例，並為我們的僱員提供安全的工作環境。

本集團已遵守勞工或其他相關法例。我們並無發現任何重大不遵守或違反有關工作場所質素法例的情況。

Product Safety

The Group places the highest importance on the welfare of its global customers, as well as on its broader societal and environmental impact. The quality and safety of our products is of paramount importance. All products are safe and fully adhere to international environmental and safety standards, including but not limited to the American ASTM standards, the European EN71 and REACH and Work Safety Standardization Certificate (安全生產標準化證書). We have also been awarded various certifications such as ISO9001:2008, ISO14001:2004 and OHSAS 18001:2007 certificates. We did not identify any material non-compliance or breach of legislation related to product safety.

Environmental Protection

The Group is committed to protecting and sustaining the environment. We are committed to upholding high environmental standards to fulfill relevant requirements under applicable laws or ordinances during the manufacturing and material disposal processes.

We did not identify any material non-compliance or breach of relevant standards, rules and regulations on air and greenhouse gas emission, discharges into water and land, generation of hazardous or non-hazardous water, etc.

產品安全

本集團高度關注全球性客戶的福利及其廣泛性社會和環境的影響。我們的產品質素及安全乃至關重要。所有產品均屬安全，並完全符合國際環境及安全標準，包括（但不限於）美國ASTM標準、歐洲EN71及REACH標準以及安全生產標準化證書。我們亦獲授ISO9001:2008、ISO14001:2004及OHSAS 18001:2007等多項認證。我們並無發現任何重大不遵守或違反有關產品安全法例的情況。

環境保護

本集團致力保護和維持環境。我們致力維持高環保標準，以履行根據適用法律或條例在製造及處置材料過程中的相關規定。

就空氣及溫室氣體排放、向水體及土地排放、產生有害或無害用水等各方面，我們並無發現任何重大不遵守或違反相關標準、規則及法規的事宜。

FINANCIAL REVIEW

Revenue and gross profit

財務回顧

收益及毛利

		2017 二零一七年		2016 二零一六年		
		Revenue 收益 RMB'000 人民幣千元	Gross Profit margin 毛利率	Revenue 收益 RMB'000 人民幣千元	Gross Profit margin 毛利率	Revenue % change 收益變動百分比
CMS business	CMS業務					
Cosplay costumes	角色扮演服飾	106,251	22.9%	142,733	28.4%	(25.6%)
Cosplay wigs	角色扮演假髮	143,266	22.1%	160,513	25.2%	(10.7%)
Sexy lingerie	性感內衣	68,511	26.6%	60,235	31.5%	13.7%
Others	其他	7,689	25.7%	1,158	28.3%	564.0%
		325,717	23.4%	364,639	27.5%	(10.7%)
OBM business	OBM業務					
Cosplay costumes	角色扮演服飾	50,299	25.6%	62,455	34.0%	(19.5%)
Cosplay wigs	角色扮演假髮	57,390	20.0%	61,313	24.1%	(6.4%)
Sexy lingerie	性感內衣	31,549	27.5%	24,753	34.0%	27.5%
Others	其他	1,416	21.7%	723	33.6%	95.9%
		140,654	23.7%	149,244	29.9%	(5.8%)
Total	總計	466,371	23.5%	513,883	28.2%	(9.2%)

Revenue

During the year ended 31 December 2017, our revenue was mainly derived from our CMS business, representing approximately 69.8% (2016: 71.0%) of total revenue. Our revenue derived from the CMS business decreased from approximately RMB364.6 million to approximately RMB325.7 million, representing a decrease of approximately 10.7%. Such decrease was mainly attributable to the drop in certain markets' demand in cosplay costumes and wigs and offset by the increase in demand in sexy lingerie.

收益

截至二零一七年十二月三十一日止年度，我們的收益主要來自CMS業務，約佔總收益的69.8%（二零一六年：71.0%）。我們來自CMS業務的收益由約人民幣364.6百萬元減少至約人民幣325.7百萬元，減少約10.7%。該減少主要是由於個別市場對角色扮演服飾及假髮的需求下降，並被性感內衣需求增加所抵銷。

The revenue derived from our OBM business decreased from approximately RMB149.2 million to approximately RMB140.7 million, representing a decrease of approximately 5.8%. Such decrease was mainly attributable to the drop in certain markets' demand in our OBM cosplay costumes and the OBM cosplay wigs, offset by the increase in demand in our OBM sexy lingerie.

Gross profit margin

Our gross profit margin decreased from approximately 28.2% to approximately 23.5%. The production costs of the industry have continued to increase, particularly in the inflationary wage costs and raw materials prices which has negative effects for the profitability of our group. Furthermore, the appreciation of the Renminbi against the US Dollar during the year further increased the operating pressure of our export business.

Cost of sales

Our cost of sales mainly comprised raw material cost, direct labor cost and manufacturing overhead. Manufacturing overhead includes subcontracting payments, utilities and social insurance for our production staff and other miscellaneous items.

Other income

Our other income decreased by approximately RMB1.9 million, from approximately RMB3.6 million to approximately RMB1.7 million. The decrease was primarily due to a decrease in exchange gain of approximately RMB2.4 million.

Selling expenses

Our selling expenses increased by approximately RMB5.0 million, from approximately RMB14.0 million to approximately RMB19.0 million. The increase was primarily due to an increase in transportation expense of approximately RMB2.0 million and advertising and marketing expense of approximately RMB4.5 million.

Administrative and other operating expenses

Our administrative and other operating expenses increased by approximately RMB14.8 million, from approximately RMB53.7 million to approximately RMB68.5 million. The increase was primarily due to an increase in research and development cost of approximately RMB3.6 million; the operating expenses for our new testing lab of approximately RMB3.0 million; and the exchange loss of approximately RMB3.4 million.

我們來自OBM業務的收益由約人民幣149.2百萬元減少至約人民幣140.7百萬元，減少約5.8%。該減少主要是由於個別市場對OBM角色扮演服飾及OBM角色扮演假髮需求下降，及被我們的OBM性感內衣需求增加所抵銷。

毛利率

我們的毛利率由約28.2%下降至約23.5%。業內生產成本持續上升，尤其是工資成本及原材料價格的上漲對本集團盈利能力造成負面影響。此外，年內人民幣對美元升值進一步加大了我們出口業務的經營壓力。

銷售成本

銷售成本主要包括原材料成本、直接勞工成本及生產費用。生產費用包括分包付款、公用設施及生產員工社保以及其他雜項開支。

其他收入

其他收入由約人民幣3.6百萬元減少約人民幣1.9百萬元至約人民幣1.7百萬元。減少主要是由於匯兌收益減少約人民幣2.4百萬元所致。

銷售開支

銷售開支由約人民幣14.0百萬元增加約人民幣5.0百萬元至約人民幣19.0百萬元。增加主要是由運輸開支增加約人民幣2.0百萬元及廣告及營銷開支約人民幣4.5百萬元所致。

行政及其他營運開支

行政及其他營運開支由約人民幣53.7百萬元增加約人民幣14.8百萬元至約人民幣68.5百萬元。增加主要是由於研發成本增加約人民幣3.6百萬元；我們的新測試實驗室產生經營開支約人民幣3.0百萬元；以及匯兌虧損約人民幣3.4百萬元。

Finance costs

Our finance costs increased by approximately RMB1.9 million, from approximately RMB2.2 million to approximately RMB4.1 million. The increase was primarily due to the interests paid for the convertible bonds and higher average loan balance in 2017.

Income tax

Our income tax expense decreased by approximately RMB16.5 million, from approximately RMB22.1 million to approximately RMB5.6 million. Our effective tax rate increased from 28.0% to 28.6% was primarily due to the decrease in tax non-deductible expenses such as, operating expenses incurred in the Hong Kong office.

Financial resources and liquidity and capital structure

As at 31 December 2017, the total amount of bank balances and cash of the Group was approximately RMB69.2 million, a decrease of approximately RMB12.4 million compared with that as at 31 December 2016. The decrease arose mainly from the payment of construction and decoration costs of the two new factory buildings at our Yichun Production Plant and the research and development, service and experience centre at our Yiwu Production Plant.

The borrowings of the Group represented bank borrowings of approximately RMB53 million, and convertible bonds with principal amount of approximately RMB16.7 million, with a fixed rate of interest of 4% per annum.

As at 31 December 2017, current ratio and gearing ratio was 142.3% and 15.7% respectively, represented a decrease of 25.9% and 2.5% compared with corresponding year respectively. The decrease in current ratio arose mainly from the capital expenditure of approximately RMB51.4 million in property, plant and equipment. The decrease in gearing ratio was mainly due to the decrease in borrowings of approximately RMB7.7 million.

融資成本

融資成本由約人民幣2.2百萬元增加約人民幣1.9百萬元至約人民幣4.1百萬元。增加主要是由於就可換股債券支付利息及二零一七年平均貸款餘額較高。

所得稅

所得稅開支由約人民幣22.1百萬元減少約人民幣16.5百萬元至約人民幣5.6百萬元。我們的實際稅率由28.0%上升至28.6%，主要是由於不可扣稅開支減少（例如於香港辦事處產生之營運開支）所致。

財務資源及流動性及資本架構

於二零一七年十二月三十一日，本集團的銀行結餘及現金總額約為人民幣69.2百萬元，較二零一六年十二月三十一日減少約人民幣12.4百萬元。減少乃主要產生自支付於宜春生產廠房兩座新工廠大樓以及於義烏生產廠房之研發、服務及體驗中心之建造及裝修成本。

本集團借貸指為數約人民幣53百萬元之銀行借貸以及本金額為約人民幣16.7百萬元之可換股債券，該借貸按固定年利率4%計息。

於二零一七年十二月三十一日，流動比率及資產負債比率分別為142.3%及15.7%，相當於較去年分別減少25.9%及2.5%。流動比率減少主要來自物業、廠房及設備之資本開支約人民幣51.4百萬元。資產負債比率減少主要因借貸減少約人民幣7.7百萬元。

Capital expenditure

During the year ended 31 December 2017, the Group invested approximately RMB51.4 million in the construction and decoration of two new factory buildings at our Yichun Production Plant and a Research and Development, Service and Experience Centre at our Yiwu Production Plant.

Pledged of assets

As at 31 December 2017, the bank loans were secured by the Group's prepaid lease payment and buildings with carrying value of approximately RMB12.7 million and RMB200.7 million respectively.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 December 2017.

Foreign currency exposure

Our exposures to currency risk arise from our sales to and purchases from overseas markets, which are primarily denominated in USD and Euro. These are not the functional currencies of our entities to which these transactions relate. We currently do not have a group foreign currency hedging policy. Nevertheless, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Event after the reporting date

On 13 March 2018, the Company issued 141,890,000 ordinary shares by way of placing at a price of HK\$0.53 per share, and the net proceeds from the placing is approximately HK\$72.5 million.

On 15 March 2018, the Company completed the subscription of the convertible bonds of HK\$70 million issued by Charm Success Global Investment Limited.

Human resources

As of 31 December 2017, we had approximately 1,593 employees. Total staff costs for the year amounted to approximately RMB114.3 million.

資本開支

截至二零一七年十二月三十一日止年度，本集團投資約人民幣51.4百萬元於宜春生產廠房的兩座新工廠大樓及於義烏生產廠房的研發、服務及體驗中心的建造及裝修。

資產質押

於二零一七年十二月三十一日，銀行貸款由本集團賬面值分別約為人民幣12.7百萬元及人民幣200.7百萬元之預付土地租賃款項及樓宇作抵押。

或然負債

本集團於二零一七年十二月三十一日並無任何重大或然負債。

外幣風險

我們面對的貨幣風險乃源自主要以美元及歐元計值的海外市場銷售及採購。該等貨幣並非為我們與該等交易有關的實體的功能貨幣。我們現時並無集團外幣對沖政策。然而，管理層負責監控外匯風險，並將於必要時考慮對沖重大外幣風險。

報告日後事項

於二零一八年三月十三日，本公司通過配售按每股股份0.53港元之價格發行141,890,000股普通股，配售所得款項淨額為約72.5百萬港元。

於二零一八年三月十五日，本公司已完成認購Charm Success Global Investment Limited發行之70百萬港元可換股債券。

人力資源

於二零一七年十二月三十一日，我們約有1,593名僱員。年內之總員工成本約為人民幣114.3百萬元。

USE OF PROCEED

Convertible Bonds in the principal amount of HK\$20,000,000 were issued by the Company on 18 May 2016. After deducting the legal cost and issue expenses, the net proceeds of HK\$19,550,000 are intended to be used for future possible acquisition(s), future development and general working capital of the Group. As at 31 December 2017, a sum of HK\$4,750,000 from the net proceeds has been assigned to the development of a joint venture engaged in the development of mobile games and gaming derivative products which include cosplay costumes and other entertainment products; and the remaining amounts totaling HK\$14,800,000 have been fully used as general working capital of the Group during the year ended 31 December 2017.

Relationship with suppliers

We purchased raw materials from over 70 suppliers. We generally have alternative sources of supply for the same kind of raw materials and hence, the loss of any single supplier would not have a material impact on our operations. We do not enter into any long-term procurement agreements with any supplier. We do not have any hedging policy against any risk of fluctuation in the raw material costs, but we closely monitor the market prices of the raw materials.

Relationship with customers and consumers

We believe cultivation and maintenance of customer loyalty is crucial to our continued success. We maintain long term business relationships with our customers from over 30 countries and regions around the globe. As at 31 December 2016, our top five customers had in average over seven years of business relationships with us.

所得款項用途

本公司於二零一六年五月十八日發行本金額為20,000,000港元之可換股債券。於扣減法律費用及發行開支後，所得款項淨額19,550,000港元擬用於本集團未來可能收購、未來發展及一般營運資金。於二零一七年十二月三十一日，所得款項淨額合共4,750,000港元已撥付予發展一間合營公司（其從事發展手游及遊戲衍生產品，包括角色扮演服裝及其他娛樂產品），截至二零一七年十二月三十一日止年度，餘下合共14,800,000港元已全部用作本集團之一般營運資金。

與供應商的關係

我們向超過70名供應商採購原材料。我們通常有備選的相同原材料供應來源，因此任何單一供應商的流失均不會對我們的業務造成重大影響。我們並無與任何供應商訂立任何長期採購協議。我們並無針對原材料成本的任何波動風險制定任何對沖政策，但我們會密切監察原材料的市場價格。

與客戶及消費者的關係

我們認為培育及維護客戶的忠誠度對我們的持續成功十分重要。我們與來自全球30多個國家和地區的客戶保持長期業務關係。於二零一六年十二月三十一日，我們的五大客戶與我們的業務關係平均超過七年。

Corporate Governance Report

企業管治報告

The Board is committed to achieving high standards of corporate governance to safeguard the interest of the Company's shareholders and to enhance corporate value and accountability. For the year ended 31 December 2017, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules, except in relation to CG Code provision A.2.1, as more particular describe below:

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The roles of the Chairman and the Chief Executive Officer of the Company are not separate and both are performed by Mr. Chen Sheng Bi (for the period from 1 January 2017 to 27 June 2017, the date of resignation of Mr. Chen as the chairman and chief executive officer of the Company,) and Mr. Lin Xin Fu (for the period from 27 June 2017, the date of re-designation of Mr. Lin as the chairman and chief executive officer of the Company to 31 December 2017). In view of Mr. Chen is the founder of our Group and has been operating and managing our Group since 2004 and Mr. Lin joined out group since 2006, our Board believes that it is in the best interest of our Group to have Mr. Chen/Mr. Lin taking up both roles for effective management and business development. Therefore, our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

The Group also has an internal control system in place serving the check and balance function. There are three Independent Non-executive Directors who represent nearly one half of the Board offering practical, independent and differing perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place to enable the Company to make and implement decisions promptly and effectively.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the year ended to 31 December 2017.

董事會致力達致高水準企業管治，務求保障本公司股東的利益並提升企業價值與問責性。截至二零一七年十二月三十一日止年度，本公司已應用上市規則附錄十四所載的企業管治守則（「企業管治守則」）的原則並遵守其適用守則條文，惟涉及企業管治守則條文A.2.1除外，更多詳情載於下文：

企業管治守則條文A.2.1規定，主席及行政總裁的角色須分開，且不應由同一位人士擔任。本公司主席及行政總裁職務並無分開及兩者均由陳聖弼先生（於二零一七年一月一日至二零一七年六月二十七日（陳先生辭任本公司主席及行政總裁之日）期間）及林新福先生（於二零一七年六月二十七日（林先生調任為本公司主席及行政總裁之日）至二零一七年十二月三十一日期間）擔任。鑑於陳先生為本集團創辦人，自二零零四年以來一直經營及管理本集團及林先生自二零零六年起加入本集團，董事會相信，陳先生／林先生兼任兩個職務可進行有效的管理及業務發展，符合本集團的最佳利益。因此，董事認為偏離企業管治守則條文A.2.1在該情況下乃屬適當。

本集團亦已制定內部控制系統，起監察制衡的作用。董事會設有三名獨立非執行董事（佔董事會人數近一半）以提供務實、獨立及多角度的意見。因此，董事會因此認為已施行充足的權力平衡及保障措施，可令本公司更快捷及有效地制定和執行決策。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載有關董事進行證券交易的行為守則。經向全體董事作出特定查詢，本公司確認全體董事於截至二零一七年十二月三十一日止年度一直遵守標準守則所載的規定標準。

THE BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

The Board currently consists of seven Directors including three Executive Directors, one Non-executive Director and three Independent Non-executive Directors:

Executive Directors

Mr. Lin Xin Fu
(Chairman and Chief Executive Officer)
Mr. Ma Chi Kwan
Mr. Phen Chun Shing, Vincent

Non-executive Director

Ms. Chen Sheng

Independent Non-executive Directors

Mr. Chen Wen Hua
Mr. Leung Siu Hong
Ms. Peng Xu

The biography details of the Directors of the Company are set out under the section headed "Directors and Senior Management" in this annual report.

董事會

董事會負責領導及監控本公司，並負責制定整體策略以及審閱本集團的營運與財務表現。董事會負責決定或考慮的事宜包括本集團整體策略、重要收購及出售、年度預算、全年及中期業績、董事委任或重新委任的推薦建議、批准重要資本交易以及其他重大營運與財務事宜。董事會授權管理層負責本集團日常管理的職權及職責。此外，董事會亦已授權董事會轄下委員會履行多項職責。有關該等委員會的進一步詳情載於本報告。

董事會目前由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事：

執行董事

林新福先生
(主席兼行政總裁)
馬志鈞先生
彭鎮城先生

非執行董事

陳升女士

獨立非執行董事

陳文華先生
梁兆康先生
彭淑女士

本公司董事的履歷詳情載於本年報「董事及高級管理人員」一節。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Lin Xin Fu, the Chairman of the Company, was also appointed as the Chief Executive Officer of the Company. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being Non-executive Directors and Independent Non-executive Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

For the year ended 31 December 2017, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board. These Independent Non-executive Directors are individuals from diversified backgrounds and industries and one member has appropriate accounting and related financial management expertise.

The Independent Non-executive Directors serve the relevant function of bringing independent judgment and advice on the overall management of the Company. They take the lead where potential conflicts of interests arise. The Company has received an annual confirmation of independence from each of the Independent Non-executive Directors. The Company is of the view that all of the Independent Non-executive Directors meet the guidelines for assessing independence as set out in the Listing Rules and considers them to be independent.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

According to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

All Directors have participated in continuous professional development by way of attending seminars relating to their role as a Director of the Company.

主席及行政總裁

本公司主席林新福先生亦獲委任為本公司行政總裁。董事會認為，由同一個人兼任主席與行政總裁之角色，有利於確保本集團貫徹一致的領導，更有效及有效率地計劃本集團的整體策略。董事會進一步認為，現時的安排不會削弱職能與權力兩者間的平衡，而現時由經驗豐富及能力超卓的人才（其中有充足的人數擔任非執行董事及獨立非執行董事）組成的董事會足以確保職能與權力兩者間的平衡。

獨立非執行董事

截至二零一七年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事（佔董事會人數的三分之一）的規定。該等獨立非執行董事乃來自多元化背景及行業的人士，其中一名成員擁有適當會計及相關財務管理專門技能。

獨立非執行董事擔當有關職能，就本公司的整體管理提供獨立判斷及意見。當發生潛在利益衝突時，彼等將發揮領導功能。本公司已收到每名獨立非執行董事的年度獨立性確認函。本公司認為所有獨立非執行董事均符合上市規則載列的評核獨立性指引，並認為彼等均為獨立人士。

董事的持續培訓及發展

根據企業管治守則的守則條文A.6.5，全體董事均須參與持續專業發展，以增進並更新其知識及技能，確保各董事在知情情況下對董事會作出切合需要的貢獻。

全體董事已透過出席與其作為本公司董事的職務有關的研討會，參與持續專業發展。

BOARD MEETINGS AND GENERAL MEETING

During the year ended 31 December 2017, one annual general meeting and seven Board meetings were held. All Directors were given an opportunity to include any matters in the agenda for regular Board meetings, and were also given sufficient time to review documents and information relating to matters to be discussed in Board meeting in advance.

董事會會議及股東大會

截至二零一七年十二月三十一日止年度，已舉行一次股東週年大會及七次董事會會議。全體董事均有機會將任何事項納入常規董事會會議議程內，且均亦獲充足時間可提前審閱有關將予董事會會議上討論的事項之文件及資料。

Name of Director 董事姓名		Annual general meeting attended 出席股東週年大會	Board meetings attended 出席董事會會議
Mr. Lin Xin Fu	林新福先生	1/1	7/7
Mr. Ma Chi Kwan (appointed on 3 August 2017)	馬志鈞先生（於二零一七年 八月三日獲委任）	0/1	3/7
Mr. Phen Chun Shing, Vincent (appointed on 3 August 2017)	彭鎮城先生（於二零一七年 八月三日獲委任）	0/1	2/7
Ms. Chen Sheng	陳升女士	1/1	6/7
Mr. Chen Wen Hua	陳文華先生	1/1	6/7
Mr. Leung Siu Hong	梁兆康先生	1/1	6/7
Ms. Peng Xu	彭淑女士	1/1	4/4
Mr. Chen Sheng Bi (resigned on 27 June 2017)	陳聖弼先生（於二零一七年 六月二十七日辭任）	1/1	3/7
Mr. Lu Yilin (retired on 9 June 2017)	呂禕麟先生（於二零一七年 六月九日退任）	0/1	2/7

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials, and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

董事會會議記錄由公司秘書保存，並公開予董事查閱。每名董事會成員有權查閱董事會文件及相關資料，並可無限制取得公司秘書的意見及服務，以及於有需要時尋求外部專業意見。

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The Board notes that the Chairman of the Board and the chairmen or, in their absence, other members of the audit committee (“Audit Committee”), nomination committee (“Nomination Committee”) and remuneration committee (“Remuneration Committee”) of the Company should attend the annual general meeting to answer questions and collect views of shareholders.

董事會負責與股東持續保持對話，尤其是藉股東週年大會或其他股東大會與股東溝通，並鼓勵股東參加。董事會知悉董事會主席及本公司審核委員會（「審核委員會」）、提名委員會（「提名委員會」）及薪酬委員會（「薪酬委員會」）之主席（或倘彼等主席缺席會議，則其他成員）須出席股東週年大會回答問題及收集股東意見。

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the “Board Committees”) for overseeing particular aspects of the Company’s affairs under its defined scope of duties and terms of reference. The terms of reference of each of the Board Committees are posted on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 7 August 2015 with written terms of reference, which was aligned with the CG Code. The terms of reference of the Nomination Committee is currently made available on the Stock Exchange’s website and the Company’s website.

The Nomination Committee consists of two Independent Non-executive Directors, namely Ms. Peng Xu (as chairlady) and Mr. Chen Wen Hua, and one Non-executive Director, namely Ms. Chen Sheng.

The functions of the Nomination Committee are to review and monitor the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Group’s strategy; to identifying qualified individuals to become members of the Board; to assess the independence of Independent Non-executive Directors; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

董事委員會

董事會已成立審核委員會、薪酬委員會及提名委員會（統稱「董事委員會」），以按指定職務範疇及職權範圍監督本公司事務的特定事項。各董事委員會的職權範圍刊登於本公司及聯交所網站。董事委員會獲得充足資源以履行其職務，並於合理要求時，在適當的情況下，能夠尋求獨立專業意見，而費用由本公司支付。

提名委員會

本公司於二零一五年八月七日成立提名委員會，並設有與企業管治守則一致的書面職權範圍。提名委員會之職權範圍現時可於聯交所網站及本公司網站查閱。

提名委員會由兩名獨立非執行董事即彭淑女士（擔任主席）及陳文華先生以及一名非執行董事即陳升女士組成。

提名委員會的職能為檢討及監控董事會的架構、人數及組成，並就任何為配合本集團策略而擬對董事會作出的變動提供建議；物色具備合適資格可擔任董事會成員的人士；評估獨立非執行董事的獨立性；以及就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議。

During the year ended 31 December 2017, the Nomination Committee held 3 meetings for (1) reviewing the Board composition, (2) recommending the Board on the appointment of Directors, (3) reviewing the independence of the Independent Non-executive Directors, (4) assessing the necessity to set measurable objectives for implementing the Policy and (5) considering the re-election of retiring Directors.

截至二零一七年十二月三十一日止年度，提名委員會已舉行三次會議以(1)審閱董事會組成，(2)就董事委任向董事會提出建議，(3)審閱獨立非執行董事之獨立性，(4)評估設定實施政策之可衡量目標之必要性及(5)考慮重選退任董事。

Nomination Committee member 提名委員會成員		Number of attendance 出席次數
Ms. Peng Xu	彭淑女士	3/3
Mr. Chen Wen Hua	陳文華先生	3/3
Ms. Chen Sheng	陳升女士	3/3

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 7 August 2015 with written terms of reference, which was aligned with the CG Code. The terms of reference of the Remuneration Committee is currently made available on the Stock Exchange's website and the Company's website.

薪酬委員會

本公司於二零一五年八月七日成立薪酬委員會，並設有與企業管治守則一致的書面職權範圍。薪酬委員會之職權範圍現時可於聯交所網站及本公司網站查閱。

The Remuneration Committee consists of one Independent Non-executive Director, namely Mr. Chen Wen Hua (as chairman), one Executive Director, namely Mr. Lin Xin Fu and one Independent Non-executive Director, namely Ms. Peng Xu.

薪酬委員會由一名獨立非執行董事即陳文華先生（擔任主席）、一名執行董事即林新福先生及一名獨立非執行董事即彭淑女士組成。

The functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors' and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy. The model of Remuneration Committee described in code provision B.1.2(c)(ii) of the CG Code has been adopted by the Remuneration Committee, which makes recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

薪酬委員會的職能為就全體董事及高級管理人員薪酬待遇的政策及架構，及就制訂薪酬政策而設立正式及具透明度的程序，向董事會提供推薦意見。薪酬委員會已採納企業管治守則守則條文B.1.2(c)(ii)所述的薪酬委員會模式，向董事會建議個別執行董事及高級管理人員的薪酬待遇，包括實物福利、退休金權利及補償金（包括喪失或終止職務或委任的任何應付補償）。

During the year ended 31 December 2017, the Remuneration Committee held 3 meetings for reviewing the remuneration structure for the Executive Directors and senior management and the remuneration proposals for the year 2016/2017.

截至二零一七年十二月三十一日止年度，薪酬委員會已舉行三次會議以審閱執行董事及高級管理人員之薪酬架構及有關二零一六／二零一七之薪酬建議。

Remuneration Committee member 薪酬委員會成員		Number of attendance 出席次數
Mr. Chen Wen Hua	陳文華先生	3/3
Mr. Lin Xin Fu	林新福先生	3/3
Ms. Peng Xu	彭淑女士	3/3

Senior Management Remuneration by Band

按範圍劃分之高級管理人員酬金

The emoluments of the members of the senior management of the Group for the year ended 31 December 2017 fell within the following bands:

截至二零一七年十二月三十一日止年度本集團高級管理層成員之酬金範圍劃分如下：

Emoluments bands 薪酬範圍		Number of individuals 人數
HK\$ nil to HK\$1,000,000	零港元至1,000,000港元	9

AUDIT COMMITTEE

審核委員會

The Company established the Audit Committee on 7 August 2015 with written terms of reference, which was aligned with the CG Code. The terms of reference of the Audit Committee is currently made available on the Stock Exchange's website and the Company's website.

本公司於二零一五年八月七日成立審核委員會，並設有與企業管治守則一致的書面職責範圍。審核委員會之職權範圍現時可於聯交所網站及本公司網站查閱。

The Audit Committee consists of three Independent Non-executive Director, namely Mr. Leung Siu Hong (as chairman), Mr. Chen Wen Hua and Ms. Peng Xu.

審核委員會由三名獨立非執行董事即梁兆康先生（擔任主席）、陳文華先生及彭淑女士組成。

The Audit Committee is mainly responsible for making recommendations 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; reviewing the interim and annual reports and accounts of the Group; and overseeing the Company's financial reporting system (including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget) and the risk management and internal control procedures.

審核委員會主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；審閱本集團的中期及年度報告以及賬目；以及監督本公司的財務匯報系統（包括資源、負責本公司財務匯報職能的員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足）及風險管理及內部監控程序。

The Audit Committee meets the external auditor regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual report.

審核委員會定期與外聘核數師會面，以討論審核過程中任何關注事項。審核委員會於呈交董事會前審閱中期及年度報告。審核委員會不僅著重會計政策及慣例變動的影響，亦著重本公司的中期及年度報告是否已符合會計準則、上市規則及法定要求。

During the year ended 31 December 2017, the Audit Committee held 3 meetings.

截至二零一七年十二月三十一日止年度，審核委員會已舉行三次會議。

Audit Committee member
審核委員會成員

**Number of
attendance**
出席次數

Mr. Leung Siu Hong	梁兆康先生	3/3
Mr. Chen Wen Hua	陳文華先生	3/3
Ms. Peng Xu	彭淑女士	3/3

During the year ended 31 December 2017, the Audit Committee reviewed, among others, the annual and interim results of the Group, which were in the opinion of the Audit Committee that the preparation of such consolidated financial statements and results complied with the applicable accounting standards and the Listing Rules.

截至二零一七年十二月三十一日止年度，審核委員會已審閱（其中包括）本集團年度及中期業績，審核委員會認為有關綜合財務報表及業績已遵照適用會計準則及上市規則編製。

The Audit Committee noted the existing internal control and risk management systems of the Group and also noted that review of the same shall be carried out annually.

審核委員會知悉本集團現有內部監控及風險管理系統並亦知悉須每年進行審閱。

COMPANY SECRETARY

Mr. Chong Man Hung Jeffrey was appointed as the Company Secretary of the Company on 21 May 2015. The biographical details of Mr. Chong are set out under the section headed “Directors and Senior Management” in the annual report.

公司秘書

莊文鴻先生於二零一五年五月二十一日獲委任為本公司的公司秘書。莊先生的履歷詳情載於年報「董事及高級管理人員」一節。

According to the requirements of Rule 3.29 of the Listing Rules, Mr. Chong had taken no less than 15 hours of relevant professional training for the year ended 31 December 2017.

根據上市規則第3.29條之規定，莊先生於截至二零一七年十二月三十一日止年度已接受不少於15個小時的相關專業培訓。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

企業管治職能

董事會負責履行企業管治守則的守則條文D.3.1所載的職能。

The Board has reviewed the Company's corporate governance policies and practices, training and continuous professional and development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

董事會已檢討本公司的企業管治政策及常規、董事及高級管理人員的培訓及持續專業發展、本公司在遵守法律及法規規定、遵守標準守則及本公司遵守企業管治守則方面的政策及常規以及本企業管治報告的披露情況。

AUDITORS' REMUNERATION

For the year ended 31 December 2017, the remuneration paid/payable to the Company's auditor, Grant Thornton Hong Kong Limited, is as follows:

Nature of services 服務的性質		HK\$'000 千港元
Audit services 審計服務		970,000
Non-audit services 非審計服務		
– Interim review – 中期審閱		210,000
Total 總計		1,180,000

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 December 2017, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

核數師酬金

截至二零一七年十二月三十一日止年度，已付／應付本公司核數師致同（香港）會計師事務所有限公司酬金如下：

董事就財務報表的責任

董事會確認其對編製本公司各財政年度的綜合財務報表的責任，綜合財務報表已真實並公平地反映本集團及本公司的事務狀況以及本集團於該年度的業績與現金流量。於編製截至二零一七年十二月三十一日止年度綜合財務報表時，董事會選擇適當會計政策並貫徹應用；作出的判斷及估計為審慎、公平及合理，並按持續經營基準編製賬目。

董事負責採取一切合理所需行動，以保障本集團的資產，並防止及發現欺瞞行為及其他違法行為。

董事於作出合理查詢後認為本集團具備足夠資源以於可見將來繼續營運，故於編製綜合財務報表時適合採用持續基準。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems. The Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group has established an on-going process for identifying, evaluating and managing the significant risks of the Group. Business units are responsible for identifying, assessing and monitoring risks associated with their respective units. The results of evaluation will be reported to the management through regular internal meetings. Each year, the management prepares the risk assessment report which lists the risks identified and the management's assessment on the impact to the Group. The Board discusses findings in the risk assessment report and evaluates the effectiveness of the risk management and internal control systems in Board meeting.

The Group handles and disseminates inside information with due care. Staff is required to comply with the confidentiality terms stated in the staff manual. Only personnel at appropriate level can have access to price sensitive and inside information.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with and reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

風險管理及內部監控

董事會確認其有整體責任評估及釐定本集團為達成策略目標所願承擔的風險性質及程度，並維持穩健及有效的風險管理及內部監控系統。董事會監察管理層在設計、實行和監察風險管理及內部監控系統方面的工作。有關系統及內部監控只能針對重大錯報或損失提供合理但並非絕對的保證，因為有關系統及內部監控旨在管理，而不是消除未能實現業務目標的風險。

本集團已制訂一套持續的程序，以識別、評估及管理本集團的顯著風險。業務單位負責識別、評估及監察與本身單位相關的風險。評價結果將通過定期內部會議向管理層報告。每年，管理層編製風險評估報告，列出所確定的風險，以及管理層對本集團所受影響的評估。董事會討論風險評估報告中的結果，並在董事會會議上評估風險管理及內部監控系統的成效。

本集團審慎處理和發放內幕消息。員工必須遵守員工手冊中的保密條款。僅適當級別的人員才獲准接觸價格敏感資料及內幕消息。

本集團設計並制訂適當的政策和監控措施，以確保資產得到保障，防止不當使用或處置；集團亦恪守和遵從相關規則和規例，並且根據相關會計準則和監管報告規定存置可靠的財務和會計記錄。

The Group does not have an internal audit function due to the size of the Group and for cost effectiveness consideration. Instead, a review on the internal control system is done annually by an independent qualified accountant. During the year, the independent qualified accountant conducted an annual review to assess the effectiveness of the Group's risk management and internal control systems. The review covered major financial, operational controls in rotation basis and also the risk management functions. No significant deficiency was identified during course of review and the systems were operating effectively and adequately. The internal control report findings and recommendations were discussed with the Audit Committee which reports the findings to the Board. The Group continues to review the need for an internal audit function annually.

BUSINESS ACTIVITIES IN SANCTIONED COUNTRIES

The US government and other jurisdictions, including the European Union, the United Nations and the Australian government, have comprehensive or broad economic sanctions targeting the Sanctioned Countries^(note 1) and Sanctioned Persons^(note 2).

Note 1 – Sanctioned Countries are those countries which are the targets of economic sanctions as administered by the U.S., the EU, the United Nations and Australia.

Note 2 – Sanctioned Persons are certain person(s) and entity(ies) listed on the United States Department of Treasury's Office of Foreign Assets Control Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the EU, the United Nations or Australia.

基於本集團的規模及本著成本效益，本集團並無設立內部審計職能。取而代之的是，獨立合資格會計師每年審查內部監控系統。於本年度，獨立合資格會計師進行年度審查，以評估本集團風險管理及內部監控系統的成效。審查以輪流基準涵蓋主要財務、營運監控措施以及風險管理職能。審查過程中並無發現重大缺陷而該等系統的運作為有效及充足。內部監控報告的結果和建議乃與審核委員會討論，而審核委員會繼而向董事會報告結果。本集團每年繼續檢討是否需要設立內部審計職能。

於受制裁國家的業務活動

美國政府及其他司法權區（包括歐盟、聯合國及澳洲政府）對受制裁國家^(附註1)及受制裁人士^(附註2)進行全面廣泛的經濟制裁。

附註1 – 受制裁國家指按美國、歐盟、聯合國及澳洲所執行屬經濟制裁目標的該等國家。

附註2 – 受制裁人士指名列美國財政部海外資產控制辦公室的特別指定國民及被禁人士名單或歐盟、聯合國或澳洲所存置的其他受限制人士名單內的若干人士及實體。

The Board had effectively monitored and evaluated our business exposure to sanctions risk, including assigning senior staff to review and approve all relevant business transaction documents from customers or potential customers from Sanctioned Countries and Sanctioned Persons. The designated staff reviewed information relating to the counterparty of the contract (such as identity, nature of business, etc.) along with the draft business transaction documentation. The designated staff checked the counterparty against the various lists of restricted parties and countries maintained by the US, the European Union, Australia or the United Nations, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions which lists are publicly available, and determine whether the counterparty is, or is owned or controlled by, a person located in any of the Sanctioned Countries or a Sanctioned Person. If any potential sanctions risk is identified, we will seek advice from external legal counsel with necessary expertise.

During the year ended 31 December 2017, none of our products were sold to any Sanctioned Countries or Sanctioned Persons.

NON-COMPETITION UNDERTAKING

Master Professional Holdings Limited, Summit Quest Holdings Limited, Mr. Chen Sheng Bi and Mr. Chen Sheng Guan (the “Controlling Shareholders”), being the controlling shareholders (as defined under the Listing Rules) of the Company, gave a non-competition deed undertaking in favour of the Company (the “Non-competition Undertaking”). Each of the Controlling Shareholders has undertaken under the Non-Competition Undertaking that he, or it shall provide to the Company and the Directors from time to time (including the Independent Non-executive Directors) with all information necessary for the annual review by the Independent Non-executive Directors with regard to compliance of the terms of the Non-Competition Undertaking by the Controlling Shareholders and the enforcement of the Non-Competition Undertaking.

Each of the Controlling Shareholders has confirmed compliance with the terms of the Non-competition Undertaking and that during the year under review, there was no matter requiring deliberation by the Board in relation to the compliance and enforcement of the Non-competition Undertaking. The Board comprising all the Independent Non-executive Directors is of the view that such Controlling Shareholders have complied with the Non-competition Undertaking in favour of the Company.

董事會已有效監察及評估我們業務所承受的制裁風險，包括指派高級員工審閱及批准來自受制裁國家客戶或潛在客戶及受制裁人士的全部相關業務交易文件。指定員工審閱有關合約對手方的資料（如身份、業務性質等）以及業務交易文件草擬稿。指定員工會將對手方與美國、歐盟、澳洲或聯合國所存置的各類受限制方及國家名單（包括但不限於任何受OFAC制裁的政府、個人或實體（名單可公開取得））進行對比檢查，並確定對手方是否為位於受制裁國家的人士或受制裁人士所擁有或控制。如發現存在任何潛在制裁風險，我們將向具備必需專門知識的外部法律顧問尋求意見。

於截至二零一七年十二月三十一日止年度內，我們的產品並無對任何受制裁國家或受制裁人士進行銷售。

不競爭承諾

本公司控股股東（定義見上市規則）Master Professional Holdings Limited、Summit Quest Holdings Limited、陳聖弼先生及陳聖冠先生（「控股股東」）均已作出以本公司為受益人的不競爭契據承諾（「不競爭承諾」）。各控股股東已根據不競爭承諾作出承諾，其將不時向本公司及董事（包括獨立非執行董事）提供獨立非執行董事就控股股東遵守不競爭承諾條款及執行不競爭承諾進行年度檢討所需的所有資料。

各控股股東已確認遵守不競爭承諾條款及於回顧年度內並無有關遵守及執行不競爭承諾的事宜須提請董事會考慮。董事會（包括全體獨立非執行董事）認為，該等控股股東已遵守以本公司為受益人的不競爭承諾。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make appropriate investment decisions.

The members of the Board and Board Committees and the external auditor will be present to answer shareholders' questions in the annual general meetings of the Company. Circulars will be distributed to all shareholders before the annual general meeting and any special general meetings in accordance with the timeline requirement as laid down in the Listing Rules and the articles of association of the Company. All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the relevant general meetings.

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any enquires.

與股東及投資者的溝通

本公司相信與股東有效溝通對增進投資者關係與令投資者瞭解本集團的業務表現及策略甚為重要。本集團亦明白公司資料透明及適時披露的重要性，這令股東及投資者能夠作出合適的投資決定。

董事會成員及董事會屬下委員會委員與外聘核數師將出席本公司股東週年大會以回答股東提問。通函將按照上市規則及本公司的組織章程細則所規定的時限，於股東週年大會及任何股東特別大會前派發予全體股東。全部提呈將於股東大會上批准的決議案將以投票方式進行表決，投票結果將於有關股東大會後在聯交所及本公司網站刊登。

作為促進有效溝通的渠道，本集團設立網站以刊登本公司公佈的資料、財務資料及其他資料。股東和投資者可將任何查詢以書面形式直接寄往本公司的香港主要營業地點。

SHAREHOLDERS' RIGHTS

Convening of Special General Meetings and Requisition by Shareholders

Pursuant to article 64 of the articles of association of the Company, extraordinary general meetings shall be convened on the requisition of 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 having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so 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.

PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company.

CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 1907, Prosperity Centre,
25 Chong Yip Street,
Kwun Tong, Kowloon,
Hong Kong
(For the attention of the Company Secretary)

Fax: (852) 2511 1410

E-mail: ir@partytime.com.cn

As regards to proposing a person other than the retiring Director for election as a Director in a general meeting, please refer to the procedures available on the website of the Company. Shareholders may write directly to the Company at its principal place of business in Hong Kong with any inquiries.

股東權利

召開股東特別大會及股東提出請求

根據本公司組織章程細則第64條，股東特別大會可由一名或多名股東要求召開，而該等股東於提出要求當日須持有本公司實繳股本不少於十分之一並有權在股東大會上投票。有關要求須以書面形式向董事會或秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在提出該要求後2個月內召開。如董事會在提出要求日期起計21日內未有進行安排召開有關會議，則請求人（或多名請求人）可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

向董事會作出查詢

就向董事會作出任何查詢而言，股東可將書面查詢寄送至本公司。

聯絡詳情

股東可透過以下方式寄送上述查詢或請求：

地址：香港
九龍觀塘
創業街25號
創富中心1907室
(收件人為公司秘書)

傳真：(852) 2511 1410

電郵：ir@partytime.com.cn

有關於股東大會上提議退任董事以外的人士參選董事，請參閱載於本公司網站上的程序。股東如有任何查詢，可直接致函本公司的香港主要營業地點。

Directors and Senior Management

董事及高級管理人員

EXECUTIVE DIRECTORS

Mr. Lin Xin Fu, aged 35, is the Chairman, Executive Director and Chief Executive Officer of the Company. Mr. Lin joined our Group since 2006 and was appointed as Executive Director of the Company on 5 May 2015 and re-designated as the Chairman and Chief Executive Officer of the Company on 27 June 2017. Mr. Lin is also the vice general manager of Jiangxi Styler and is responsible for the sales activities and foreign trade of our Group.

Mr. Lin has over ten years of experience in manufacturing and sales of animation derivatives. He has extensive experience in the sales and trading of cosplay wigs, cosplay costumes, sexy lingerie and party-related accessories.

Mr. Ma Chi Kwan, aged 41, is an Executive Director of the Company. Mr. Ma joined our Group in 2017 and was appointed as Executive Director on 3 August 2017. Mr. Ma is currently a director of the Good Success Finance Limited, which is engaged in exploring fixed income, investment and merger and acquisition opportunities in financial and equity markets. Mr. Ma has over 18 years of experience in commercial banking, fixed income market and merger and acquisition. Before joining the Company, Mr. Ma worked for the Bank of East Asia as an operation officer responsible for operating and monitoring the Private Banking Division. Mr. Ma holds a Bachelor Degree in Business Administration in Banking & Finance from The Open University of Hong Kong.

Mr. Phen Chun Shing, Vincent, aged 41, is an Executive Director of the Company. Mr. Phen joined our Group in 2017 and was appointed as Executive Director on 3 August 2017. Mr. Phen is currently an executive director of the Taung Gold International Limited (a company listed on The Stock Exchange, stock code: 621), which is engaged in trading of mineral and exploration, development and mining of gold and associated minerals. Mr. Phen also serves as the independent non-executive director of the Agritrade Resources Limited (Stock Code: 1131). Mr. Phen has over 15 years of experience in direct investment and corporate banking. He was an executive director of the China Merchants Capital Management (International) Limited from 2012 to 2015, a non-executive director of the Comtec Solar Systems Group Limited (a company listed on The Stock Exchange, stock code: 712) from 2010 to 2012. Mr. Phen was a Director of the CMS Capital (HK) Co., Ltd. (formerly known as CMTF Asset Management Limited) and has served in such position until 2012. He worked for CLSA Capital Partners from 2007 to 2009. Prior to that, Mr. Phen worked in the international corporate banking division of various financial institutions for approximately 7 years. Mr. Phen holds a Bachelor Degree in Business Administration and Marketing from the University of North Texas.

執行董事

林新福先生，35歲，為本公司主席、執行董事及行政總裁。林先生自二零零六年加入本集團，並於二零一五年五月五日獲委任為本公司執行董事並於二零一七年六月二十七日調任為本公司主席及行政總裁。林先生亦為江西絲黛的副總經理，並負責本集團的銷售及外貿活動。

林先生於製造及銷售動漫衍生產品方面擁有逾十年經驗。彼在角色扮演假髮、角色扮演服飾、性感內衣及派對相關飾品的銷售及貿易方面富有經驗。

馬志鈞先生，41歲，本公司執行董事。馬先生於二零一七年加入本集團並於二零一七年八月三日獲委任為執行董事。馬先生現為成利財務有限公司之董事，該公司從事於金融及股票市場尋求固定收入、投資及併購機遇。馬先生於商業銀行、固定收入市場及併購方面擁有逾18年經驗。於加入本公司前，馬先生曾於東亞銀行擔任營運主管，負責營運及監督私人銀行部。馬先生持有香港公開大學之銀行與金融學工商管理學士學位。

彭鎮城先生，41歲，本公司執行董事。彭先生於二零一七年加入本集團並於二零一七年八月三日獲委任為執行董事。彭先生現為壇金礦業有限公司（一間於聯交所上市之公司，股份代號：621）之執行董事，該公司從事礦產貿易及勘探、開發及開採金礦及相關礦物。彭先生亦為鴻寶資源有限公司（股份代號：1131）獨立非執行董事。彭先生擁有超過15年直接投資及企業銀行方面經驗。彼曾於二零一二年至二零一五年期間任招商局資本管理（國際）有限公司之執行董事，於二零一零年至二零一二年期間曾任卡姆丹克太陽能系統集團有限公司（一間於聯交所上市之公司，股份代號：712）之非執行董事。彭先生於直至二零一二年曾任招商資本（香港）有限公司（前稱招商大福資產管理有限公司）董事，彼於二零零七年至二零零九年期間任職於CLSA Capital Partners。此前，彭先生曾於不同金融機構之國際企業銀行部任職約七年。彭先生持有美國北德克薩斯州大學工商管理及市場營銷學士學位。

NON-EXECUTIVE DIRECTOR

Ms. Chen Sheng, aged 45, is a Non-executive Director of the Company. She was appointed as a Non-executive Director of the Company on 5 May 2015. She is a member of the Nomination Committee of the Company.

Ms. Chen has over 24 years of compliance experience. Prior to joining our Group, she served at the Fuzhou City Local Tax Authority (福州市地方稅務局) and the Fuzhou Gute Construction Engineering Co., Ltd (福州固特建築工程有限公司). Ms. Chen is responsible for overseeing the corporate governance of our Group. Ms. Chen is the sister-in-law of Mr. Chen Sheng Bi, the controlling shareholder of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chen Wen Hua, aged 50, was appointed an Independent Non-executive Director of the Company on 7 August 2015. He is the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company respectively.

Mr. Chen obtained a Doctoral Degree in Economics from the Jiangxi University of Finance and Economics (江西財經大學工商學院) in June 2006, and has been a member of the Eleventh National Committee of the Chinese People's Political Consultative Conference of Jiangxi Province (中國人民政治協商會議江西省第十一屆委員會) in January 2013.

Mr. Chen has over 24 years of experience in education industry. He currently is a Supervisor for Master and a Professor of the Jiangxi Normal University (江西師範大學) and a Professor of the Shenzhen Institute of Information Technology (深圳信息職業技術學院).

Mr. Leung Siu Hong, aged 42, was appointed an Independent Non-executive Director of the Company on 7 August 2015. He is the Chairman of the Audit committee.

Mr. Leung is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators.

非執行董事

陳升女士，45歲，為本公司非執行董事。彼於二零一五年五月五日獲委任為本公司非執行董事。彼為本公司提名委員會成員。

陳女士擁有逾24年合規經驗。於加入本集團前，彼在福州市地方稅務局及福州固特建築工程有限公司任職。陳女士負責監管本集團的企業管治。陳女士為陳聖弼先生（本公司之控股股東）的兄嫂。

獨立非執行董事

陳文華先生，50歲，於二零一五年八月七日獲委任為本公司獨立非執行董事。彼分別為本公司薪酬委員會主席、審核委員會及提名委員會成員。

陳先生於二零零六年六月取得江西財經大學工商學院經濟學博士學位，並於二零一三年一月為中國人民政治協商會議江西省第十一屆委員會委員。

陳先生積逾24年的教育行業經驗。彼目前擔任江西師範大學碩士生導師、教授，及深圳信息職業技術學院教授。

梁兆康先生，42歲，於二零一五年八月七日獲委任為本公司獨立非執行董事。彼為審核委員會主席。

梁先生為特許公認會計師公會、香港會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會的資深會員。

Mr. Leung has over 19 years of experience in accounting. He currently serves as the financial controller and the company secretary of the China Starch Holdings Limited (中國澱粉控股有限公司) (Stock Code: 3838), an independent non-executive director of the A.Plus Group Holdings Limited (Stock Code: 8251) and the Sanroc International Holdings Limited (Stock Code: 1660). He was also an independent non-executive director of the Legend Strategy International Holdings Group Company Limited (Stock Code: 1355) till 9 March 2017.

Ms. Peng Xu, aged 45, is appointed an Independent Non-executive Director of the Company on 7 August 2015. She is the Chairlady of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee of the Company.

Ms. Peng obtained a Doctoral Degree in International Law from the East China University of Political Science and Law (華東政法大學) in January 2007. Ms. Peng is qualified as a lawyer in the PRC since May 1999.

Ms. Peng has over 17 years of experience in the legal industry. She currently serves as an associate professor of the International Law Faculty (國際法學院) at the East China University of Political Science and Law (華東政法大學).

SENIOR MANAGEMENT

Mr. Chong Man Hung Jeffrey, aged 39, joined our group as the Chief Financial Officer and Company Secretary on 21 May 2015.

Mr. Chong is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Chong has over 16 years of experience in audit and finance and is responsible for the financial planning, management, internal control, investor relations and company secretarial matters of our Group.

Mr. Xiong Tie Jun, aged 43, joined our Group since 2010 and is the vice general manager of Jiangxi Styler.

Mr. Xiong obtained a Master Degree of Business Administration from the Guangdong Sun Yat-sen University (廣東中山大學) in June 2008.

Mr. Xiong has over 16 years of experience in human resource management and he is responsible for overseeing the production of Jiangxi Styler.

梁先生於會計界擁有逾19年經驗。彼目前擔任中國澱粉控股有限公司(股份代號:3838)財務總監及公司秘書、優越集團控股有限公司(股份代號:8251)及善樂國際控股有限公司(股份代號:1660)之獨立非執行董事。直至二零一七年三月九日,彼亦為枋濬國際集團控股有限公司(股份代號:1355)之獨立非執行董事。

彭淑女士, 45歲, 於二零一五年八月七日獲委任為本公司獨立非執行董事。彼為本公司提名委員會主席、審核委員會及薪酬委員會成員。

彭女士於二零零七年一月獲得華東政法大學國際法博士學位。彭女士於一九九九年五月成為中國執業律師。

彭女士於法律行業擁有逾17年經驗。彼目前擔任華東政法大學國際法學院副教授。

高級管理人員

莊文鴻先生, 39歲, 於二零一五年五月二十一日加入本集團擔任財務總監及公司秘書。

莊先生為香港會計師公會會員。

莊先生於審計及金融行業擁有逾16年經驗, 及負責本集團的財務規劃、管理、內部控制、投資者關係及公司秘書事宜。

熊鐵軍先生, 43歲, 自二零一零年加入本集團並擔任江西絲黛的副總經理。

於二零零八年六月, 熊先生獲得廣東中山大學工商管理碩士學位。

熊先生於人力資源管理方面擁有逾16年經驗, 及負責監督江西絲黛的生產。

Report of the Directors

董事會報告書

REPORT OF DIRECTORS

The board of directors of the Company is pleased to submit their report together with the audited financial statements of the Group for the year ended 31 December 2017.

Principal Activities

The Company is an investment company and the subsidiaries are principally engaged in the design, development, production, sales and marketing of cosplay products (including cosplay costumes and cosplay wigs) and sexy lingerie.

Results and Dividend

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 71.

The Directors do not recommend payment of any dividend for the year ended 31 December 2017.

Business Review

The business review of the Group for the year ended 31 December 2017 is set out in the sections headed “Directors’ Business Review and Management Discussion and Analysis” on pages 8 to 18 respectively of this Annual Report.

Environmental, Social and Corporate Responsibility

Details of which is set out in pages 46 to 62 of the Environment, Social and Governance Report in this annual report.

Summary Financial Information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 156.

Property, Plant and equipment and Prepaid Land Lease Payments

Details of movements in property, plant and equipment and prepaid land lease payments of the Group during the year are set out in notes 15 and 14 to the consolidated financial statements, respectively.

董事會報告書

本公司董事會欣然提呈其報告，連同本集團截至二零一七年十二月三十一日止年度的經審核財務報表。

主要業務活動

本公司為一間投資公司，而其附屬公司主要從事設計、開發、生產、銷售及營銷角色扮演產品（包括角色扮演服飾及角色扮演假髮）及性感內衣。

業績及股息

本集團於本年度的業績載於第71頁的綜合損益及其他全面收益表。

董事並不建議就截至二零一七年十二月三十一日止年度支付任何股息。

業務回顧

本集團截至二零一七年十二月三十一日止年度之業務回顧分別載於本年報第8至18頁的「董事業務回顧與管理層討論及分析」章節。

環境、社會及企業責任

其詳情載於本年報第46至62頁的環境、社會及管治報告。

財務資料概要

本集團過往五個財政年度的業績以及資產、負債及非控股權益概要載於第156頁。

物業、廠房及設備以及預付土地租賃款項

本集團於本年度的物業、廠房及設備以及預付土地租賃款項的變動詳情分別載於綜合財務報表附註15及14。

Donation

During the year, the Group did not made any donation.

Share Capital

Details of movements in share capital of the Company during the year are set out in note 25 to the consolidated financial statements.

Short term borrowings

Details of short term borrowings of the Group as at 31 December 2017 are set out in note 23 to the consolidated financial statements.

Convertible Bonds

Details of the convertible bonds issued by the Company are set out in note 24 to the consolidated financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company ("Shareholders").

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor its subsidiary purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2017.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in consolidated statement of changes in equity and note 27 to the consolidated financial statements.

Subsequent events

Significant events after the end of the reporting period are set out in note 34 to the consolidated financial statements.

捐款

本集團於本年度並無作出任何捐款。

股本

本集團於本年度的股本變動詳情載於綜合財務報表附註25。

短期借款

本集團於二零一七年十二月三十一日的短期借款詳情載於綜合財務報表附註23。

可換股債券

本公司發行之可換股債券之詳情載於綜合財務報表附註24。

優先購股權

本公司的細則或開曼群島（本公司註冊成立所在的司法權區）法例下均無有關本公司須按比例向本公司現有股東（「股東」）發售新股份的優先購股權規定。

購買、贖回或出售本公司的上市證券

截至二零一七年十二月三十一日止年度，本公司或其附屬公司概無購買、贖回或出售本公司的任何上市證券。

儲備

本公司及本集團於本年度的儲備變動詳情載於綜合權益變動表及綜合財務報表附註27。

期後事項

報告期末後發生之重大事項載於綜合財務報表附註34。

Distributable Reserves

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) ("Companies Law") of the Cayman Islands, amounted to approximately RMB113.4 million. Under the Companies Law, the share premium account of the Company of approximately RMB139.2 million as of 31 December 2017 is distributable to the shareholders of the Company provided that immediately following the date on which the dividend, if any, 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. The share premium account may also be distributed in the form of fully paid bonus shares.

Permitted Indemnity Provision

The articles of associations of the Company provides that the Directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts.

The Company has taken out and maintained directors' liability insurance which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

Management Contracts

No contracts concerning the management and administration of the Company were entered into or existed during the year.

可供分派儲備

於二零一七年十二月三十一日，根據開曼群島第22章公司法（一九六一年法例三，經綜合及修訂）（「公司法」）條文計算的本公司可供分派儲備約為人民幣113.4百萬元。根據公司法，本公司於二零一七年十二月三十一日的股份溢價賬約為人民幣139.2百萬元，如緊隨建議分派股息（如有）日期後，本公司將可在日常業務過程中清償其到期的債務，則股份溢價賬可用以向本公司股東作出分派。股份溢價賬亦可以繳足紅股的形式進行分派。

獲准彌償條文

本公司組織章程細則規定，應就董事在其各自任期或信託內執行其職務或預期之職務時所作出、同意或遺漏的行動而可能招致或承受的一切訴訟、成本、費用、損失、賠償及開支自本公司資產及溢利中向董事提供補償。

本公司已投購及維持董事責任保險，其為本集團董事及本集團附屬公司董事提供適當保護。

管理合約

本年度並無訂立或存在與本公司管理及行政有關之合約。

COMPLIANCE WITH LAWS AND REGULATIONS

Throughout the year, to the best knowledge, information and belief, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Company.

Remuneration policy

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

The remuneration of the Directors of the Company are reviewed and recommended by the Remuneration Committee to the Board for approval, having regard to the Company's operating results, individual performance and comparable market statistics. No Director, or any of his associates and executives, is involved in dealing with his/her own remuneration.

We have adopted a share option scheme to recognise and reward the contribution of our employees, provide incentives to retain them to support our continued growth and to attract suitable personnel for further development. We regularly review the remuneration and benefits of our employees according to the relevant market practice, employee performance and the financial performance of the Company.

遵守法律及法規

於全年度內，據本公司所知、所悉及所信，本公司並不知悉有任何違反對本公司而言有重大影響的相關法律法規的情況。

薪酬政策

本集團僱員（包括主要管理人員）的薪酬政策乃由本集團管理層按彼等之表現、資歷及能力釐定。薪酬委員會將審閱及向董事會推薦薪酬政策以供批准。

本公司董事之薪酬由薪酬委員會審閱並向董事會推薦以供批准，乃經考慮本公司之經營業績、個別人士表現及可資比較市場統計數字進行。概無董事或其任何聯繫人及行政人員參與釐定其本身之薪酬。

我們已採納一項購股權計劃以認可及獎勵僱員的貢獻，提供獎勵以挽留彼等支持我們的持續增長並為進一步發展吸引適用人才。我們根據有關市場慣例、僱員表現及本公司的財務表現定期檢討僱員薪酬及福利。

Equity-Linked Arrangements

On 18 May 2016, convertible bonds in the aggregate principal amount of HK\$20,000,000 ("Convertible Bonds") were issued by the Company. Upon exercise in full of the subscription rights attaching to the Convertible Bonds at the initial conversion price of HK\$0.529, a maximum of 37,807,183 ordinary shares of the Company will be issued, representing approximately 5.0% of the existing issued share capital of the Company as at 31 December 2017 and approximately 4.76% of the issued share capital of the Company as enlarged by the issue of the conversion shares as at 31 December 2017, which no shares of the Company has been issued as at the date of this report under the Convertible Bonds. The conversion rights under the Convertible Bonds shall be exercisable during the conversion period commencing from the issue date and expiring on the close of business on the earlier of: (i) the date which falls five business days prior to the maturity date; or (ii) if such Convertible Bonds shall have been called for redemption prior to the maturity date, the close of business (at the place aforesaid) on the date which falls five business days prior to the date fixed for redemption thereof. The net proceeds from the issue of the Convertible Bonds amounts to HK\$19.6 million. the Company will redeem the Convertible Bonds at par plus the accrued interests by its internal funding or debt financing, if the Convertible Bonds have not been converted on the maturity date. Details of which have been disclosed in the Company's announcements dated 25 April 2016, 4 May 2016 and 18 May 2016.

Save for disclosed above, the Company has not entered into any equity-linked agreement during the year.

Major customers and Suppliers

The aggregate sales attributable to the Group's five largest customers accounted for approximately 28.9% of the total revenue for the year ended 31 December 2017 and the sales attributable to the largest customer included therein accounted for approximately 7.4%.

The Group's purchase from the five largest suppliers for the year ended 31 December 2017 accounted for approximately 32.1% of the Group's total purchases and purchases from the largest supplier included therein accounted for approximately 6.9%.

股權掛鈎安排

於二零一六年五月十八日，本公司已發行本金總額為20,000,000港元之可換股債券（「可換股債券」）。於按初始換股價0.529港元悉數行使可換股債券附帶之認購權後，本公司將最多發行其37,807,183股普通股，即本公司於二零一七年十二月三十一日現有已發行股本約5.0%及經發行轉換股份本公司於二零一七年十二月三十一日之經擴大已發行股本約4.76%，截至本報告日期，本公司概無根據可換股債券發行股份。可換股債券之轉換權須於自發行日期起至下列日期（以較早者為準）營業時間結束時止的轉換期內行使：(i)到期日前五個營業日當日；或(ii)倘該可換股債券於到期日前被要求贖回，則直至不遲於指定贖回日期前五個營業日的日期的營業時間（上述地點）結束止。發行可換股債券之所得款項淨額為19.6百萬港元。倘可換股債券於到期日仍未獲轉換，則本公司將透過內部資金或債務融資方式以面值加應計利息贖回可換股債券。有關詳情披露於本公司日期為二零一六年四月二十五日、二零一六年五月四日及二零一六年五月十八日之公佈內。

除上文所披露者外，於本年度本公司並無訂立任何股權掛鈎安排。

主要客戶及供應商

本集團前五大客戶應佔總銷售額佔截至二零一七年十二月三十一日止年度總收益約28.9%及當中最大客戶應佔銷售額佔約7.4%。

本集團截至二零一七年十二月三十一日止年度向前五大供應商的採購額佔本集團總採購額約32.1%及向當中最大供應商的採購額佔約6.9%。

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

Directors

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

Executive Directors

Mr. Lin Xin Fu
Mr. Ma Chi Kwan (*appointed on 3 August 2017*)
Mr. Phen Chun Shing, Vincent (*appointed on 3 August 2017*)
Mr. Chen Sheng Bi (*resigned on 27 June 2017*)
Mr. Lu Yilin (*retired on 9 June 2017*)

Non-Executive Directors

Ms. Chen Sheng

Independent Non-Executive Directors

Mr. Chen Wen Hua
Mr. Leung Siu Hong
Ms. Peng Xu

In accordance with Article 112, Mr. Ma Chi Kwan and Mr. Phen Chun Shing, Vincent who were appointed as Directors of the Company after the 2017 annual general meeting, should retire in the 2018 AGM but being eligible, offers themselves for re-election.

In accordance with Article 108(a), Mr. Lin Xin Fu, Mr. Chen Wen Hua and Ms. Peng Xu shall retire by rotation at the 2018 AGM, Mr. Lin Xin Fu, Mr. Chen Wen Hua and Ms. Peng Xu being eligible, offer themselves for re-election.

Independence Confirmation

The Company has received from each of the Independent Non-executive Directors a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

本公司各董事、彼等的聯繫人士或任何股東（據本公司董事所知擁有本公司5%以上已發行股本）概無擁有五大供應商或客戶的任何權益。

董事

本公司於本年度及直至本報告日期止的董事為：

執行董事

林新福先生
馬志鈞先生（於二零一七年八月三日獲委任）
彭鎮城先生（於二零一七年八月三日獲委任）
陳聖弼先生（於二零一七年六月二十七日辭任）
呂禕麟先生（於二零一七年六月九日退任）

非執行董事

陳升女士

獨立非執行董事

陳文華先生
梁兆康先生
彭淑女士

根據細則第112條，馬志鈞先生及彭鎮城先生（於二零一七年股東週年大會後獲委任為本公司董事）須於二零一八年股東週年大會上退任，惟彼等符合資格並願意膺選連任。

根據細則第108(a)條，林新福先生、陳文華先生及彭淑女士須於二零一八年股東週年大會上輪值告退，林新福先生、陳文華先生及彭淑女士均符合資格並願意膺選連任。

獨立身份確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立身份作出的確認。本公司認為，所有獨立非執行董事均屬獨立人士。

Directors' Service Contracts

Each of the Executive Directors (except for Mr. Ma Chi Kwan and Mr. Phen Chun Shing, Vincent), Non-executive Director and Independent Non-executive Director has entered into a service agreement dated 7 August 2015 with the Company for an initial fixed term of three years commencing from 16 October 2015 (i.e. the Listing Date).

Mr. Ma Chi Kwan and Mr. Phen Chun Shing, Vincent, Executive Directors, each has entered into a service contract with the Company for an initial term of three years commencing from 3 August 2017.

Each of the Executive Directors may terminate the service agreement with the Company by giving not less than three months' notice in writing after the initial fixed term. The Company may terminate the service agreement with each of the Executive Directors by giving not less than three months' notice in writing at any time during the service period.

The service agreement of each of the Non-executive Director and Independent non-executive Directors with the Company may be terminated by giving at least one month's notice in writing by either party.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts of Significance

None of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事服務合約

各執行董事（馬志鈞先生及彭鎮城先生除外）、非執行董事及獨立非執行董事已與本公司訂立日期為二零一五年八月七日的服務協議，初步固定任期自二零一五年十月十六日（即上市日期）起為期三年。

執行董事馬志鈞先生及彭鎮城先生各自已與本公司訂立服務合約，初步任期自二零一七年八月三日起為期三年。

各執行董事可於初步固定任期後發出不少於三個月的書面通知終止與本公司訂立的服務協議。本公司可於服務期間隨時發出不少於三個月的書面通知終止與各執行董事訂立的服務協議。

各非執行董事及獨立非執行董事與本公司訂立的服務協議可由任一方發出不少於一個月的書面通知予以終止。

概無擬於即將舉行的股東週年大會上膺選連任的董事與本公司或其任何附屬公司訂立任何於一年內不可由本集團終止而毋須作出賠償（法定賠償除外）的尚未屆滿服務合約。

董事於重大合約的權益

概無董事直接或間接於本公司或其任何附屬公司於本年度內所訂立的對本集團業務而言屬重大的任何合約中擁有重大實益權益。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiries of the Company's Directors, the Directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the annual report.

Directors' And Chief Executive's Interests And Short Positions In Shares, Underlying Shares And Debentures

As at 31 December 2017, none of the Directors, chief executives of the Company and/or any of their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

Share Option Scheme

Pursuant to a share option scheme (the "Share Option Scheme") adopted by the Company and a written resolution pass by the shareholders of the Company on 7 August 2015, the Company may grant options to Directors and employees of the Group and other eligible participants to subscribe for ordinary shares in the Company, subject to a maximum of 75,000,000 new shares.

No option was granted to any employee of the Group and no option was exercised during the year under review. There was no option under the Share Option Scheme outstanding at the end of the reporting period.

進行證券交易的標準守則

本公司已採納標準守則作為本公司的董事進行本公司證券交易的行為守則。根據向本公司董事作出的特定查詢，董事於年報所涵蓋之整個會計期間一直遵守標準守則所載的規定標準。

董事及最高行政人員於股份、相關股份及債券中之權益及淡倉

於二零一七年十二月三十一日，概無董事及本公司最高行政人員及／或彼等各自任何之聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的任何股份、相關股份及債券中，擁有須根據證券及期貨條例第352條存置之登記冊所記錄，或根據上市發行人董事進行證券交易之標準守則知會本公司及聯交所的任何權益及淡倉。

董事購買股份或債券的權利

除上文所披露者外，本公司或其任何附屬公司於本年度內任何時間概無訂立任何安排，以使董事可獲取於任何其他法人團體之同樣權利。

購股權計劃

根據本公司採納的購股權計劃（「購股權計劃」）及本公司股東於二零一五年八月七日通過之一項書面決議案，本公司可向董事及本集團僱員以及其他合資格參與者授出購股權，以認購本公司普通股，其涉及最多75,000,000股新股份。

本集團於回顧期內並無向任何僱員授出購股權及並無購股權獲行使。於報告期末，購股權計劃項下並無尚未行使之購股權。

Interests of Shareholders Disclosable Under The SFO

As at 31 December 2017, so far as is known to the Directors, the following persons (other than the Directors and chief Executives of the Company) had interests or short positions in the Shares and underlying Shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

Long positions in the Shares and underlying shares of the Company:

根據證券及期貨條例須予以披露之股東權益

於二零一七年十二月三十一日，據董事所知，下列人士（董事及本公司最高行政人員除外）於本公司的股份及相關股份中，擁有須根據證券及期貨條例第XV部第2及3分部知會本公司，或須根據證券及期貨條例第336條存置之登記冊所記錄的權益或淡倉：

於本公司股份及相關股份的好倉：

Name of substantial shareholders	Notes	Nature of interest	Number of ordinary shares	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
主要股東名稱	附註	權益性質	普通股數目	
Mr. Chen Sheng Bi 陳聖弼先生	(a) (a)	Interest of controlled corporation 受控制法團的權益	393,750,000	52.06%
Master Professional Holdings Limited ("Master Professional")	(a)	Beneficial owner	393,750,000	52.06%
Master Professional Holdings Limited ("Master Professional")	(a)	實益擁有人		
Ms. Li Zhi Ping 李志萍女士	(b) (b)	Interest of spouse 配偶權益	393,750,000	52.06%
Mr. Lam Shek Sun 林石新先生		Beneficial owner 實益擁有人	78,563,000	10.39%
(a) Master Professional is 100% beneficially owned by Mr. Chen Sheng Bi. Accordingly, Mr. Chen Sheng Bi is deemed to be interested on the Shares held by Master Professional.		(a) Master Professional 由陳聖弼先生100%實益擁有。因此，陳聖弼先生被視為於Master Professional持有之股份中擁有權益。		
(b) Ms. Li Zhi Ping is the spouse of Mr. Chen Sheng Bi. Under the SFO, Ms. Li Zhi Ping is taken to be interested in the same number of Shares in which Mr. Chen Sheng Bi is interested.		(b) 李志萍女士為陳聖弼先生之配偶。根據證券及期貨條例，李志萍女士被視為於陳聖弼先生擁有權益的相同數目股份中擁有權益。		

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

Sufficient of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during 2017 and up to the date of this report.

Corporate Governance

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section in the annual report.

Audit Committee

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2017.

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Grant Thornton Hong Kong Limited as auditor of the Company.

On behalf of the Board

Mr. Lin Xin Fu

Chairman and Chief Executive Officer

Hong Kong, 22 March 2018

除上文所披露者外，董事概不知悉任何其他人士於本公司的股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露，或須根據證券及期貨條例第336條存置之登記冊所記錄的權益或淡倉。

充足公眾持股量

根據本公司公開可得的資料及就董事所知，於二零一七年內及直至本報告日期，本公司已維持上市規則所規定的充足公眾持股量。

企業管治

本公司企業管治常規的詳情載於本年報「企業管治報告」一節。

審核委員會

審核委員會已審閱本集團於截至二零一七年十二月三十一日止年度的綜合財務報表。

核數師

本公司將於股東週年大會上提呈一項續聘致同（香港）會計師事務所有限公司為本公司核數師的決議案。

代表董事會

林新福先生

主席兼行政總裁

香港，二零一八年三月二十二日

Environmental, Social and Governance Report

環境、社會及管治報告

LETTER TO SHAREHOLDERS, STAFF AND FRIENDS FROM ALL SECTORS OF THE SOCIETY

Dear shareholders, staff and friends from all sectors of the society,

My greetings to you all!

China Partytime Culture Holdings Limited is always committed to conducting responsible investments in the regions where we operate, manufacture and sell products (which include cosplay costumes, wigs and sexy lingerie,) and strives to promote products and brands internationalization to become a one-stop solution supplier in the party costumes sector.

We are very pleased to share with you the second “Environmental, Social and Governance Report” (“ESG Report”) published by the Group. The ESG Report is a summary of the Group’s works on environmental protection and social responsibilities during last year, and the result and feedback regarding the implementation of certifications and standards which include the ISO14001 Environment Management System, the ISO9001 Quality Management System Certification and the OHSAS18001 Occupational Health and Safety Assessment Series. During the Year, the Group’s subsidiary Yiwu Styler Cultural & Creative Co., Ltd. was being identified as the Patent Demonstration Enterprise of Yiwu City and a National High-tech Enterprise; Partytime Costume & Lingerie (Yiwu) Factory was being identified as the Patent Demonstration Enterprise of Yiwu City, National High-tech Enterprise and Innovation Demonstration SME of Zhejiang Province; Jiangxi Styler Industrial Co., Ltd. ranked among Top Ten Influential Cultural Enterprises of the First “Golden Azalea Award” of the Cultural Industry of Jiangxi Province and “Enterprise with Harmonious Labor Relationship” of Yichun City in the “Entering the Park” Campaign in 2016, due to the endeavor and progress of the Group in the production technology and operation management.

致股東、員工、社會各界朋友的信

尊敬的股東、員工、各界社會朋友：

大家好！

中國派對文化控股有限公司始終致力於在我們所經營的區域，進行負責任的投資，在生產、銷售角色扮演服裝、假髮及性感內衣等產品的同時，努力推動產品和品牌的國際化，成為派對服裝領域的一站式解決供應商。

我們非常高興與大家分享本集團發佈的第二份《環境、社會及管治報告》。此份報告不僅是對本集團過往一年在環境保護及社會責任所做工作的總結，亦是本集團執行ISO14001環境管理體系、ISO9001質量管理體系認證和OHSAS18001職業健康安全管理体系等認證和標準的實施效果和反饋。本年度，本集團附屬公司義烏市絲黛文化創意有限公司獲認證為義烏市專利示範企業和國家高新技術企業；義烏市派對服飾有限公司獲認證為義烏市專利示範企業、國家高新技術企業和浙江省「創新型示範中小企業」；江西絲黛實業有限公司獲得第一屆江西省文化產業「金杜鵑獎」影響力文化企業十強和2016年度「進園區」行動宜春市「勞動關係和諧企業」，彰顯出本集團在生產技術水平和營運管理等方面做出的努力和取得的進展。

As a responsible enterprise, whilst giving full play to its own strengths, we actively explore partnership values and focus on improving corporate social values to promote the growth of the enterprise. During the process of building common values, we always uphold the following principles:

- Care for the environment, low carbon life, energy conservation, benefiting the society;
- While being responsible to shareholders in creating profit, the Group also assumes responsibility towards the environment, the staff, the consumers and the community;
- The Group places great emphasis on human values and society contribution during the production process, going beyond the traditional concept of only making profit.

In future, we undertake to constantly improve the environmental and social management systems, and create conditions for realizing the environmental and social values together with upstream and downstream customers. We always welcome your valuable opinions!

Yours faithfully

Li Xin Fu

Chairman

China Partytime Culture Holdings Limited

作為負責任的企業，我們在充分發揮企業自身力量的同時，積極發掘合作夥伴的關係價值，專注企業社會價值的提升，不斷推進企業業績增長。在構建共同價值的過程中，我們始終秉持著以下原則：

- 關愛環境、低碳生活、節約能耗、造福社會；
- 在創造利潤對股東負責的同時，也承擔對環境、員工、消費者和社區的責任；
- 超越把利潤作為唯一目標的傳統理念，強調在生產過程對人的價值觀以及對社會的貢獻。

未來，我們承諾將繼續完善環境和社會管理體系，並繼續攜手上下游客戶，為實現環境和社會的價值創造條件。我們一如既往地歡迎您提出寶貴意見！

此致

林新福

主席

中國派對文化控股有限公司

ABOUT THE REPORT

Report Introduction

This report is the second “Environmental, Social and Governance Report” (“ESG Report”) published by China Partytime Culture Holdings Limited (the “Company”), together with its subsidiaries (collectively referred to as the “Group” or “we”), which provides information regarding the Group’s principles and works as a corporate citizen in the past year. Relevant contents concerning the corporate governance can be seen in the Corporate Governance Report in the annual report.

Scope of Report

The ESG Report covers the Group’s performance of its core business in terms of the environmental management and social responsibility from 1 January 2017 to 31 December 2017 (“the Year”). The Group was mainly engaged in the design, development, production, sales and marketing of cosplay products (including cosplay costumes and wigs) and non-cosplay costumes (including sexy lingerie) during the Year without major changes in the main business. The key performance indicators in the environmental category disclosed in the ESG Report focus on the Group’s subsidiary Jiangxi Styler Industrial Co., Ltd. (“Jiangxi Styler”) located in Yichun City, Jiangxi Province, the People’s Republic of China (“China”).

Reporting Standard

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Stock Exchange”).

關於本報告

報告簡介

本報告是中國派對文化控股有限公司（「本公司」）及其附屬公司（統稱「本集團」或「我們」）發佈的第二份環境、社會及管治報告（「ESG報告」），闡述本集團過去一年履行企業公民責任所秉持的原則及推行的工作。有關企業管治的內容，請參閱本年報內的《企業管治報告》。

報告範疇

ESG報告涵蓋本集團核心業務於二零一七年一月一日至二零一七年十二月三十一日（「本年度」）期間在環境管理及社會責任方面的表現。本年度，本集團的主營業務未發生重大變化，主要從事設計、開發、生產、銷售及營銷角色扮演產品（包括角色扮演服飾及角色扮演假髮）及非角色扮演服飾（包括性感內衣）。ESG報告所披露的環境範疇關鍵績效指標聚焦於本集團位於中華人民共和國（「中國」）江西省宜春市的附屬公司江西絲黛實業有限公司（「江西絲黛」）。

報告準則

ESG報告依照香港聯合交易所有限公司（「聯交所」）證券上市規則附錄二十七《環境、社會及管治報告指引》所編寫。

Stakeholder Participation

The advice we receive from stakeholders provides considerable benefits for our business improvement. We believe effective communication and accurate information disclosure build investor confidence, and also facilitate the flow of constructive feedback and ideas that are beneficial to our investor relations and future business development.

The ESG Report is prepared with the utmost support from our colleagues based on communication with stakeholders through various channels, which lays solid foundation for the formulation and implementation of short-term and long-term development strategy of the Group.

Information and Feedback

For details about the Group's environmental, social and corporate governance, please refer to the website of the Company (<http://www.partytime.com.cn>). The Group attaches great importance to your opinions in this report. You are welcome to email your questions or suggestions to: ir@partytime.com.cn.

ENVIRONMENT AND RESOURCES

Emission Management

The Group always strives to improve environmental quality, enhance resource utilization efficiency, promote self-development, and coordinate with environmental protection. During the Year, the Group strictly complied with the Environmental Protection Law of the PRC, the Energy Conservation Law of the PRC and other laws and regulations. On the basis of the certification of ISO14001 Environment Management System, the Group sets environmental management goals, carried out environmental management policies in offices and factories, controlled emissions, and continuously improved environmental protection performance.

持份者參與

持份者的意見對改善本集團的業務營運有相當裨益。本集團相信，有效的溝通和準確的信息披露不但能加強投資者對我們的信心，亦方便投資者提供具建設性的反饋及意見，促進投資者關係及未來業務發展。

本集團通過多種渠道與持份者溝通，ESG報告的編寫亦得到各部門同事的鼎力相助，為本集團短期及長期發展策略的制定和實施奠定穩固基礎。

信息及反饋

有關本集團環境、社會及企業管治的詳細信息，請參閱本公司網站（<http://www.partytime.com.cn>）。本集團重視您對此份報告的看法。若閣下有任何疑問或建議，歡迎以電郵形式發送至以下郵箱：ir@partytime.com.cn。

環境及資源

排放物管理

改善環境質量，提高資源利用效率，推動自身發展與環境保護協同共進是本集團的一貫追求。本年度，本集團繼續嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國節約能源法》等相關法律法規，同時在ISO14001環境管理體系認證的基礎上，制訂環境管理目標，繼續於辦公室及工廠內落實各項環保政策，監控排放表現，持續提升環保績效。

Wastewater Discharge

During the Year, the Groups didn't produce any industrial wastewater in its production and operation. The wastewater discharged by the Group was mainly domestic sewage, which was drained via the municipal pipeline to the local sewage plant for further purification after simple treatment in the wastewater treatment facilities of the factory. To reduce the impact of wastewater discharge on water body, we hired the local environmental monitoring station to monitor the wastewater discharge of all the subsidiaries on an annual basis, in order to guarantee the water quality meets the relevant emission standards.

Waste Gas Emission

The air pollutants emitted during the Group's production and operation mainly include nitrogen oxides, sulfur oxides and particulate matters, which are mainly emitted from the burning of gaseous fuel in the dining hall and from automobile exhaust. The total emission of nitrogen oxides of Jiangxi Styler amounted to approximately 37kg, sulfur oxides approximately 0.08kg, and particulate matters approximately 3kg.

The greenhouse gas emission of the Group mainly comes from the direct emission from the burning of fossil fuel, as well as the indirect emission caused by the purchase of electricity, business trips, drinking water and sewage treatment and waste paper landfill. During the Year, the total emission of greenhouse gas by Jiangxi Styler was approximately equal to 588 tons of carbon dioxide, and the average greenhouse gas emission of each square meter of floor area was approximately equal to 0.015 tons of carbon dioxide.

廢水排放

本年度，本集團的生產運營不涉及產生任何工業廢水，本集團排放的污水主要是生活污水，於廠區污水處理設施內經簡單處理後經由市政管網排入當地污水廠進一步淨化處理。為減少污水排放對水體的影響，我們每年聘請當地環境監測站對各附屬公司的污水排放情況進行監測，確保水質符合相關排放標準。

廢氣排放

本集團生產運營過程排放的空氣污染物主要包括氮氧化物、硫氧化物和顆粒物，其主要來自食堂氣體燃料燃燒和汽車尾氣。本年度，江西絲黛的氮氧化物總排放量約為37千克，硫氧化物總排放量約為0.08千克，顆粒物總排放量約為3千克。

本集團生產運營過程排放的溫室氣體主要來自石化燃料燃燒造成的直接排放以及外購電力、出外公幹、食水和污水處理以及廢紙填埋造成的間接排放，本年度，江西絲黛的溫室氣體總排放量約為588噸二氧化碳當量，平均每平方米樓面面積溫室氣體排放量約為0.015噸二氧化碳當量。

Waste Disposal

The solid waste of the Group can be categorized as non-hazardous waste and hazardous waste. The non-hazardous waste of the Group mainly comes from the production waste, waste cartons and domestic garbage produced in the daily life of the staff. The total quantity of non-hazardous waste produced by Jiangxi Styler was approximately 112 tons, and the non-hazardous waste produced per square meter of floor area was approximately 0.003 tons. Hazardous waste includes waste machine oil and waste chemical containers in the production process. Jiangxi Styler didn't quantify the output during the Year, so such data wouldn't be disclosed for the time being.

In order to reduce the adverse impact to the environment, the Group continued to strictly supervise waste disposal in accordance with the Waste Collection and Disposal Regulations and the Solid Waste Management Procedures, and aimed to achieve reduction, harmlessness and recycling in terms of waste by conducting recycling and comprehensive utilization. We assigned relevant staff to place the non-hazardous waste in the designated place at the designated time, which would then be removed and disposed of by a garbage collection company on a daily basis in accordance with the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes and the relevant regulations on the urban appearance and environmental health management. We implemented classified collection of production waste such as the scraps in the fabric cutting and residual hairline in the wig combing, and then directly conducted processing or sold them after processing by the recycling company, in order to realize the recycling of waste materials.

The Group requires that relevant staff shall collect and store hazardous waste in the "hazardous waste staging area", and contact qualified recyclers for removal and standardized treatment in accordance with relevant laws and regulations such as the Technical Policies on the Prevention and Treatment of Pollution by Hazardous Waste of the Ministry of Environmental Protection. Meanwhile, we also carry out the necessary safety measures such as anti-leakage, anti-scattering and anti-spillage to guarantee the proper storage of hazardous waste. In addition, the Group conducts a field visit to the recycler at least once a year to understand how they handle the waste.

廢棄物處理

本集團產生的固體廢棄物分為無害廢棄物和危險廢棄物兩類。無害廢棄物主要來自生產廢料、廢紙箱以及員工日常生活產生的垃圾，本年度江西絲黛的無害廢棄物產生總量約為112噸，平均每平方米樓面面積無害廢棄物產生量約為0.003噸。危險廢棄物包括生產過程中的廢機油和廢化學品容器，本年度江西絲黛未對其產生量進行量化，暫不披露此項數據。

為減少對環境造成的不利影響，本集團繼續依照《廢物收集處理規定》和《固體廢棄物管理程序》，嚴格監管各類廢棄物的處理處置，並通過開展回收和綜合利用項目，達到廢棄物的減量化、無害化及資源化的目的。對於無害廢棄物，我們指派相關人員遵守《中華人民共和國固體廢物污染環境防治法》及城市市容環境衛生管理的有關規定，按照指定時間、指定地點放置垃圾，再由垃圾清運公司每日清運處理。對於布料裁剪工序中的邊角料和假髮梳理工序中的殘餘髮絲等生產廢料，我們分類收集，直接對其進行加工或售予回收公司進行加工後再銷售，實現廢料的回收利用。

對於危險廢棄物，我們要求相關人員按照國家環保部《危險廢物污染防治技術政策》等相關法律法規，收集、存放於「危險廢棄物暫放區」，再聯繫具備資質的回收單位進行清運和規範化處置。與此同時，我們亦實施必要的防滲漏、防散落、防溢出等安全措施，確保危險廢物妥善存放。此外，我們每年至少對回收單位進行一次實地考察，以了解其廢棄物的處理情況。

USE OF RESOURCES

Besides engaging in pollution prevention, the Group also attaches importance to the management and utilization of various resources. During the Year, the total energy consumption of Jiangxi Styler was approximately 1,132 MWh, and the direct energy consumption per square meter of floor area was approximately 0.03 MWh; the total energy consumption during production was approximately 861 MWh. The direct energy consumption was from the fuel used by the dining hall and by vehicles, amounting to approximately 101MWh; and indirect energy consumption was from the externally purchased electricity, amounting to approximately 1,030 MWh.

In terms of water consumption, during the year, the total water consumption of Jiangxi Styler was approximately 36,332m³, and the water consumption per square meter of floor area was approximately 0.91m³, among which the water consumption during production was approximately 351m³.

As for the packaging materials, the packaging materials used by Jiangxi Styler during the Year included plastic products and paper products, amounting to approximately 100 tons, which were respectively used for packaging of wigs and costumes. Among them, the total consumption of plastic products amounted to approximately 58 tons with the consumption per product of approximately 0.01kg; the total consumption of paper products was approximately 42 tons with the consumption per product of approximately 0.02kg.

資源使用

除致力於污染防治外，本集團亦重視各類資源的管理和使用。本年度，江西絲黛的能源總耗量約為1,132兆瓦時，平均每平方米樓面面積直接能源耗量約為0.03兆瓦時；當中生產過程能源總耗量約為861兆瓦時。直接能源消耗來自食堂所用燃料以及車輛燃油，其總耗量約為101兆瓦時；間接能源消耗來自外購電力，其總耗量約為1,030兆瓦時。

用水方面，本年度江西絲黛總耗水量約為36,332立方米，平均每平方米樓面面積耗水量約為0.91立方米，其中生產過程用水量約為351立方米。

包裝物料方面，本年度江西絲黛使用的包裝材料包括塑料製品和紙製品，總用量約為100噸，分別用於包裝假髮和服飾。其中，塑料製品的總用量約為58噸，平均每件產品用量約為0.01千克；紙製品的總用量約為42噸，平均每件產品用量約為0.02千克。

Energy Conservation, Emission Reduction and Environmental Protection

Due to the business nature, the production and operation of the Group does not have major adverse impacts on the environment and natural resources. The Group has always carefully examine each procedure in the production and operation, and adopted a series of measures to improve the resource utilization efficiency and to protect the environment and natural resources. On one hand, the Group fosters staff's awareness of environmental protection and energy conservation through pre-job training, helping them to develop the concept of "Reducing Resource Consumption Starts from me" in the Group's daily production and life. On the other hand, the Group regularly monitors and quantizes consumption of resources such as water, electricity, fuel, paper, office supplies, raw materials and packaging materials, formulates resource conservation objectives and implementation proposals, and reviews the goal achievement.

The Group has implemented several measures in the daily work to save water, electricity and paper. For instance, it is required that the use of taps must follow the principle of "turn off before leaving", prohibiting water dripping from occurring. For office equipment and illumination, the electricity-saving system of "power off and lights off when leaving" must be complied with, forbidding any idle use of electric equipment. We also require staff to use internal extension lines and mails in order to avoid unnecessary printing and fax, and print on both sides to reduce the paper consumption. We also focus on the greening in the factory area. Jiangxi Styler planted more than 160 new trees in the factory area during the Year to optimize the environment and reduce the carbon emission.

In order to reduce the waste gas emission caused by business trips of the staff, the Group has introduced efficient electronic office systems and accelerated the setup of telephone conference system. For works that inevitably requires business trips, we encourage staff to use public transport and take the initiative to arrange shuttle buses transportation between the administration building, the production plants and the downtown to reduce company car usage. For transportation vehicles, we prescribe reasonable arrangement on vehicle routes and ensure timely engine turn-off when the driver is leaving the vehicle.

節能減排與環境保護

由於業務性質使然，本集團的生產營運並未對環境及天然資源造成重大不利影響。本集團發展至今，始終以對負責任的態度，認真審視生產營運中的各個環節，採納一系列措施以提高資源使用效率，保護環境及天然資源。一方面，本集團通過崗前培訓等方式培養員工的環保節約意識，使其將「減少資源消耗由我做起」的觀念融入本集團日常生產和生活。另一方面，本集團定期監控水、電、燃油、紙張、辦公用品、原材料及包裝材料等資源的消耗情況並加以量化，同時制定資源節約目標和實施方案，並對目標達成情況進行評審。

本集團於日常辦公活動中推行了多項節水、節電和節約紙張的措施。例如，要求水龍頭的使用遵守「人走閥關」制度，嚴禁常流水現象出現；各種辦公設備及照明設施的使用遵守「人走關機、人走關燈」原則，嚴禁出現用電設備空轉；要求員工使用內線電話或郵件傳遞信息，盡量減少不必要的打印和傳真，提倡雙面打印，盡可能減少紙張消耗。我們亦重視廠區綠化建設工作，本年度江西絲黛於廠區內新栽種160餘棵樹木，以優化環境、削減碳排放。

為減少員工商務出行造成的廢氣排放，本集團引進高效的電子辦公系統，亦積極推進電話會議系統的建設。對於不可避免的出外公幹，我們號召員工盡量使用公共交通工具，並主動安排接駁巴士往來行政大樓、生產工廠及市區，藉此減少公務車的使用。同時，我們合理安排運輸車輛的行駛路線，並要求駕駛員於人車分離時，及時熄匙。

The Group manages to reduce the consumption of raw materials and packaging materials, as well as to reduce the product rejection rates and the refurbished rates in the production process. We further save resources by repeatedly using materials such as transit cartons; continuously strengthen product R&D, reduce usage of hazardous materials, and proactively apply safe and environment-friendly materials without poison or hazard into products; upgrade production equipment, and introduce equipment such as fur suction machine, in order to reduce production of waste materials and emission of pollutants.

In addition, the effective utilization of clean energy also plays a huge role in energy conservation and environmental protection of the Group. The solar power system under operation by Jiangxi Styler has a capacity of 0.1MW. The greenhouse gas emission during the Year was approximately equal to 105 tons of carbon dioxide, accounting for 18% of the total greenhouse gas emission of Jiangxi Styler; Yiwu Styler and Yiwu Partytime adopted air energy water heaters, which effectively lessened the dependence on energy during production and operation, and reduced carbon emission.

EMPLOYMENT AND LABOR PRACTICES

Employment Policies

Regarding the staff as its most precious assets, the Group is committed to protecting the legitimate rights and interests of the staff and enhancing staff's sense of belongings to the Group by focusing on welfare benefits, development, training and occupational health. The Group respects and treats each employee equally and complies with the relevant laws and regulations such as the Labor Law of the PRC. Staff recruitment, development and promotion are based on staff's own potential and abilities demonstrated in works, without taking into account of gender, age, ethnic, religious belief or marital status.

在生產過程中，本集團設法減少原材料和包裝材料的消耗及降低產品的報廢率和返修率。本集團通過重複利用中轉紙箱等物資，進一步節約資源；繼續加強產品研發，減少有害物料的使用，積極將各種無毒無害、安全環保的物料應用於產品系列中；對生產設備進行更新，引入吸毛機等設備，減少廢料的產生和污染物的排放。

除此之外，清潔能源的有效利用在本集團的節能環保實踐中亦發揮著巨大作用：江西絲黛投入運行的太陽能發電系統容量達0.1MW，此系統本年度溫室氣體減排量約為105噸二氧化碳當量，佔江西絲黛溫室氣體總排放量的18%；義烏絲黛及義烏派對通過採用空氣能熱水器，亦有效減輕了生產運營對能源的依賴，對碳排放的削減起到積極作用。

僱傭及勞工常規

僱傭政策

本集團視員工為最寶貴資產，致力於從福利待遇、發展培訓、職業健康等方面著手，維護員工合法權益，提升員工歸屬感。我們嚴格遵守《中華人民共和國勞動法》等相關法律法規，尊重並平等對待每一位員工，員工招聘、發展和晉陞都基於其自身資質及工作表現，不因其性別、年齡、民族、宗教信仰、婚姻狀況等因素加以區別對待。

Emphasizing a diversified team building, the Group recruits talents with different cultural backgrounds and qualifications from different regions. Adhering to the principle of open recruitment, equal competition, selective recruitment and priority to internal staff, the Group enters into Labor Contracts with all the staff in accordance with national and local regulations. The Group implements the standard working hour system with eight hours per day and 40 hours per week. Overtime subsidies or alternative rests will be arranged in accordance with relevant regulations if there is any need to extend the working hours due to production needs.

In terms of remuneration, the staff's wage level is determined based on the Group's remuneration policy and staff's performance. We review and adjust the wage level according to the local market level, the overall efficiency and the individual performance evaluation results on an annual basis. In order to stimulate the staff's enthusiasm, we regularly carry out objective and fair evaluation of the staff's competence, professional skills, working attitudes, plans, objectives and comprehensive quality, and stimulate the staff by means of competitive employment, elimination of the worst and rotation at middle and high-level posts, in order to realize the reasonable allocation of talents.

We provide staff with generous welfare benefits as they are our valuable assets. Apart from all the holidays stipulated by the government, all the staff are also entitled to sick leave, work-injury leave, personal leave, marital leave, maternity leave, funeral leave, paid annual leave, as well as welfares which include birthday allowance, attendance bonus, tour travel benefits, cultural activities and staff canteen.

本集團重視多元化隊伍建設，努力招募來自不同地區、擁有不同文化背景和資歷的人才。我們堅持公開招聘、平等競爭、擇優錄用、先內後外的用人原則，依照國家及當地法例與所有員工簽訂《勞動合同書》。本集團實行每日工作八小時、每週工作四十小時標準工時制度。如因生產需要須延長員工工作時間，我們會參照相關規定安排加班補貼或調休。

在薪酬方面，員工工資水平根據本集團薪資政策和員工工作表現釐定。我們每年均參照本地市場水平、企業整體效益和個人績效評估結果對員工工資進行審核和調整。為調動員工工作積極性，我們定期對員工工作能力、專業技能、工作態度、計劃目標、綜合素質等方面開展客觀公正的評定，並通過競爭上崗、末位淘汰和中高層崗位輪換等方式激勵員工、實現人才的合理配置。

本集團為員工提供優厚的福利待遇。全體員工除享有所有國家法定假期，還享有病假、工傷假、事假、婚假、產假、喪假、有薪年假等假期，以及生日補貼、滿勤獎勵、旅遊福利、文化活動、員工食堂等福利。

Health and Safety

The Group attaches vital importance to occupational health and safety and committed to providing the staff with a safe and healthy work place. To achieve this objective, we strictly comply with the Law of the PRC on the Prevention and Control of Occupational Diseases and the Occupational Health Supervision and Management Regulations in Working Place.

Prior to entering into a contract with a staff, the Group will inform the staff the possible occupational disease hazard which he/she may be exposed to during the work process, the consequences and the preventive measures. Before a staff changes his/her job duties, he/she will be informed and notified of the likely occupational hazards he/she may be exposed to. A written record will be kept after such a notification.

We require our staff to follow the methods and procedures prescribed by the Occupational Health Management System and to attend safety education and fire control safety training to understand the relevant safety operation procedures, and to enhance their prevention consciousness for occupational disease and self-protection skills. We implement standard specification requirements which include the Specification for Selecting Individual Protective Equipment, distribute occupational hazard protective gears that meet the national and industrial standards, and urge, educate and guide workers to wear or use them properly.

The Group strives to maintain a stable workforce to operate equipment. Designated staff is assigned to operate specific equipment. Staff for all types of work is required to follow safety operating rules. Operators of equipment can only work after receiving education and attending Level-3 safety training. To ensure staff's safety in the work process, we have implemented the measures specified in the Documents of Managing Changes of Safety Production Standard on the change, troubleshooting, maintenance, care, acceptance check and dismantlement of manufacturing equipment.

健康及安全

本集團重視職業健康及安全，致力於為員工提供安全及健康的工作場所。為此，我們嚴格遵守《中華人民共和國職業病防治法》及《工作場所職業衛生監督管理規定》。

在與員工簽訂合同之前，本集團將告知員工在工作過程中可能會面臨的職業病危害因素、後果及預防措施。在員工的工作崗位發生變更之前，我們會告知其可能會面臨的潛在職業危害因素。我們會於作出相關通知後保留通知的書面記錄。

本集團要求員工遵守《職業健康管理制度》所規定的方法及程序，參加安全教育及消防安全培訓，以了解相關的安全操作程序、提高職業病防範意識及自我保護技能。我們執行《個體防護裝備選用規範》等標準規範，發放符合國家及行業標準的職業危害防護用品，並督促、教育和指導員工正確佩戴和使用。

本集團致力維持穩定的員工隊伍以操作設備。我們會指定員工操作特定的設備。各類工作人員必須遵守安全操作規程。設備操作人員必須在參加三級安全生產教育培訓後才可上崗工作。針對生產設備的變更、檢修、維護、保養、驗收和拆除，我們實施《安全生產標準變化管理文件》所載的措施，保證員工在工作過程中的安全。

In addition to the above measures, the Group's Environment, Health and Safety Committee regularly inspects the Group's environment, health and safety situations, specifies remedial measures for the department which breaches the Group's health and safety measures, follows up with the handling of major safety accidents, and provides staff with the appropriate trainings. In addition, to guarantee the safety of the staff, we provide our staff with complimentary life articles such as reflective vests. The Group did not record any severe work-related deaths or injuries during the Year.

Development and Training

Enterprise development depends on the growth of the staff team. The Group pays much attention to the training and development of its staff. We provide our outstanding staff with much opportunity in operation management to further develop their skills and potential so as to support the growth of the Group.

To implement the training principle of "Training for All, Level-to-level Implementation", the Group provides its staff with suitable training through analyzing the training needs of the staff and preparing yearly, monthly and special training plans and budgets. There are a variety of trainings which include knowledge training, management skills training, special skills/qualification training, new staff training, academic and professional degree training, strategic training and professional service training. The training methods we have adopted include self-training, internal training, external training, comprehensive training and participative training.

The Group implements internalization of training. For example, to enhance the safety production awareness of our staff, we provide safety production training so as to eliminate, control and reduce the occurrence of casualty. After a staff has attended an external training programme, he/she will be required to share what he/she had learnt with colleagues through seminars and lectures, and to apply what he/she had learnt to the operation of the Group.

To facilitate the exchange of experience and knowledge in environmental protection, we continue to organize and conduct the "Party Forum" with the aim to provide training to the staff and to strengthen their concepts and awareness in environmental protection.

除了上述各項舉措，本集團環境健康安全委員會定期檢查本集團的環境、健康、安全狀況，對違反本集團健康及安全措施的部門提出整改措施，對重大安全事故進行追蹤處理，以及對員工進行適當的培訓。此外，我們還為員工免費提供反光背心等安全用品，確保其安全。本年度，本集團未錄得因工作關係而發生死亡或受傷的重大個案。

發展及培訓

企業發展離不開員工隊伍的成長。本集團非常重視員工的培訓及發展。我們為優秀員工提供大量參與經營管理的機會，以進一步發揮他們的技能及潛力，從而促進本集團發展。

本集團實行「全員計劃，分級實施」的培訓原則，通過分析員工的培訓需求，擬定年度、月度和專項培訓計劃及預算，為員工提供適合的培訓。各種培訓的內容包括知識培訓、管理技能培訓、專項技能／資格培訓、新員工培訓、學歷職稱培訓、戰略性培訓和專業服務培訓等，我們採取的培訓方式包括自我培訓、內部培訓、外部培訓、綜合培訓、參與式培訓等。

本集團實施培訓內化。例如，我們通過提供安全生產培訓，強化員工安全生產意識，杜絕、控制和減少意外事故的發生。員工參加外部培訓計劃後，我們會要求其將所學內容以研討會及授課等方式傳授給其他員工，及應用於本集團經營中。

為方便員工交流環保心得及知識，本集團繼續組織及開展「派對大講壇」，以為員工提供培訓，及強化員工的環保觀念和意識。

Labor Standards

The Group respects the legitimate rights and interests of all the staff, and prohibits child labor and forced labor in any form. We have complied with the relevant laws and regulations which include the Labour Law of the PRC, the Provisions on the Prohibition of Using Child Labor and the Employment Ordinance in Hong Kong. Staff are entitled to leave the Company freely after giving the requisite period of notice in accordance with the employment contract and the employment legislation.

To ensure that no child will be employed, we follow the procedure laid down in the Specification on Saving Child Labor to examine and verify the age of candidates. In the event that a child has been employed based on counterfeit certificates, we will promptly report the case to the relevant department and instruct the department to conduct an investigation and to terminate the employment contract if justified. After the employment contract is terminated, we will contact the family of the child and send the child back home and pay for the transportation expenses. The Group did not employ any child during the Year.

OPERATIONAL PRACTICE

Supply Chain Management

Following the principle of “Excellent quality, Enhance customer satisfaction, Continuous improvement, Produce first class products” and the purpose of providing satisfactory and high quality products for customers, the Group controls every stage of the production process which includes the purchase of raw materials and the manufacturing and selling of finished goods.

To regulate and monitor the suppliers, enhance product quality and to ensure stable supply of the purchased materials, the Group continues to adopt a Supplier Management System. Through understanding the suppliers’ business, manufacturing capacity investigation and product quality assessment, qualified suppliers will be included and graded in the qualified supplier list of the Group. Only those suppliers on the list will be selected. Meanwhile, the Group will evaluate the performance of the qualified suppliers every year, reward the outstanding suppliers and delete unsatisfactory suppliers from the qualified supplier list. For the suppliers which have been selected, we will evaluate the quality of the merchandise supplied, the delivery time, price and services, etc monthly. Furthermore, an overall appraisal will be conducted every six months to determine their grading on the qualified supplier list.

勞工準則

本集團尊重所有員工的合法權益，嚴禁任何形式的童工和強制勞動。我們遵守《中華人民共和國勞動法》《禁止使用童工規定》及香港地區《僱傭條例》等相關法律法規。員工根據僱傭合同及僱傭法規於必要期限內提交通知後擁有自由離職的權利。

為確保不僱用童工，我們會按照《童工拯救規範》中的程序審核應聘者的年齡。如發現使用虛假身份證明而誤招的童工，我們會及時通報相關部門，並指示該部門開展調查，倘情況屬實會解除勞動合同。解除勞動合同後，我們會聯繫兒童的家人送其回家並承擔路途費用。本集團於本年度內並無僱傭任何童工。

營運慣例

供應鏈管理

本集團秉持「以質取勝，增強客戶滿意度，持續改進，製造一流產品」的方針，嚴格把關從原材料的採購到中間生產及製成品銷售的各生產環節，力求為客戶提供滿意的高品質產品。

為規範及監督供應商，提高所採購材料的品質及確保其供應的穩定性，本集團繼續推行《供應商管理制度》。我們通過了解供應商的業務、調查其製造能力、評定其供應品的質量等程序，形成本集團的合格供應商名錄，並為合格供應商分級，以從中甄選供應商。同時，本集團每年對合格供應商的表現進行一次複查，對優秀供應商提出獎勵，將不符合要求的供應商從合格供應商名錄內剔除。對於選定的供應商，我們每月對其交貨質量、交期、價格、服務等項目作評鑒。此外，我們還會每半年進行一次總評，在合格供應商名錄內列出評鑒等級。

To ensure our products are environmental friendly, we offer environmentally-related work advice to the main suppliers, and require them to ensure that their production procedures comply with environmental protection and product safety regulation. We also set up stringent criteria to assess suppliers and encourage the suppliers to acquire certifications to enhance their environmental consciousness and operational quality.

Social responsibility performance is an important factor for the Group in selecting suppliers. The Group selects well-performed suppliers and eliminates those poorly performed according to their social responsibility performance, which encourage all suppliers to take measures to improve their social responsibility performance. We will immediately cease the cooperation with suppliers who intentionally use child labor, forced labor or significantly violate labor laws and regulations.

Product Responsibility

It is the Group's operation tenet to provide quality products and provide service for customers. Therefore, we continue to monitor the whole production process in accordance with the Quality Manual, and continuously improve the ISO9001 Quality Management System in combination with actual conditions.

We use fabrics that are both environmental friendly and safe and also meet the national and industrial standards to ensure that our products are healthy and safe. Through inspecting and testing supplied materials (including raw materials and some auxiliary materials), we prevent the use of unqualified materials and ensure product quality. We control the key processes in production, such as sewing process. The controls of the sewing process include using a production method in compliance with the requirements and maintaining the production capability of the equipment to meet the specified requirements. Moreover, key process operators must be trained and qualified, and operators shall follow the operating instructions to ensure the product quality, and the appropriate records are kept. For any faulty products discovered during self-inspection process, relevant department will conduct inspection and maintenance, and take measures to prevent the occurrence of such problem.

為確保我們的產品符合環保原則，我們向主要供應商提供環保相關工作建議，並要求其生產過程遵守環保和產品安全規定。我們亦會訂立嚴格標準來評估供應商，鼓勵其取得認證，從而提高供應商的環保意識及營運水平。

社會責任表現也是本集團選擇供應商的重要考慮因素。我們根據供應商的社會責任表現，選擇表現良好者，淘汰表現不好者，從而鼓勵所有供應商採取措施改善其社會責任表現。對於故意使用童工、強迫勞工或其他嚴重違反勞工法規的供應商，一經發現，我們將立即終止與其合作。

產品責任

提供優質產品、竭誠為客戶服務是本集團的經營宗旨。為此，我們繼續參照《質量手冊》對生產全過程予以監管，並結合實際情況，持續改進ISO9001質量管理體系。

我們採用兼顧環保及安全性且符合國家及行業標準的面料，以確保產品屬健康及安全；通過對來料（包括原材料和部分輔助材料）進行檢驗和測試，以防止不合格來料投入使用，確保產品質量；嚴格控制生產過程中的關鍵工序，即縫紉工序，控制內容包括使用符合要求的生產方法、確保設備的生產能力滿足規定的要求。此外，關鍵工序操作員須經培訓合格後方可上崗、按作業指導書進行操作確保產品質量以及保持適宜的記錄。對於自檢過程中發現的不合格產品，相關負責部門會對其進行檢查和維修，並採取措施預防此類問題出現。

To regulate the management of garment labels, the Group has set up the Garments Label Management Measures in accordance with the Textile and Garment User Instructions and the National Textile Products Basic Safety Technology Regulations. The Group's product labels contain information such as care instruction, components, padding, place of origin and flammability of the product.

We promote and market our products mainly at animation exhibitions and through online media. We strictly examine and verify all the product and business information before such information is released to the public. We have fully complied with the Advertisement Law of the PRC and the Trademark Law of the PRC when promoting and selling our products. We prohibit and do not tolerate release of misleading or false information.

To handle customers complaints effectively, and enhance customer satisfaction, the Group continues to implement the Customer Complaint Management Procedures. Customers can lodge complaints through various channels, such as telephone, facsimile and e-mail. The general manager or the Business Department will be responsible for receiving or instructing relevant departments to deal with customer complaints. To avoid impairment of the customers' rights and interests due to selling faulty products, we have also set up a Product Recall Management System. During the Year, the Group didn't recall any products due to safety and health reasons, or receive any complaints about products and services.

Intellectual Property Right and Privacy Protection

Product research and development (R&D) is the top priority in the business operation of the Group. To enhance competitiveness and to consolidate the Group's leading position in the industry, we have proactively made investments in the product and technology R&D and innovation. Meanwhile, we also take measures to protect all the patents and trademarks from being infringed upon, and enhances the popularization and application of innovative achievements in strict compliance with the relevant laws such as the Patent Law of the PRC and internal regulations such as Intellectual Property Management System. The Group obtained ten patents during the Year.

本集團依照《紡織品和服裝使用說明》和《國家紡織品基本安全技術規範》制定《成衣標籤管理辦法》，以規範成衣標籤管理。本集團產品標籤的內容包括使用說明、成份、填充、產地和產品的可燃性。

我們主要通過漫展及網絡媒體推廣及宣傳產品。我們會嚴格審查所有對外公開的產品和業務信息。於產品宣傳及銷售的過程中，我們全面遵守《中華人民共和國廣告法》《中華人民共和國商標法》等相關法律，嚴禁並絕不容忍發佈誤導或虛假信息的行為。

為有效處理客戶投訴、提升客戶滿意度，本集團繼續執行《客戶投訴管理程序》。客戶可通過電話、傳真、郵件等多種途徑進行投訴。總經理或業務部負責受理、處理或責成相關部門處理客戶投訴。我們亦制定有《產品召回管理制度》以防止因銷售問題產品而損害客戶權益。本年度，本集團未出現因安全與健康理由而被召回的產品，亦未收到任何有關產品和服務的投訴。

知識產權和私隱保護

產品研發是本集團業務營運的重中之重。為提升競爭力、鞏固本集團行業領先地位，我們積極投入產品和技術的研發與創新。同時嚴格遵照《中華人民共和國專利法》等相關法律及《知識產權管理制度》等內部規定，採取措施保障各項專利和商標不受侵犯，促進創新成果的推廣應用。本年度，本集團獲得10項專利。

The Group stipulates that the staff should strictly abide by various confidentiality systems, and keep all the commercial information, operation information, management information, client resources and commercial channels of the Group and its partners confidential. The Group requires the employees to strictly comply with the terms stipulated in the Employee Manual and the Employment Commitment Letter. Without the prior written authorization of the Group, such information shall not be divulged by any employees to the third party.

Anti-corruption

To facilitate anti-corruption, anti-bribery and anti-blackmail activities in the production, operation and commercial activities, we continue to implement the Control Procedures for Anti-bribery, Anti-corruption and Anti-Blackmail, and strengthened the monitoring and management on important segments and key personnel where corruption is frequent and highly likely. The Group signs the Anti-bribery/Anti-corruption Commitment Letter with the Group for key segments and department personnel. For example, we require purchasing staff to sign the Purchasing Department Staff Incorruptible Liability Statement, and also require all clients, suppliers, service providers that have business relationships to sign the Supplier Anti-bribery/Anticorruption Commitment Letter. The Group also requires all management staff, purchasing staff, sales staff, and financial staff to participate in anti-bribery trainings on several occasions.

The Group encourages its employees and companies that have business relationship with the Group to report against corruption. Whistle blowing and investigation must be kept confidential. The department that is responsible for anti-bribery, anti-corruption and anti-blackmail of the Group is the administrative manager and general manager. Anyone can report through internal telephone or suggestion box. Any supplier or individual who committed bribery will be handed over to the judicial organization for investigation. The Group abided by all the laws, rules and internal regulations without any violations of corruption regulations during the Year.

本集團規定員工須嚴格遵守各項保密制度，確保本集團及合作夥伴的一切商業信息、經營信息、管理信息、客戶資源、商業渠道等信息維持保密。我們要求員工嚴格遵守所簽署的《員工手冊》和《入職承諾書》等條款，在非本集團事先書面授權的情況下任何員工不得將此類信息提供予第三方。

反貪污

為持續推進生產運營和商業活動中的反腐敗、反賄賂和反敲詐活動，本集團繼續實施《反賄賂、反腐敗和反敲詐行為控制程序》，加強易發生貪污腐敗的重點環節、重點部門崗位人員的監督和管理。我們與重點環節、重點部門人員簽訂《反賄賂／反腐敗承諾書》，包括與採購人員簽訂《採購部人員廉潔從業責任書》，與所有有業務來往的客戶、供應商、服務商等簽訂《供應商反賄賂／反腐敗承諾書》。本集團亦不時要求全體管理人員、採購人員、業務人員和財務人員參加反賄賂培訓。

本集團鼓勵員工及與其有業務來往的公司檢舉揭發腐敗行為，並對檢舉的受理、調查等各個環節實施嚴格保密。本集團的反賄賂、反腐敗和反敲詐負責部門責任人為行政經理及總經理，任何人都可以通過內部電話或意見箱等途徑向其舉報投訴。一旦發現任何構成商業行賄犯罪的供應商或個人，均交由司法機關調查。本年度，本集團上下恪守各項法例法規和內部規章，未出現任何違反廉潔法例的個案。

COMMUNITY INVESTMENT

Since its establishment, the Group has paid much attention to the livelihood and well-being of the staff, and has actively fulfilled its responsibility as a corporate citizen. Adhering to the people-oriented principle, we give full support to the caring of our staff and strive to set up a mutual help system. On one hand, we offer financial assistance and other forms of support to poverty-stricken staff to help them to build up confidence to overcome difficulties they encountered. On the other hand, we organize a variety of staff activities which include tree planting, body-fitness classes, COSPLAY shows, festival evenings and skill competitions to enrich their lives. Meanwhile we continue our donations to earthquake-stricken areas and to the poor in the community, to invest in the Youth Football Development Foundation, to visit the elderly in old-age homes and to offer sponsorships to students.

PROSPECTS

This ESG Report not only helps the shareholders and the public to understand the Group's reflection and practices in environmental protection and social responsibility, it also helps the Group to review its strategies and achievements in sustainable development on a regular basis. In addition to continuously improving the management system, we will focus more attention on the integration of green concepts in the production process, promoting the application of environmental-friendly materials and technology within the operation of the Group, and further reducing the adverse impact on the environment in the future. We will make concerted efforts with the community to contribute to sustainable development of the industry in compliance with the national and industrial policies.

社區投資

本集團自成立以來，一直高度關注員工的生活及福祉，積極履行作為企業公民的社會責任。我們堅持「以人為本」的原則，充分關懷員工，並竭力構建互相幫助的良好氛圍。一方面，我們通過給予家庭困難員工財務及其他形式的援助，幫助他們樹立起克服困難的信心；另一方面，我們開展豐富多彩的員工活動，例如植樹、健身課、COSPLAY走秀、節假日晚會、技能比賽等活動，以豐富員工的生活。與此同時，我們亦繼續捐助地震災區及社區困難群眾、出資成立青少年足球發展基金會、慰問敬老院老人及開展助學活動。

展望

環境、社會及管治報告不僅有助於股東和公眾了解本集團在環保和社會責任領域的反思和實踐，更有助於本集團定期審視自身在可持續發展道路上的策略和成果。未來，在不斷完善管理體系的同時，我們將更加注重於產品生產的過程中融入綠色理念，在本集團的經營中應用環保物料和技術，進一步降低對環境的負面影響。我們將與社會各界攜手，在遵守國家和產業政策的基礎上，為行業的可持續發展做出貢獻。

Independent Auditor's Report 獨立核數師報告



Grant Thornton
致同

Member of Grant Thornton International Ltd

To the members of China Partytime Culture Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Partytime Culture Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 71 to 155, which comprise the consolidated statement of financial position as at 31 December 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 31 December 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 ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致中國派對文化控股有限公司股東

(於開曼群島註冊成立之有限公司)

意見

本核數師已審核第71至155頁所載中國派對文化控股有限公司（「貴公司」）及其附屬公司（「貴集團」）之綜合財務報表，包括於二零一七年十二月三十一日之綜合財務狀況表，及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註（包括主要會計政策概要）。

本核數師認為，綜合財務報表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」）足以真實並公平地顯示 貴集團於二零一七年十二月三十一日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並遵照香港公司條例之披露規定妥為編製。

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.

KEY AUDIT MATTERS

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

意見的基礎

本核數師之審核工作按照香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行。本核數師於該等準則項下的責任在我們的報告內「核數師就審核綜合財務報表承擔的責任」一節進一步闡述。根據香港會計師公會的「職業會計師道德守則」（「守則」），本核數師獨立於貴集團，並已遵循守則履行其他道德責任。本核數師相信，本核數師所獲得的審核憑證能充足及適當地為本核數師的審核意見提供基礎。

關鍵審核事項

關鍵審核事項是根據本核數師的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。本核數師在審核綜合財務報表及就此達致意見時綜合處理此等事項，而不會就此等事項單獨發表意見。

Valuation of Inventories

存貨之估值

Refer to the summary of significant accounting policies in note 2.8 and note 19 to the consolidated financial statements.

請參閱綜合財務報表附註2.8及附註19內之主要會計政策概要。

Key Audit Matter

關鍵審核事項

At 31 December 2017, the Group had inventories of RMB24,750,000 net of nil provisions. The Directors make significant judgements regarding the value of inventory provisions for obsolescence.

於二零一七年十二月三十一日，貴集團存貨扣除零撥備為人民幣24,750,000元。董事已對陳舊存貨撥備價值作出重大判斷。

How the matter was addressed in our audit

本核數師在審核中處理關鍵審核事項的方法

Our procedures in relation to assessing the appropriateness of the valuation of the inventories included the following:

本核數師評估存貨估值之適當性的程序包括以下各項：

- Reviewed and analysed the ageing of inventories;
已審閱及分析存貨之賬齡；
- Reviewed the costs expected to incur to bring the raw materials and work in progress into finished goods and compared to historical data;
已審閱將原材料及在製品製成製成品之預期產生成本及比較歷史數據；
- Tested the expected volume and price of future sales of inventories by reviewing samples of inventories sold after the end of reporting period; and
已通過抽樣審閱報告日期末後已出售存貨的價格測算存貨之未來銷售的預期交易量及價格；及
- Assessed the sufficiency of allowance where the estimated net realisable value is lower than the cost.
已評估倘估計可變現淨值低於成本時撥備的充足性。

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises all the information in the 2017 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

其他資料

董事負責其他資料。其他資料包括 貴公司二零一七年年報內所有資料，惟不包括綜合財務報表及本核數師就其發出的核數師報告。

本核數師對綜合財務報表的意見並不涵蓋其他資料，本核數師亦不對該等其他資料發表任何形式的鑒證結論。

當本核數師審核綜合財務報表時，本核數師的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或本核數師於審核過程中所得知的情況有重大抵觸，或者似乎有重大錯誤陳述。基於本核數師已執行的工作，倘本核數師認為這些其他資料有重大錯誤陳述，本核數師須報告該事實。於此方面，本核數師沒有任何報告。

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.

The Directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

董事就綜合財務報表承擔的責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實並公平的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需之內部控制負責。

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

審核委員會協助董事履行職責，監督 貴集團之財務申報流程。

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

核數師就審核綜合財務報表承擔的責任

本核數師的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本核數師意見的核數師報告。根據我們協定的委聘條款，本核數師僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計的一部分，本核數師在審計過程中運用了專業判斷並保持了專業懷疑態度。本核數師亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，及根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘本核數師認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中的相關披露。假若有關的披露不充分，則我們應當修改意見。本核數師的結論乃基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。本核數師負責 貴集團審計的方向、監督與執行。本核數師為審計意見承擔全部責任。

Independent Auditor's Report 獨立核數師報告

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

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

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

本核數師就（其中包括）審計的計劃範圍及時間安排、重大審計發現，包括本核數師在審計中識別出內部控制的任何重大缺陷與審核委員會進行溝通。

本核數師亦向審核委員會提交聲明，說明本核數師已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，本核數師確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。本核數師在核數師報告中描述這些事項，除法律法規不允許公開披露這些事項，或在極端罕見的情況下因合理預期在本核數報告中溝通某事項造成的負面後果超過產生的公眾利益，本核數師決定不應在報告中溝通該事項。

Grant Thornton Hong Kong Limited

Certified Public Accountants

Level 12

28 Hennessy Road

Wanchai

Hong Kong

22 March 2018

Shaw Chi Kit

Practising Certificate No.: P04834

致同（香港）會計師事務所有限公司

執業會計師

香港

灣仔

軒尼詩道28號

12樓

二零一八年三月二十二日

邵子傑

執業證書編號：P04834

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

		NOTES 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收益	6	466,371	513,883
Costs of sales	銷售成本		(356,862)	(368,826)
Gross profit	毛利		109,509	145,057
Other income	其他收入	7	1,667	3,564
Selling expenses	銷售開支		(18,944)	(13,978)
Administrative and other operating expenses	行政及其他營運開支		(68,532)	(53,659)
Profit from operations	經營溢利		23,700	80,984
Share of loss of a joint venture	分佔一間合營公司虧損	17	—	(2)
Finance costs	融資成本	8	(4,107)	(2,247)
Profit before income tax	除所得稅前溢利	9	19,593	78,735
Income tax expense	所得稅開支	10	(5,605)	(22,053)
Profit for the year	年內溢利		13,988	56,682
Other comprehensive income/(expense):	其他全面收益／（開支）：			
Items that will be reclassified subsequently to profit or loss	其後將重新分類至損益之項目			
Exchange differences on translation of foreign operation recognised	已確認換算海外業務之匯兌差異		1,312	(710)
Other comprehensive income/(expense) for the year, net of nil tax	年內其他全面收益／（開支），扣除稅項零		1,312	(710)
Total comprehensive income for the year	年內全面收益總額		15,300	55,972
Earnings per share for profit attributable to equity holders of the Company	本公司權益持有人應佔溢利之每股盈利			
Basic	基本	13	人民幣1.85分	人民幣7.50分
Diluted	攤薄	13	人民幣1.85分	人民幣7.39分

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Trademark	商標	18	250	344
Prepaid land lease payments	預付土地租賃款項	14	12,390	12,683
Property, plant and equipment	物業、廠房及設備	15	386,230	353,044
Interest in a joint venture	於一間合營公司之權益	17	2	2
			<u>398,872</u>	<u>366,073</u>
Current assets	流動資產			
Inventories	存貨	19	24,750	28,892
Trade and other receivables	貿易及其他應收款項	20	43,629	78,247
Prepaid land lease payments	預付土地租賃款項	14	293	293
Tax recoverable	可回收稅項		4,862	–
Bank balances and cash	銀行結餘及現金	21	69,206	81,604
			<u>142,740</u>	<u>189,036</u>
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	22	30,895	50,071
Short term borrowings	短期借款	23	53,000	60,700
Income tax payable	應付所得稅		–	1,584
Convertible bonds	可換股債券	24	16,412	–
			<u>100,307</u>	<u>112,355</u>
Net current assets	流動資產淨值		<u>42,433</u>	<u>76,681</u>
Total assets less current liabilities	總資產減流動負債		<u>441,305</u>	<u>442,754</u>

Consolidated Statement of Financial Position
綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current liability	非流動負債			
Convertible bonds	可換股債券	24	—	16,749
			—	16,749
Net assets	資產淨值		441,305	426,005
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	25	6,209	6,209
Reserves	儲備	26	435,096	419,796
Total equity	權益總額		441,305	426,005

LIN XIN FU
林新福
Chairman
主席

MA CHI KWAN
馬志鈞
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益							Total 總計
		Share capital 股本	Share premium* 股份溢價*	Capital reserve* 資本儲備*	Statutory reserve* 法定儲備*	Translation reserve* 匯兌儲備*	Convertible bond reserve* 可換股債券儲備*	Retained profits* 保留溢利*	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	6,209	139,245	85,160	23,841	1,017	–	113,321	368,793
Profit for the year	年內溢利	–	–	–	–	–	–	56,682	56,682
Other comprehensive expense:	其他全面開支：								
– Exchange differences on translation of foreign operation recognised	– 已確認換算海外業務之匯兌差異	–	–	–	–	(710)	–	–	(710)
Total comprehensive income for the year	年內全面收益總額	–	–	–	–	(710)	–	56,682	55,972
Transaction with owners:	與擁有人的交易：								
Equity component of convertible bonds (note 24)	可換股債券的權益部分 (附註24)	–	–	–	–	–	1,240	–	1,240
Transfer to statutory reserves	轉撥至法定儲備	–	–	–	6,573	–	–	(6,573)	–
Transaction with owners	與擁有人的交易	–	–	–	6,573	–	1,240	(6,573)	1,240
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	6,209	139,245	85,160	30,414	307	1,240	163,430	426,005
Profit for the year	年內溢利	–	–	–	–	–	–	13,988	13,988
Other comprehensive income:	其他全面收益：								
– Exchange differences on translation of foreign operation recognised	– 已確認換算海外業務之匯兌差異	–	–	–	–	1,312	–	–	1,312
Total comprehensive income for the year	年內全面收益總額	–	–	–	–	1,312	–	13,988	15,300
Transaction with owners:	與擁有人的交易：								
Transfer to statutory reserve	轉撥至法定儲備	–	–	–	2,227	–	–	(2,227)	–
Transaction with owners	與擁有人的交易	–	–	–	2,227	–	–	(2,227)	–
As at 31 December 2017	於二零一七年十二月三十一日	6,209	139,245	85,160	32,641	1,619	1,240	175,191	441,305

* The reserves accounts comprise the Group's reserves of RMB435,096,000 (2016: RMB419,796,000) in the consolidated statement of financial position.

* 儲備賬目包括本集團於綜合財務狀況表內之儲備人民幣435,096,000元(二零一六年：人民幣419,796,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動現金流量		
Profit before income tax	除所得稅前溢利	19,593	78,735
Adjustments for:	就以下各項作出調整：		
Amortisation of prepaid land lease payments	預付土地租賃款項的攤銷	293	293
Amortisation of trademark	商標攤銷	94	94
Depreciation	折舊	18,023	9,658
Interest income	利息收入	(211)	(502)
Interest expenses	利息開支	4,107	2,247
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	167	27
Share of loss of a joint venture	分佔一間合營公司虧損	—	2
Operating profit before working capital changes	營運資金變動前經營溢利	42,066	90,554
Decrease/(increase) in inventories	存貨減少／（增加）	4,142	(2,177)
Decrease in trade and other receivables	貿易及其他應收款項減少	9,503	17,418
(Decrease)/increase in trade and other payables	貿易及其他應付款項（減少）／增加	(18,829)	6,824
Cash generated from operations	經營所得現金	36,882	112,619
Interest paid	已付利息	(2,571)	(1,331)
Income taxes paid	已付所得稅	(12,051)	(26,554)
Net cash generated from operating activities	經營活動所得現金淨額	22,260	84,734
Cash flows from investing activities	投資活動現金流量		
Interest received	已收利息	211	502
Deposit paid for purchase of property, plant and equipment	購置物業、廠房及設備已付按金	(8,050)	(34,621)
Purchase of property, plant and equipment	購置物業、廠房及設備	(16,755)	(144,491)
Investment in a joint venture	於一間合營公司的投資	—	(4)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	3
Net cash used in investing activities	投資活動所用現金淨額	(24,594)	(178,611)

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash flows from financing activities	融資活動現金流量		
Proceeds from bank borrowings	銀行借款所得款項	40,304	97,700
Repayment of bank borrowings	償還銀行借款	(48,004)	(48,000)
Proceeds from issuance of convertible bonds	發行可換股債券所得款項	—	16,787
Interest paid for convertible bonds	可換股債券已付利息	(1,041)	(81)
<i>Net cash (used in)/generated from financing activities</i>	<i>融資活動(所用)/所得現金淨額</i>	<u>(8,741)</u>	<u>66,406</u>
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(11,075)	(27,471)
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物	81,604	108,274
Effect of foreign exchange rate changes	匯率變動的影響	<u>(1,323)</u>	<u>801</u>
Cash and cash equivalents at the end of the year, represented by bank balances and cash	年末現金及現金等價物，以銀行結餘及現金表示	<u>69,206</u>	<u>81,604</u>

Notes To The Consolidated Financial Statements

綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. GENERAL INFORMATION

China Partytime Culture Holdings Limited (the “Company”) was incorporated in the Cayman Islands as exempted company on 12 February 2015 with limited liability. The Company’s shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 October 2015. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is No. 3 Chunchao Road, Yichun Economic & Technological Development Zone (“Yichun Development Zone”), Jiangxi Province, the People’s Republic of China (“PRC”).

The Company is an investment holding company and its subsidiaries are principally engaged in the design, development, production, sales and marketing of cosplay products (including cosplay costumes and cosplay wigs) and sexy lingerie.

As at 31 December 2017, the Directors consider the ultimate controlling shareholders of the Company to be Mr. Chen Sheng Bi and his brother, Mr. Chen Sheng Guan (collectively, the “Controlling Shareholders”), through their respective wholly-owned companies, Master Professional Holdings Limited and Summit Quest Holdings Limited, both incorporated in the British Virgin Islands (“BVI”).

These consolidated financial statements for the year ended 31 December 2017 were approved for issue by the board of Directors on 22 March 2018.

1. 一般資料

中國派對文化控股有限公司（「本公司」）於二零一五年二月十二日在開曼群島註冊成立為獲豁免有限責任公司。本公司股份於二零一五年十月十六日在香港聯合交易所有限公司（「聯交所」）上市。其註冊辦事處地址為Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands。主要營業地點地址為中華人民共和國（「中國」）江西省宜春經濟技術開發區（「宜春開發區」）春潮路3號。

本公司為一間投資控股公司及其附屬公司主要從事設計、開發、生產、銷售及營銷角色扮演產品（包括角色扮演服飾及角色扮演假髮）及性感內衣。

於二零一七年十二月三十一日，董事認為，本公司之最終控股股東為陳聖弼先生及其兄弟陳聖冠先生（統稱為「控股股東」），乃透過彼等各自之全資擁有公司Master Professional Holdings Limited及Summit Quest Holdings Limited（均於英屬處女群島（「英屬處女群島」）註冊成立）擁有。

截至二零一七年十二月三十一日止年度之該等綜合財務報表已於二零一八年三月二十二日獲董事會批准刊發。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost. The consolidated financial statements is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousands (“RMB’000”), except when otherwise indicated.

2. 主要會計政策概要

2.1 編製基準

該等年度綜合財務報表乃按照香港財務報告準則（「香港財務報告準則」）編製，而香港財務報告準則是一個統稱，包括香港會計師公會（「香港會計師公會」）頒佈的所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋以及香港公認會計原則。

綜合財務報表亦符合香港公司條例之適用披露規定及包括聯交所證券上市規則（「上市規則」）之適用披露規定。

編製該等綜合財務報表所採用的主要會計政策概述於下文。除另有指明者外，該等政策已貫徹應用於呈列的所有年度。採納新訂及經修訂香港財務報告準則及對本集團財務報表之影響（如有）披露於附註3。

綜合財務報表乃按歷史成本編製。綜合財務報表以人民幣（「人民幣」）呈列，除另有指明者外，所有金額均約整至最接近的千位（「人民幣千元」）。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in note 4 to the consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (collectively referred to as the "Group"). The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group 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. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

請注意編製綜合財務報表時會使用會計估計及假設。儘管該等估計乃基於管理層對目前事件及措施的最佳瞭解及判斷作出，但實際結果最終可能與該等估計有異。涉及較高程度判斷或複雜性的領域或假設及估計屬重大的領域披露於綜合財務報表附註4。

2.2 綜合入賬基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）的財務報表。附屬公司編製財務報表的報告期間及採用的會計政策與本公司相同。

附屬公司為由本集團控制的實體。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。於評估本集團對實體是否擁有權力時，僅會考慮與實體有關的實質權利（由本集團及他人持有）。

本集團的綜合財務報表包括附屬公司自本集團取得控制權之日起至不再控制該附屬公司之日的收入及開支。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

2. 主要會計政策概要 (續)

2.2 綜合入賬基準 (續)

集團內公司間交易、集團公司間交易結餘及未變現收益及虧損於編製綜合財務報表時予以抵銷。倘集團內公司間資產銷售的未變現虧損於綜合入賬時撥回，則相關資產亦從本集團的角度進行減值測試。附屬公司財務報表的申報金額已作必要調整，以確保與本集團採用的會計政策一致。

非控股權益指於一家附屬公司中並非直接或間接歸屬本公司的權益，而本集團並無與該等權益的持有人協定任何額外條款，致本集團整體就符合金融負債定義的該等權益承擔合約責任。就各業務合併而言，本集團可選擇按公平值或按非控股權益佔附屬公司的可識別資產淨值的比例計量任何非控股權益。非控股權益於綜合財務狀況表內的權益中呈列，與本公司擁有人應佔權益分開列賬。本集團業績內的非控股權益入賬作為在非控股權益及本公司擁有人之間分配的年度損益總額及年度全面收益總額，於綜合損益及其他全面收益表呈列。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2. 主要會計政策概要 (續)

2.2 綜合入賬基準 (續)

本集團於附屬公司的權益變動，倘不會引致喪失控制權，則以權益交易入賬，並據此對綜合權益中控股權益的金額作調整，以反映相關的權益變動，惟不會調整商譽及確認盈虧。

倘本集團失去對一間附屬公司之控制權，則出售損益以下列兩項之差額計算(i)所收取代價之公平值及任何保留權益公平值之總和及(ii)附屬公司之資產(包括商譽)及負債及任何非控股權益之先前賬面值。倘附屬公司之若干資產按重估金額或公平值計量，而相關累計損益已於其他全面收入確認並於權益累計，則早前於其他全面收入確認及於權益累計之金額將會以猶如本公司已直接出售相關資產之方式入賬(即重新分類至損益或直接轉撥至保留盈利)。於失去控制權當日仍保留於前附屬公司之任何投資公平值，則根據香港會計準則第39號「金融工具：確認及計量」，就其後入賬而言將被視為初步確認之公平值，或(如適用)於聯營公司或合資公司投資之初步確認成本。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions relating about relevant activities require the unanimous consent of the parties sharing control.

2. 主要會計政策概要 (續)

2.2 綜合入賬基準 (續)

除非附屬公司乃持作出售或計入出售組別，否則本公司的財務狀況報表中，附屬公司按成本值扣除減值虧損列賬。成本經調整以反映因或然代價修訂而產生的代價變動。成本亦包括投資直接應佔的成本。

附屬公司的業績由本公司按於報告日期已收及應收股息的基準列賬。不論所收取股息是以投資對象的收購前或收購後溢利作出，全部股息均於本公司的損益中確認。

2.3 合營公司

合營公司為一項合營安排，據此，擁有該安排之共同控制權的各方均有權享有該項安排的資產淨值。共同控制權指訂約協定共享安排控制權，僅在相關活動決策須經共享控制權之各方一致同意之情況下存在。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Joint ventures (Continued)

In the consolidated financial statements, an investment in a joint venture is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the joint venture is carried at cost and adjusted for the post-acquisition changes in the Group's share of the joint venture's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal Group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the joint venture for the year, including any impairment loss on the investment in joint venture recognised for the year. The Group's other comprehensive income for the year includes its share of the joint venture's other comprehensive income for the year.

2. 主要會計政策概要 (續)

2.3 合營公司 (續)

於綜合財務報表中，於合營公司之一項投資按成本初步確認及隨後乃採用權益法入賬。收購成本超出本集團於收購日期所佔合營公司可識別資產、負債及或然負債公平值淨值的任何部分確認為商譽。商譽計入投資的賬面值內，並作為投資的一部分進行減值評估。收購成本乃按本集團於交換日期給予之資產、產生或承擔之負債及發行之股本工具之公平值總額計量，另加投資應佔之任何直接相關成本。重新評估後，本集團應佔可識別資產、負債及或然負債之公平值淨值超過收購成本之任何數額，則會即時於損益確認，以釐定本集團於收購投資期間應佔合營公司之溢利或虧損。

根據權益法，本集團於合營公司之權益以成本列賬，並按本集團應佔合營公司之資產淨值減任何已識別減值虧損之收購後變動作出調整，惟其已被分類為持作出售（或計入獲分類為持作出售之待售組別）則除外。年內損益包括本集團應佔合營公司年內之收購後、除稅後業績，包括年內確認之於合營公司之投資之任何減值虧損。本集團之其他年內全面收益包括其應佔合營公司之年內其他全面收益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Joint ventures (Continued)

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Where unrealised losses on assets sales between the Group and its joint venture are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the joint venture's accounting policies to those of the Group when the joint venture's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture. For this purpose, the Group's interest in the joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture.

2. 主要會計政策概要 (續)

2.3 合營公司 (續)

本集團及其合營公司間交易所產生之未變現收益抵銷，只限於本集團於有關合營公司之權益。而本集團及其合營公司間之未變現資產銷售虧損按權益會計法撥回，本集團亦會對有關資產作減值測試。倘合營公司所用會計政策並非為本集團於同類情況下就類似交易及事件所採用者，則於本集團為應用權益法而使用合營公司財務報表時，會作出必要調整，致令該合營公司之會計政策與本集團所用者一致。

當本集團應佔合營公司虧損等同或超過其所佔合營公司權益時，本集團不會再進一步確認虧損，除非本集團須承擔法定或推定責任或已代合營公司付款。就此而言，本集團於合營公司之權益為按照權益法計算之投資賬面值，連同實質上構成本集團於該合營公司之投資淨額其中部分之本集團長期權益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Joint ventures (Continued)

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint venture. At each reporting date, the Group determines whether there is any objective evidence that the investment in joint venture is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (higher of value in use and fair value less costs of disposal) of the joint venture and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the joint venture, including cash flows arising from the operations of the joint venture and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have joint control over a joint venture. If the retained interest in that former joint venture is a financial asset, the retained interest is measured at fair value, which is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between (i) the fair value of any retained interest and any proceeds from disposing of a partial interest in the joint venture; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would have been required if the joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

2. 主要會計政策概要 (續)

2.3 合營公司 (續)

經應用權益法後，本集團決定是否必須就本集團於合營公司之投資確認任何額外減值虧損。於各呈報日期，本集團釐定是否有任何客觀證據顯示合營公司投資出現減值。倘出現有關跡象，本集團計算減值金額，即合營公司可收回金額（使用價值及公平值減出售成本之較高者）與其賬面值之間之差額。釐定投資之使用價值時，本集團估計其應佔之預期由合營公司產生之估計日後現金流量之現值，包括經營合營公司產生之現金流量及最終出售投資之所得款項。

本集團自其不再對合營公司擁有共同控制權當日起終止使用權益法。倘於該前合營公司之保留權益為金融資產，該保留權益則按公平值計量，並根據香港會計準則第39號初次確認為金融資產時將該公平值視作其公平值。在(i)任何保留權益及出售合營公司部分權益之任何所得款項之公平值與(ii)終止使用權益法當日投資賬面值之間之差額，均於損益內確認。此外，本集團會將以往在有關該合營公司之其他全面收益中確認之所有金額入賬，且基準與有關合營公司直接處置相關資產或負債所需基準相同。因此，倘以往由被投資方於其他全面收益中確認之收益或虧損將於處置相關資產或負債時重新分類至損益，則實體於終止使用權益法時，將該收益或虧損自權益重新分類至損益（作為重新分類調整）。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation

The financial statements are presented in RMB, which is the Group's presentation currency, as the Directors of the Company are of the view that RMB is more relevant to the shareholders of the Company. The functional currency of the Company and its subsidiaries outside mainland China is Hong Kong Dollar ("HK\$") and the functional currency of the subsidiaries in mainland China is RMB.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. 主要會計政策概要 (續)

2.4 外幣換算

財務報表以人民幣呈列，而人民幣為本集團之呈列貨幣，原因為本公司董事認為人民幣與本公司股東更為相關。本公司及其中國境外附屬公司之功能貨幣為港元（「港元」），而中國附屬公司之功能貨幣為人民幣。

於綜合實體的獨立財務報表中，外幣交易乃按交易當日的匯率換算為個別實體的功能貨幣。於報告日期，以外幣計值的貨幣資產及負債乃按該日期的匯率換算。因結算該等交易及於報告日期重新換算的貨幣資產及負債所產生的外匯損益均於損益中確認。

以外幣計值且按公平值呈列的非貨幣項目乃按公平值釐定當日適用的匯率重新換算。按歷史成本以外幣計量的非貨幣項目不作重新換算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in translation reserve in equity.

On disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

2. 主要會計政策概要 (續)

2.4 外幣換算 (續)

於綜合財務報表中，原以本集團呈報貨幣以外的貨幣呈列的海外業務的所有獨立財務報表均已換算為人民幣。資產及負債已按報告日期的收市匯率換算為人民幣。收入與支出按交易日的匯率，或按報告期間的平均匯率換算為人民幣（假設匯率並無重大波動）。任何因此程序產生的差額已於其他全面收入中確認並於權益內的匯兌儲備單獨累計。

出售海外業務時，本集團應佔該項業務之所有累計兌匯差異均重新分類至損益。

2.5 物業、廠房及設備

物業、廠房及設備（在建工程除外）乃按成本減累計折舊及減值虧損列賬。成本包括資產收購直接應佔的開支。所購軟件（作為相關設備運作的必備部分）視為該設備一部分撥充資本。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	2.86-5%
Plant and machineries	10-20%
Motor vehicles	20%
Furniture and equipment	20%
Leasehold improvement	20-100%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2. 主要會計政策概要 (續)

2.5 物業、廠房及設備 (續)

折舊以直線法於其估計可使用年期內按下列年率作出撥備，以撇銷成本減其剩餘價值：

樓宇	2.86-5%
廠房及機械	10-20%
汽車	20%
傢俬及設備	20%
租賃物業裝修	20-100%

資產的剩餘價值、折舊方法及使用年期於各報告日期進行檢討，並作出調整（倘適用）。報廢或出售所產生的收益或虧損按出售所得款項與相關資產的賬面值之間的差額釐定，並於損益內確認。

當且僅當與該項目相關的未來經濟利益極有可能流入本集團及該項目成本能可靠計量時，後續成本計入資產的賬面值或於適當時確認為一項個別資產。終止確認已重置部分的賬面值。所有其他成本（如維修及保養成本）於該等成本產生的財務期間自損益內扣除。

在建工程指在建物業、廠房及設備，按成本扣除任何減值虧損列賬，且不計提折舊。成本包括直接建築成本及建設期內的相關借貸資金的資本化借款成本。在建工程於落成及可供使用時重新分類至物業、廠房及設備的適當類別。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Intangible assets (other than goodwill) and research and development activities

Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following rate per annum is applied:

Trademark	18.75%
-----------	--------

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Intangible assets are tested for impairment as described below in note 2.15.

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;

2. 主要會計政策概要 (續)

2.6 無形資產 (商譽除外) 及研發活動

無形資產 (商譽除外)

所收購之無形資產初步按成本確認。經初步確認後，具有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期之無形資產之攤銷於其估計可使用年期按直線法撥備。無形資產於可供使用時開始攤銷。已應用以下年率：

商標	18.75%
----	--------

資產之攤銷方法及可使用年期於各報告日期審閱，並作出調整（倘適用）。無形資產按下文附註2.15所述進行減值測試。

研發成本

與研究活動有關之成本乃於產生時於損益內列支。直接歸屬於開發活動之成本乃確認為無形資產，惟其須符合以下確認規定：

- (i) 顯示預期開發以供內部使用或銷售之產品之技術可行性；
- (ii) 有完成無形資產及使用或出售無形資產之意圖；
- (iii) 證實本集團使用或出售無形資產之能力；

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Intangible assets (other than goodwill) and research and development activities (Continued)

Research and development costs (Continued)

- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

2. 主要會計政策概要 (續)

2.6 無形資產(商譽除外)及研發活動 (續)

研發成本 (續)

- (iv) 無形資產將通過內部使用或銷售產生可能經濟利益;
- (v) 具備充足技術、財務及其他資源以供完成; 及
- (vi) 無形資產應佔之開支能可靠地計量

直接成本包括因開發活動產生之僱員成本連同有關日常開支之適當部分。開發符合上述確認標準之內部產生軟件、產品或技術知識之成本均確認為無形資產，並採用與所收購無形資產相同之後續計量方法。

所有其他開發成本均於產生時支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets

Financial assets are classified into loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

2. 主要會計政策概要 (續)

2.7 金融資產

金融資產被分類為貸款及應收款項。

於初步確認金融資產時，管理層會根據所收購的金融資產的用途作出分類，並於許可及適當情況下，於各報告日期重新評估有關指定。

所有金融資產只會在本集團成為有關工具的合約條文的訂約方時，方予確認。初步確認金融資產時乃按公平值計量，但若投資並非按公平值計入損益，則須加上直接應佔交易成本計量。當收取投資產生的現金流量的權利屆滿或被轉讓，且所有權的絕大部分風險及回報已經轉移時，即終止確認金融資產。

於各報告日期，會對金融資產進行檢討，以評估是否有任何客觀減值證據。如有出現任何上述證據，則根據金融資產分類釐定及確認減值虧損。

貸款及應收款項

貸款及應收款項為固定或可釐定付款且並於活躍市場上並無市場報價的非衍生金融資產。貸款及應收款項其後以實際利率法按攤銷成本減任何減值虧損計量。計算攤銷成本時，應計及任何收購折讓或溢價，包括屬實際利率不可分割部分的費用及交易成本。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- The disappearance of an active market for that financial asset because of financial difficulties.

2. 主要會計政策概要 (續)

2.7 金融資產 (續)

金融資產減值

於各報告日期，對金融資產進行檢討，以釐定是否出現任何客觀的減值證據。

個別金融資產減值的客觀證據包括本集團所發現有關下列一項或多項虧損事項的可觀察數據：

- 債務人出現重大財政困難；
- 違反合約，如不支付或拖欠利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大變動而對債務人有不利影響；及
- 因出現財政困難導致該金融資產失去活躍市場。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

Impairment of financial assets (Continued)

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group. If any such evidence exists, the impairment loss is measured and recognised as follows:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

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

2. 主要會計政策概要 (續)

2.7 金融資產 (續)

金融資產減值 (續)

有關一組金融資產的虧損事項包括顯示該組金融資產的估計未來現金流量出現可計量跌幅的可觀察數據。該等可觀察數據包括但不限於組別內債務人的付款狀況以及與組別內資產拖欠情況有關的國家或當地經濟狀況出現不利變動。若出現任何該等證據，則按以下方式計量及確認減值虧損：

按攤銷成本列賬的金融資產

若有客觀證據顯示按攤銷成本列賬的貸款及應收款項出現減值虧損，則虧損金額按該金融資產賬面值與以其原實際利率（即首次確認時計算的實際利率）折算的估計未來現金流量（不包括尚未產生的未來信貸虧損）現值的差額計算。虧損金額於減值發生期間於損益中確認。

若於後續期間減值虧損金額減少，而有關減幅可客觀地與確認減值後發生的事件聯繫，則需撥回過往確認的減值虧損，惟於撥回減值當日，不得導致金融資產賬面值超過未被確認減值的原本應計的攤銷成本。撥回金額於撥回發生期間在損益中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

Financial assets carried at cost

For financial assets carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial assets and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of the impairment losses is recognised in profit or loss of the period in which the impairment occurs and not reversed in subsequent periods.

Impairment losses on financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is calculated using the weighted average method.

2. 主要會計政策概要 (續)

2.7 金融資產 (續)

按成本列值的金融資產

就按成本列值的金融資產而言，減值虧損的金額按金融資產賬面值與估計未來現金流量按類似金融資產現行市場回報率貼現的現值的差額計量。該等減值虧損金額於減值發生期間於損益中確認且於後續期間不會撥回。

金融資產（按公平值計入損益的金融資產及按攤銷成本列賬的貿易應收款項除外）的減值虧損乃直接與相關資產撇銷。若貿易應收款項被認為有可能但並非不能收回，則屬應收款項壞賬的減值虧損記入撥備賬。若本集團信納貿易應收款項的可收回性極低，則被認為不可收回的金額乃直接自貿易應收款項中撇銷，並撥回就該應收款項記入撥備賬的任何金額。先前計入撥備賬的金額如在其後收回，則從撥備賬撥回。撥備賬的其他變動及其後收回先前已撇銷的金額，均直接在損益中確認。

2.8 存貨

存貨以成本值與可變現淨值兩者中較低者列賬。可變現淨值為日常營業過程中的估計售價減估計完工成本及適用銷售開支。成本乃按加權平均法計算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial liabilities

The Group's financial liabilities include bank borrowings, convertible bonds and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

2. 主要會計政策概要 (續)

2.9 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行活期存款及原定到期日為三個月或以下，可隨時兌換為已知數額現金且價值變動風險較少的短期高度流動性投資。就綜合現金流量表呈列而言，現金及現金等價物包括須按要求償還的銀行透支，並構成本集團現金管理不可或缺的部分。

2.10 金融負債

本集團金融負債包括銀行借款、可換取債券及貿易及其他應付款項。

金融負債在本集團成為有關工具合約條文的訂約方時確認。所有利息相關費用均根據本集團有關借款成本的會計政策確認。

當負債項下的責任獲解除或註銷或屆滿時，則終止確認金融負債。

倘一項現有金融負債被同一放債人按大致上不同的條款提供的其他債項取代，或現有負債條款被重大修改，則該取代或修改會被視作終止確認原有負債及確認一項新負債，且各賬面值之間的差額會於損益中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial liabilities (Continued)

Borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Convertible bond

Convertible bond issued by the Group that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible bond and the fair value assigned to the liability component, representing the call option for conversion of the bond into equity, is included in equity as convertible bond reserve.

The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the bond.

2. 主要會計政策概要 (續)

2.10 金融負債 (續)

借款

借款初步按公平值扣除產生的交易成本確認。借款其後按攤銷成本列賬；借款所得款項（扣除交易成本）與贖回價值之間的任何差額按實際利率法於借款期內於損益中確認。

除非本集團有無條件權利將負債的償還期限遞延至報告日期後最少十二個月，否則借款分類為流動負債。

可換股債券

本集團所發行包含金融負債及權益部分之可換股債券，於初步確認時乃分別列入負債及股權部分。於初步確認時，負債部分之公平值按類似之非可換股負債之現行市場利率釐定。發行可換股債券所得款項與分配為負債部分公平值之差額為將債券轉換為權益之認購期權，乃於權益列為可換股債券儲備。

負債部分其後使用實際利率法按攤銷成本列賬。股權部分將一直列於權益內，直至轉換或贖回債券為止。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial liabilities (Continued)

Convertible bond (Continued)

When the bond is converted, the equity component of convertible bond and the carrying value of the liability component at the time of conversion are transferred to share capital as consideration for the shares issued. If the bond is redeemed, the convertible bond reserve is released directly to retained profits.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.11 Share capital

Ordinary shares are classified as equity. The amount of share capital recognised is determined using the nominal value and any related transaction costs are deducted from the share premium.

2.12 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2. 主要會計政策概要 (續)

2.10 金融負債 (續)

可換股債券 (續)

當轉換債券時，於轉換之時可換股債券之股權部分及負債部分之賬面值撥入股本，作為已發行股份之代價。倘債券被贖回，可換股債券權益儲備直接撥回至保留溢利。

貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後以實際利率法按攤銷成本計量。

2.11 股本

普通股乃分類為權益。已確認股本金額乃採用面值釐定，而任何關連交易成本自股份溢價扣除。

2.12 租賃

若本集團釐定某項安排涉及於協定期限內將特定資產使用權出讓以換取一筆或一連串付款，則有關安排（包括一項交易或一連串交易）屬於或包含一項租賃。該項釐定乃基於安排內容的實質評估而作出，而不論該項安排是否採取租賃的法律形式。

就本集團以租賃持有的資產而言，倘有關租賃將擁有權的絕大部分風險及回報轉移至本集團，則有關資產將分類為以融資租賃持有。倘有關租賃的所有權絕大部分風險及回報並無轉移至本集團，則分類為經營租賃。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Leases (Continued)

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and the use by others of the Group's assets yielding interest. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Interest income is recognised on a time-proportion basis using the effective interest method.

2. 主要會計政策概要 (續)

2.12 租賃 (續)

倘本集團擁有根據經營租賃持有之資產使用權，除非其他基準更能代表租賃資產所產生之利益之時間模式，否則支付租賃之款項按直線法於租期內自收益表扣除。所收到之租賃獎勵均在損益表中確認為所作出之淨租賃款項總額之組成部分。或然租金在其產生之會計期間內在損益中扣除。

經營租賃下預付土地租賃付款初步按成本列值，其後於租賃期內按直線法予以確認。

2.13 收益確認

收益包括就銷售貨品及他人使用本集團資產產生的利息而已收取或應收取的代價的公平值。收益乃於經濟利益可能流入本集團且能夠可靠計量收益及成本（如適用）時按以下基準予以確認：

銷售貨品於向客戶轉讓所有權的重大風險和回報時（通常指貨品交付及客戶接獲貨品時）予以確認。

利息收入按時間比例基準採用實際利率法確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under “Other income” in the consolidated statement of profit or loss and other comprehensive income.

2.15 Impairment of non-financial assets

The Group’s property, plant and equipment, prepaid land lease payments, trademark and interest in a joint venture and the Company’s investments in subsidiaries are tested for impairment whenever there are indications that the asset’s carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

2. 主要會計政策概要 (續)

2.14 政府補助

倘能夠合理保證可收取政府補助，且本集團將符合所有附帶條件，則政府補助按其公平值確認。政府補助於符合補助擬用於補償成本所需的期間內予以遞延，並於損益中確認。

與收入相關的政府補助乃於綜合損益及其他全面收益表內「其他收入」項內合計呈列。

2.15 非金融資產減值

當有跡象顯示本集團的物業、廠房及設備、預付土地租賃付款、商標及於一間合營公司之權益以及本公司於附屬公司之投資的賬面值可能無法收回時，則會對有關資產進行減值測試。

減值虧損於就資產賬面值超逾其可收回金額的金額即時確認為開支。可收回金額為公平值（反映市場狀況減出售成本）與使用價值兩者中的較高者。於評估使用價值時，估計日後現金流量以稅前貼現率貼現至現值，以反映現時市場對金錢時間值及該資產的特定風險的評估。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Impairment of non-financial assets (Continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment losses is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan in Hong Kong under the Mandatory Provident Fund ("MPF") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

2. 主要會計政策概要 (續)

2.15 非金融資產減值 (續)

就減值評估而言，若資產未能產生很大程度上獨立於其他資產的現金流入，則可收回金額乃就獨立產生現金流入的最小組別資產（即現金產生單位）釐定。因此，部分資產會個別進行減值測試，而部分資產則於現金產生單位層面進行測試。

除資產賬面值不會調減至低於其個別公平值減出售成本或使用價值（如可予釐定）外，減值虧損按比例自現金產生單位的其他資產扣除。

倘用以釐定資產可收回金額的估計出現有利變動，減值虧損予以撥回，惟撥回只限於資產的賬面值不超過在並無確認減值虧損情況下而原應釐定的賬面值（扣除折舊或攤銷）。

2.16 僱員福利

退休福利

僱員退休福利透過界定供款計劃作出撥備。

本集團根據強制性公積金（「強積金」）計劃條例在香港為其所有合資格參與強積金計劃之僱員設立一項界定供款退休福利計劃。供款根據僱員基本薪金之某個百分比作出。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Employee benefits (Continued)

Retirement benefits (Continued)

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme.

Contributions are recognised as an expense in the profit or loss as employees render services during the year. The Group's obligation under these plans is limited to the fixed percentage contributions payable.

Short-term employee benefits

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

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

2.17 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

2. 主要會計政策概要 (續)

2.16 僱員福利 (續)

退休福利 (續)

本集團中國營運的附屬公司的僱員須參與地方市政府營辦的中央退休金計劃。附屬公司須向中央退休金計劃作出若干薪金比例的供款。

年內，有關供款於僱員提供服務時作為開支於損益中確認。本集團於該等計劃的責任僅限於應付的固定比例供款。

短期僱員福利

僱員可享的年假在僱員應享有時確認。本集團就因截至報告日期僱員提供服務而估計應得的年假責任作出撥備。

非累計帶薪休假（如病假及產假）於休假時方予確認。

2.17 借款成本

就收購、建造或生產任何合資格資產產生的借款成本於扣除特定借貸暫時投資所賺取的任何投資收入後，於需要完成及準備將該資產作其擬定用途的期間內撥充資本。合資格資產指必需耗用較長時期方可作其擬定用途或出售的資產。其他借款成本均於產生時支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Borrowing costs (Continued)

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.18 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. 主要會計政策概要 (續)

2.17 借款成本 (續)

在資產產生開支、產生借貸成本及使資產投入擬定用途或銷售所需之籌備工作進行時，借貸成本會撥充資本，作為合資格資產成本之一部分。於完成使合資格資產投入擬定用途或銷售所需之絕大部分籌備工作時，借貸成本會停止撥充資本。

2.18 所得稅會計處理

所得稅包括當期稅項及遞延稅項。

當期所得稅資產及／或負債包括財政部門要求繳納涉及目前或以往報告期間但於報告日期尚未繳付的稅務責任或其提出的申索，乃基於本年度應課稅溢利，根據有關財政期間適用的稅率及稅法計算。當期稅項資產或負債的所有變動均於損益確認為稅項開支的一部分。

遞延稅項採用負債法就於報告日期資產及負債的賬面值與其各自稅基間的暫時差額計算。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產則一般按所有可扣稅暫時差額、可結轉稅項虧損以及其他未動用稅項抵免確認，惟以可能錄得應課稅溢利（包括現有應課稅暫時差額）用作抵銷可扣稅暫時差額、未動用稅項虧損及未動用稅項抵免為限。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Accounting for income taxes (Continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. 主要會計政策概要 (續)

2.18 所得稅會計處理 (續)

倘暫時差額來自商譽或交易(不影響應課稅或會計溢利或虧損)中初步確認(業務合併除外)的資產及負債,則不會確認遞延稅項資產及負債。

附屬公司及合資公司投資所產生的應課稅暫時差額須確認遞延稅項負債,惟倘本集團可以控制暫時差額的撥回,且在可預見未來不大可能撥回該暫時差額則除外。

遞延稅項按於報告日期已經或大致上已實施預期於償付負債或變現資產期間適用的稅率計算,毋須貼現。

倘遞延稅項資產或負債的變動與自其他全面收入或直接於權益中扣除或計入的項目有關,則該等遞延稅項資產或負債的變動於損益或於其他全面收入或直接於權益內確認。

當期稅項資產及當期稅項負債僅在以下情況以淨額呈列:

- (a) 本集團依法有強制執行權可以抵銷確認金額;及
- (b) 計劃以淨額基準結算,或變現該資產,同時結清該負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Accounting for income taxes (Continued)

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.19 Related parties

For the purposes of these consolidated financial statements a party is considered to be related to the Group if:

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

2. 主要會計政策概要 (續)

2.18 所得稅會計處理 (續)

本集團僅在以下情況以淨額呈列遞延稅項資產及遞延稅項負債：

- (a) 該實體依法有強制執行權可以將當期稅項資產與當期稅項負債對銷；及
- (b) 遞延稅項資產及遞延稅項負債是關於同一稅務機關就以下任何一項所徵收的所得稅：
 - (i) 同一應課稅實體；或
 - (ii) 計劃於各未來期間（而預期在有關期間內將結清或收回巨額的遞延稅項負債或資產）以淨額基準結算當期稅項負債及資產或同時變現資產及結清負債的不同應課稅實體。

2.19 關連方

就該等綜合財務報表而言，倘下列情況適用，則一方被視為與本集團相關連：

- (a) 該方為一名人士或該名人士的近親家族成員且倘該人士：
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理層成員。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Related parties (Continued)

(b) the party is an entity and if any of the following conditions applies:

- (i) the entity and the Group are members of the same group.
- (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) the entity and the Group are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of 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 Group or to the parent of the Group.

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

2. 主要會計政策概要 (續)

2.19 關連方 (續)

(b) 該方為一個實體且倘下列情況適用：

- (i) 該實體及本集團屬同一集團的成員。
- (ii) 一個實體為另一實體的聯營公司或合資公司（或為某一集團的成員的聯繫人或合資公司，而該另一實體為此集團的成員）。
- (iii) 該實體及本集團皆為相同第三方的合資公司。
- (iv) 一個實體為第三實體的合資公司及另一實體為第三實體的聯營公司。
- (v) 該實體為本集團或與本集團有關連的實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受(a)所識別的人士控制或共同控制。
- (vii) 於(a)(i)所識別的人士對實體有重大影響，或為該實體（或實體的母公司）主要管理層成員。
- (viii) 該實體或其所屬集團的任何成員，向本集團或本集團的母公司提供主要管理人員服務。

一名人士的近親家族成員指預期可影響該人士與實體進行交易或於交易時受該人士影響的有關家族成員。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Segment reporting

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

The Group has identified the following reportable segments:

- (a) Wigs
- (b) Clothing and others (including cosplay costumes, sexy lingerie and others)

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

2. 主要會計政策概要 (續)

2.20 分部呈報

本集團已識別其經營分部，並根據定期呈報予最高行政管理層以供彼等決定本集團各項業務部分的資源分配及審閱業務部分表現的內部財務資料編製分部資料。於呈報予最高行政管理層的內部財務資料中的業務部分乃根據本集團主要產品系列而釐定。

本集團已識別下列可呈報分部：

- (a) 假髮
- (b) 服裝及其他（包括角色扮演服飾、性感內衣及其他）

以上經營分部的產品及服務系列在資源需求及市場推廣上均各有不同，因而個別予以獨立管理。所有分類間轉讓均按公平價進行。

3. ADOPTION OF NEW AND AMENDED HKFRSs

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2017

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's consolidated financial statements and effective for the annual period beginning on 1 January 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealized Losses
Amendments to HKFRS 12 included in Annual Improvements to HKFRSs 2014-2016 Cycle	Disclosure of Interests in Other Entities

Other than as noted below, the adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Amendments to HKAS 7 "Disclosure Initiative"

The amendments require an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. A reconciliation between the opening and closing balances of liabilities arising from financing activities is set out in note 31. Consistent with the transitional provisions of the amendments, the Group has not disclosed comparative information for the prior year. Except for the additional disclosure in note 31, the application of these amendments has had no impact on the Group's consolidated financial statements.

3. 採納新訂及經修訂香港財務報告準則

於二零一七年一月一日或之後開始之年度期間生效之新訂及經修訂香港財務報告準則

於本年度，本集團首次採納以下由香港會計師公會頒佈之經修訂香港財務報告準則，其與本集團綜合財務報表相關並於二零一七年一月一日開始之年度期間生效：

香港會計準則第7號的修訂	披露計劃
香港會計準則第12號的修訂	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號的修訂	於其他實體權益之披露
(列入香港財務報告準則二零一四年至二零一六年週期的年度改進)	

除下文所述者外，採納新訂及經修訂香港財務報告準則對本期間及過往期間業績及財務狀況的編製及呈列方式並無重大影響。

香港會計準則第7號的修訂「披露計劃」

該修訂要求實體作出披露，以令財務報告表使用者可評估融資業務引致之負債變動，包括現金流量引致之變動及非現金變動。融資活動產生負債於年初及年末之對賬載於財務報表附註31。與該等修訂的過渡性條文一致，本集團並無披露對上年度的比較資料。除財務報表附註31所載之額外披露外，應用該等修訂對本集團的綜合財務報表並無影響。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2017 (Continued)

Amendments to HKFRS 12 included in Annual Improvements to HKFRSs 2014-2016 Cycle “Disclosure of Interests in Other Entities”

The amendments to HKFRS 12 clarify the scope of HKFRS 12 by specifying that its disclosure requirements (except for the summarised financial information for an interests in a subsidiary, a joint venture or an associate which is classified as held for sale in accordance with HKFRS 5) apply to an entity's interests irrespective of whether they are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with HKFRS 5.

Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ³
HKFRS 17	Insurance Contracts ⁴
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹

3. 採納新訂及經修訂香港財務報告準則 (續)

於二零一七年一月一日或之後開始之年度期間生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第12號的修訂 (列入香港財務報告準則二零一四年至二零一六年週期的年度改進)「於其他實體權益之披露」

香港財務報告準則第12號的修訂澄清香港財務報告準則第12號，闡明其披露規定（於附屬公司、合營公司或根據香港財務報告準則第5號分類為持作出售的聯營公司權益之財務資料概要除外）適用於實體權益，惟無論其是否根據香港財務報告準則第5號分類（或計入獲分類的出售組別）為持作出售或已終止經營業務。

已頒佈但尚未生效的香港財務報告準則

於此等綜合財務報表獲授權刊發日期，若干新訂及經修訂香港財務報告準則已獲刊發但尚未生效，且尚未被本集團提早採納。

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	與客戶的合約收益 ¹
香港財務報告準則第16號	租賃 ³
香港財務報告準則第17號	保險合約 ⁴
香港財務報告準則第2號的修訂	以股份為基礎的付款交易的分類及計量 ¹

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Repayment Features with Negative Compensation ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ³
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ¹
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatment ³

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

² Effective date to be determined.

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

⁴ Effective for annual periods beginning on or after 1 January 2021.

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第4號的修訂	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號的修訂	提早還款特性及負補償 ³
香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合營公司之間的資產出售或注入 ²
香港會計準則第28號的修訂	於聯營公司及合營公司的長期權益 ³
香港會計準則第40號的修訂	投資物業之轉讓 ¹
香港財務報告準則的修訂	香港財務報告準則二零一四年至二零一六年週期的年度改進 ¹
香港財務報告準則的修訂	香港財務報告準則二零一五年至二零一七年週期的年度改進 ¹
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理之不確定性 ³

¹ 於二零一八年一月一日或之後開始之年度期間生效。

² 生效日期待釐定。

³ 於二零一九年一月一日或之後開始之年度期間生效。

⁴ 於二零二一年一月一日或之後開始之年度期間生效。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's financial statements.

HKFRS 9 "Financial instruments"

HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement". It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for the impairment of financial assets.

HKFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities' risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

董事預期，所有公告將於本集團於公告生效日期後開始的首個期間的會計政策獲採納。預期將對本集團的會計政策產生影響的新訂及經修訂香港財務報告準則的資料載於下文。其他新訂及經修訂香港財務報告準則預期不會對本集團的財務報表產生重大影響。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號將取代香港會計準則第39號「金融工具：確認及計量」。對金融資產分類及計量的先前指引作出重大修改，並為金融資產減值引入「預期信貸虧損」模式。

香港財務報告準則第9號亦規定採用對沖會計的新指引。新對沖會計規定透過提高對沖項目及對沖工具的資格標準及引入更具原則基準的方法評估對沖有效性，使對沖會計與實體的風險管理活動更緊密一致。

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 9 “Financial instruments” (Continued)

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

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

與本集團有關之香港財務報告準則第9號的主要規定載述如下：

- 所有屬香港財務報告準則第9號範圍內之已確認金融資產其後均須按攤銷成本或公平值計量。具體而言，於目的為收取合約現金流量的業務模式下持有以及附有純粹作本金及尚未償還本金利息付款的合約現金流量的債務投資，一般於其後會計期間結束時按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式下持有的債務工具，以及合約條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息的債務工具，一般按公平值計入其他全面收益（「按公平值計入其他全面收益」）。所有其他金融資產均於其後會計期間按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，於其他全面收益呈列並非持作買賣的股權投資公平值的其後變動，僅股息收入一般於損益確認。

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 9 “Financial instruments” (Continued)

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

Based on the Group’s financial instruments and risk management policies as at 31 December 2017, the application of HKFRS 9 in the future will not have a material impact on the classification and measurement of the Group’s financial assets and liabilities.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 presents new requirements for the recognition of revenue, replacing HKAS 18 “Revenue”, HKAS 11 “Construction Contracts”, and several revenue-related Interpretations. HKFRS 15 contains a single model that applies to contracts with customers and two approaches to recognising revenue; at a point in time or overtime. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

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

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第9號「金融工具」(續)

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

根據本集團截至二零一七年十二月三十一日的金融工具及風險管理政策，未來應用香港財務報告準則第9號將不會對本集團金融資產及負債的分類及計量產生重大影響。

香港財務報告準則第15號「與客戶的合約收益」

香港財務報告準則第15號呈列確認收益的新規定，取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及若干收益相關詮釋。香港財務報告準則第15號載有適用於客戶合約的單一模式及確認收益的兩個方法（於某個時間點或長期）。該模式包含以合約為基準的五步交易分析，以釐定是否確認收益、確認收益的金額及何時確認收益。五個步驟如下：

1. 識別與客戶的合約
2. 識別合約的履約責任
3. 釐定交易價
4. 就履約責任分配交易價
5. 當（或倘）實體達成履約責任時確認收益

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

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

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

HKFRS 15 will be adopted in the Group’s consolidated financial statements for the annual period beginning on 1 January 2018 and the application of HKFRS 15 may result in more disclosures, however, it is not expected to have significant impact on amounts reported in the consolidated financial statements based on the assessment on the existing contracts with customers after taking into account the above core principle.

HKFRS 16 “Leases”

HKFRS 16 “Leases” will replace HKAS 17 and three related Interpretations.

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第15號「與客戶的合約收益」 (續)

根據香港財務報告準則第15號，當（或倘）一項履約責任獲達成時（即與某一項履約責任的相關商品或服務的「控制權」轉移至客戶之時），實體會確認收益。更多規定性指引已加入香港財務報告準則第15號以處理特定情況。此外，香港財務報告準則第15號規定作出廣泛的披露。

於二零一六年，香港會計師公會頒佈有關識別履約責任、主體代理安排及許可應用指引之香港財務報告準則第15號之澄清。

香港財務報告準則第15號將於本集團於二零一八年一月一日開始之年度期間之綜合財務報告表內採納，而應用香港財務報告準則第15號可能須作出更多披露，然而，經考慮上述核心原則後，基於對客戶現有合約之評估，預期不會對綜合財務報告表中呈報之數額構成重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號「租賃」將取代香港會計準則第17號及三項相關詮釋。

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 16 “Leases” (Continued)

As disclosed in note 2.12, currently the Group classifies leases into operating leases and accounts for the lease arrangements. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease, the lessee will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee would recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

誠如附註2.12所披露，目前本集團將租賃分類至經營租賃並入賬租賃安排。本集團（作為出租人）與其他各方（作為承租人）訂立部分租賃。

預期香港財務報告準則第16號將不會大幅影響出租人根據租賃將彼等權利及義務入賬的方式。然而，一旦採納香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受實際權宜方法的規限，承租人將以類似於現有融資租賃入賬的方式將所有租賃入賬，即於該租賃開始日期，承租人將按最低日後租賃款項的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債未償還結餘所產生的利息開支及使用權資產折舊，而非按現有政策於租期內按系統基準確認根據經營租賃所產生的租賃開支。作為實際的權宜方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 16 "Leases" (Continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases of land and buildings and other assets which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 28, as at 31 December 2017, the Group's future minimum lease payments under non-cancellable operating leases amount to RMB 408,000 for land and buildings, the majority of which is payable within one year. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transitional options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt HKFRS 16 retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

香港財務報告準則第16號將主要影響本集團作為租賃承租人就土地及樓宇以及其他資產(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加,及影響租賃期間於損益表確認開支的時間。誠如財務報表附註28所披露,於二零一七年十二月三十一日,本集團於不可撤銷經營租賃項下就土地及樓宇的未來最低租賃款項將達人民幣408,000元,大部分須於1年內支付。因此,一旦採納香港財務報告準則第16號,若干該等款項可能須按照相應使用權資產確認為租賃負債。經考慮實際權宜方法的適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止的任何租賃及折讓影響後,本集團將須進行更為詳細的分析以釐定於採納香港財務報告準則第16號時經營租賃承擔所產生的新資產及負債的金額。

香港財務報告準則第16號將於二零一九年一月一日或之後開始的年度期間生效。該準則提供不同的過渡方案及實際權宜方法,包括之前就現有安排屬於或包含租賃的實際權宜方法不在此限。如果選擇這種實際的權宜方法,本集團將僅將在香港財務報告準則第16號中的新租賃定義應用於首次申請日期或之後訂立的合約。如果沒有選擇切實可行的權宜方法,本集團將需要使用新定義重新評估所有關於哪些現有合同是或包含租賃的決策。視乎本集團是否選擇追溯應用香港財務報告準則第16號或按照經修訂的追溯方法,於首次應用日期當日確認對期初權益的累計影響作出調整,本集團可能或可能不需要重述任何比較資料重新評估導致的會計變化。

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

HKFRS 16 "Leases" (Continued)

As at 31 December 2017, the Group has non-cancellable operating lease commitments of RMB408,000 as disclosed in note 28. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these lease unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosures as indicated above.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

Impairment of property, plant and equipment, prepaid land lease payments and trademark

Items of property, plant and equipment (note 15) and prepaid land lease payments (note 14) and trademark (note 18) are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. This process requires management's estimate of future cash flows generated by each asset or group of assets. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. During the year ended 31 December 2017, no impairment loss is recognised on property, plant and equipment, prepaid land lease payments and trademark (2016: nil).

3. 採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

於二零一七年十二月三十一日，本集團擁有附註28所披露之不可撤銷經營租賃承擔人民幣408,000元。初步評估表明該等安排符合香港財務報告準則第16號下的租賃定義，因此本集團將就該等所有租賃確認使用權資產及相應負債，除非於應用香港財務報告準則第16號後其符合低價值及短期租賃。此外，應用新規定或會導致上述之計量、呈列及披露產生變動。

4. 重大會計估計及判斷

估計及判斷乃根據過往經驗及其他因素，包括對日後在合理情況下相信會出現之事件之預測，而持續進行評估。

4.1 重大會計估計及假設

物業、廠房及設備、預付土地租賃款項及商標減值

倘有任何跡象顯示物業、廠房及設備(附註15)及預付土地租賃款項(附註14)及商標(附註18)項目的賬面值可能無法收回，則對該等資產進行減值測試並須作出減值虧損。此過程需要管理層估計各資產或資產組別所產生的未來現金流量。如評估過程顯示出現減值，則會將相關資產的賬面值撇減至可收回金額，而該撇減的金額則於綜合損益及其他全面收益表內支銷。可收回金額是資產公平值減出售成本與使用價值的較高者。於截至二零一七年十二月三十一日止年度內，並無就物業、廠房及設備、預付土地租賃款項及商標確認減值虧損(二零一六年：無)。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Net realisable value of inventories

Net realisable value of inventories (note 19) is based on estimated selling price less any estimated costs to be incurred to completion and disposal with reference to prevailing market information. These estimates are based on the current market condition and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each reporting period. During the year ended 31 December 2017, there was no written down of inventories to net realisable value (2016: nil).

Impairment of trade receivables

The Group maintains an allowance for the estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade receivable balances (note 20), customers' creditworthiness, and historical write-off experience. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis of making the allowance. During the year ended 31 December 2017, no impairment loss is recognised on trade receivables (2016: nil).

Research and development activities

Careful judgment by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgments are based on the best information available at each reporting date. In addition, all internal activities related to the research and development of new software, products or know how are continuously monitored by the Group's management.

4. 重大會計估計及判斷 (續)

4.1 重大會計估計及假設 (續)

存貨可變現淨值

存貨(附註19)的可變現淨值乃參考現時之市場資訊基於估計售價減直至完工及出售前估計將產生的任何成本得出。此等估計乃基於當前市況及銷售同類性質貨品的過往經驗而作出，且可能隨著市況的轉變而出現大幅變動。本集團於各報告期末對有關估計進行重新評估。於截至二零一七年十二月三十一日止年度內，並無存貨撇減至可變現淨值(二零一六年：無)。

貿易應收款項減值

本集團就因其客戶未能按要求付款而產生的估計虧損計提撥備。本集團根據其貿易應收款項結餘的賬齡(附註20)、客戶的信譽及歷史撇銷經驗作出估計。倘其客戶的財政狀況惡化以致實際減值虧損或高於預期，本集團或須修訂撥備基準。於截至二零一七年十二月三十一日止年度內，並無貿易應收款項確認減值虧損(二零一六年：無)。

研發活動

本集團管理層於決定是否已符合開發成本之確認規定時會審慎作出判斷。此實屬必要，原因為任何產品開發之經濟成功並不確定及可能須受於確認時之未來技術問題所限。判斷乃根據於各報告日期可獲得之最佳資料作出。此外，與新軟件、產品或技術知識之研發有關之所有內部活動均持續受本集團管理層所監察。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION

The Executive Directors of the Company, being the chief operating decision maker, have identified the Group's two product and service lines as operating segments as further described in note 2.20.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Segment results represented operating results of each reportable segment without allocation of finance costs, interest income, unallocated other operating income, unallocated corporate expenses, and income tax expense. All assets are allocated to reportable segments other than bank balances and cash and other corporate assets which are not directly attributable to the business activities of any reportable segments. All liabilities are allocated to reportable segments other than corporate liabilities which are not directly attributable to the business activities of any reportable segments.

5. 分部資料

誠如附註2.20進一步所述，本公司執行董事（即主要運營決策者）已識別本集團之兩個產品及服務系列作為經營分部。

該等經營分部均受到監管，而策略性決定乃根據經調整分部經營業績作出。

分部業績指各可報告分部之經營業績且未計及分配融資成本、利息收入、未經分配其他經營收入、未經分配公司開支及所得稅開支。已分配於可報告分部之所有資產（銀行結餘及現金以及未直接歸屬於任何可報告分部業務活動之其他公司資產除外）。所有負債均分配至可報告分部（未直接歸屬於任何可報告分部業務活動之公司負債除外）。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segments:

5. 分部資料 (續)

以下為本集團按經營及可呈報分部劃分的收益及業績的分析：

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度		
		Wigs 假髮 RMB'000 人民幣千元	Clothing and others 服裝及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收益	200,656	265,715	466,371
Segment results	分部業績	34,899	55,666	90,565
Finance costs	融資成本			(4,107)
Bank interest income	銀行利息收入			211
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損			(167)
Unallocated income	未經分配收入			1,456
Unallocated expenses	未經分配開支			(68,365)
Profit before income tax	除所得稅前溢利			19,593
Income tax expense	所得稅開支			(5,605)
Profit for the year	年內溢利			13,988
Other segment items	其他分部項目			
Depreciation and amortisation	折舊及攤銷	3,552	14,858	18,410
Capital expenditure	資本開支	1,139	50,237	51,376

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分部資料 (續)

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

		Wigs 假髮 RMB'000 人民幣千元	Clothing and others 服裝及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收益	221,826	292,057	513,883
Segment results	分部業績	49,187	81,892	131,079
Finance costs	融資成本			(2,247)
Bank interest income	銀行利息收入			502
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損			(27)
Share of loss of a joint venture	分佔一間合營公司虧損			(2)
Unallocated income	未經分配收入			3,062
Unallocated expenses	未經分配開支			(53,632)
Profit before income tax	除所得稅前溢利			78,735
Income tax expense	所得稅開支			(22,053)
Profit for the year	年內溢利			56,682
Other segment items	其他分部項目			
Depreciation and amortisation	折舊及攤銷	3,543	6,502	10,045
Capital expenditure	資本開支	23,903	120,588	144,491

		As at 31 December 2017 於二零一七年十二月三十一日			
		Wigs 假髮 RMB'000 人民幣千元	Clothing and others 服裝及其他 RMB'000 人民幣千元	Unallocated 未經分配 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Reportable segment assets	可呈報分部資產	100,693	358,817	82,102	541,612
Reportable segment liabilities	可呈報分部負債	11,587	11,334	77,386	100,307

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

5. 分部資料 (續)

As at 31 December 2016
於二零一六年十二月三十一日

		Wigs 假髮 RMB'000 人民幣千元	Clothing and others 服裝及其他 RMB'000 人民幣千元	Unallocated 未經分配 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Reportable segment assets	可呈報分部資產	135,485	323,456	96,168	555,109
Reportable segment liabilities	可呈報分部負債	17,869	29,528	81,707	129,104

Geographical information

Information about the Group's revenue by geographical locations presented based on the area or country in which the external customer is operated.

地理資料

有關按外部客戶經營所在地區或國家所呈列的地理位置劃分的本集團收益的資料。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
PRC (place of domicile)	中國 (本籍地)	9,519	16,912
United States	美國	174,448	203,256
Germany	德國	33,585	32,771
United Kingdom	英國	30,625	40,878
Australia	澳洲	61,732	50,247
Holland	荷蘭	7,238	20,795
Japan	日本	39,280	33,992
Brazil	巴西	16,958	24,577
Israel	以色列	32,779	31,509
Other	其他	60,207	58,946
		456,852	496,971
		466,371	513,883

The Group's non-current assets are substantially located in the PRC.

本集團的非流動資產大部分位於中國。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. SEGMENT INFORMATION (Continued)

Information about major customers

No customers contribute over 10% of revenue to the Group during the year ended 31 December 2017 (2016: nil).

6. REVENUE

The Group's principal activities are disclosed in note 1 to the consolidated financial statements. Revenue of the Group is the revenue from these activities and represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

7. OTHER INCOME

Exchange gain	匯兌收益
Interest income	利息收入
Government grant (note)	政府補助 (附註)
Rental income	租金收入
Others	其他

Note: The Group was entitled to receive subsidies from local government authorities for (1) export sales business conduct in Yichun Development Zone and Yiwu; (2) business development fund for medium-size company in Yichun Development Zone; (3) qualified famous brands in Yiwu.

5. 分部資料 (續)

有關主要客戶的資料

截至二零一七年十二月三十一日止年度，概無客戶貢獻的收益超過本集團收益的10% (二零一六年：無)。

6. 收益

本集團的主要業務披露於綜合財務報表附註1。本集團的收益為來自該等業務的收益及指經扣除退貨撥備及貿易折扣後之已售貨品發票淨值。

7. 其他收入

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
–	2,447
211	502
716	580
577	–
163	35
1,667	3,564

附註：本集團有權就以下各項收取當地政府的補貼：(1) 於宜春開發區及義烏開展銷售業務；(2) 宜春開發區的中型公司業務發展基金；(3) 義烏的合資質著名品牌。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

8. FINANCE COSTS

8. 融資成本

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的 銀行貸款利息	3,113	2,632
Interest on convertible bonds	可換股債券之利息	1,536	916
Total borrowing costs	總借貸成本	4,649	3,548
Less: amounts capitalised into construction in progress	減：已資本化為在建工程之款額	(542)	(1,301)
		4,107	2,247

* The borrowing costs have been capitalised at a weighted average rate of 4.79% (2016: 5.46%) per annum.

* 借貸成本已按每年4.79%（二零一六年：5.46%）之加權平均利率予以資本化。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

9. 除所得稅前溢利

除所得稅前溢利於扣除／（計入）以下各項後釐定：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Auditors' remuneration	核數師薪酬	1,046	1,141
Cost of inventories recognised as an expense	確認為開支的存貨成本	268,303	254,951
Depreciation	折舊	18,023	9,658
Amortisation of prepaid land lease payments	預付土地租賃款項的攤銷	293	293
Amortisation of trademark	商標的攤銷	94	94
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	167	27
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租賃開支	350	516
Exchange loss/(gain)	匯兌虧損／（收益）	3,424	(2,447)
Research and development cost	研發成本	28,076	24,502
Government grant	政府補助	(716)	(580)
Staff costs	員工成本		
– Salaries, allowances and other benefits	– 薪金、津貼及其他福利	100,098	101,255
– Contributions to defined contribution retirement plans	– 界定供款退休計劃的供款	14,208	14,015
		114,306	115,270

10. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year ended 31 December 2017 (2016: nil).

The provision for PRC enterprise income tax has been provided at the applicable tax rate of 25% (2016: 25%) on the assessable profits of the PRC subsidiaries.

10. 所得稅開支

於截至二零一七年十二月三十一日止年度內，由於本集團於香港並無產生應課稅溢利，故並無對香港利得稅作出任何撥備（二零一六年：無）。

中國企業所得稅的撥備按中國附屬公司的應課稅溢利以及適用稅率25%計提（二零一六年：25%）。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. INCOME TAX EXPENSE (Continued)

10. 所得稅開支 (續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax – PRC enterprise income tax	當期稅項－中國企業所得稅		
Current year	本年度	5,605	22,053

Under the Law of the People's Republic of China on enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Yiwu Partytime and Yiwu Styler were accredited as "High and New Technology Enterprise" in the PRC with effect from 13 November 2017, and subject to a concessionary tax rate of 15% for three years in accordance with the EIT Law.

根據中華人民共和國企業所得稅法（「企業所得稅法」）及企業所得稅法實施規例，中國附屬公司的稅率為25%。義烏派對及義烏絲黛自二零一七年十一月十三日起獲認證為中國「高新技術企業」，根據企業所得稅法可享有三年的15%優惠稅率。

The difference between the actual income tax charge in the consolidated statement of profit or loss and other comprehensive income and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

綜合損益及其他全面收益表的實際所得稅開支與就除所得稅前溢利應用法定稅率所得款項的差額對賬如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	19,593	78,735
Tax on profit before income tax, calculated at the rate of 25% (2016: 25%)	除所得稅前溢利的稅項 (按25%的稅率計算) (二零一六年: 25%)	4,898	19,684
Tax effects of:	以下各項的稅務影響:		
– Non-deductible expenses	– 不可扣稅開支	2,138	2,369
– Tax effect on concessionary tax rate	– 優惠稅率的稅務影響	(1,431)	–
		5,605	22,053

As at 31 December 2017, the Group did not have any significant unrecognised deferred tax assets or liabilities (2016: nil).

於二零一七年十二月三十一日，本集團並無任何重大未確認的遞延稅項資產或負債（二零一六年：無）。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. INCOME TAX EXPENSE (Continued)

As at 31 December 2017, no deferred income tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. In the opinion of the Directors of the Company, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in the PRC for which deferred income tax liabilities have not been recognised totalled approximately RMB253,595,000 as at 31 December 2017 (2016: RMB233,795,000).

11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

11.1 Directors' and Chief Executives' emoluments

Remuneration of the Directors disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

10. 所得稅開支 (續)

於二零一七年十二月三十一日，並無就本集團於中國成立之附屬公司須繳納預扣稅之未匯出盈利應付之預扣稅確認遞延所得稅。本公司董事認為，該等附屬公司於可見將來不大可能分派有關盈利。於二零一七年十二月三十一日，與於中國附屬公司之投資有關且並無就此確認遞延所得稅負債之暫時差異總額合共約為人民幣253,595,000元（二零一六年：人民幣233,795,000元）。

11. 董事及最高行政人員薪酬及五名最高薪酬人士

11.1 董事及最高行政人員薪酬

董事酬金根據上市規則、香港公司條例第383(1)條及公司（披露董事利益資料）規例第2部披露如下：

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度				
		Fees	Salaries, allowances and benefits in kind	Bonuses	Retirement scheme contributions	Total
		袍金	薪金、津貼及實物福利	花紅	退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors:	執行董事：					
Mr. Chen Sheng Bi (Note a)	陳聖弼先生 (附註a)	260	179	—	3	442
Mr. Lin Xin Fu	林新福先生	260	382	—	6	648
Mr. Lu Yilin (Note b)	呂禕麟先生 (附註b)	230	—	—	7	237
Mr. Ma Chi Kwan (Note c)	馬志鈞先生 (附註c)	130	—	—	7	137
Mr. Phen Chun Shing (Note c)	彭鎮城先生 (附註c)	130	—	—	7	137
Non-executive Director:	非執行董事：					
Ms. Chen Sheng	陳升女士	156	—	—	6	162
Independent Non-executive Directors:	獨立非執行董事：					
Mr. Leung Siu Hong	梁兆康先生	104	—	—	—	104
Mr. Chen Wen Hua	陳文華先生	105	—	—	—	105
Ms. Peng Xu	彭淑女士	105	—	—	—	105
		1,480	561	—	36	2,077

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

11.1 Directors' and Chief Executives' emoluments (Continued)

11. 董事及最高行政人員薪酬及五名最高薪酬人士 (續)

11.1 董事及最高行政人員薪酬 (續)

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度				
		Fees	Salaries, allowances and benefits in kind	Bonuses	Retirement scheme contributions	Total
		袍金	薪金、津貼及實物福利	花紅	退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors:	執行董事：					
Mr. Chen Sheng Bi (Note a)	陳聖弼先生 (附註a)	516	348	29	6	899
Mr. Lin Xin Fu	林新福先生	258	390	29	6	683
Mr. Lu Yilin (Note b)	呂禕麟先生 (附註b)	277	—	—	9	286
Non-executive Director:	非執行董事：					
Ms. Chen Sheng	陳升女士	154	—	—	6	160
Independent Non-executive Directors:	獨立非執行董事：					
Mr. Leung Siu Hong	梁兆康先生	103	—	—	—	103
Mr. Chen Wen Hua	陳文華先生	102	—	—	—	102
Ms. Peng Xu	彭淑女士	102	—	—	—	102
		1,512	738	58	27	2,335

Note:

- (a) Appointed on 12 February 2015 and also as the Chief Executive Officer of the Company, the remuneration for Chief Executive Officer is also included and resigned on 27 June 2017.
- (b) Appointed on 17 June 2016 and retired on 9 June 2017.
- (c) Appointed on 3 August 2017.

附註：

- (a) 於二零一五年二月十二日獲委任及亦為本公司的行政總裁，行政總裁薪酬亦包括在內，且於二零一七年六月二十七日辭任。
- (b) 於二零一六年六月十七日獲委任及於二零一七年六月九日退任。
- (c) 於二零一七年八月三日獲委任。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

11.2 Five highest paid individuals

The five highest paid individuals of the Group include two Directors for the year ended 31 December 2017 (2016: two), whose emoluments are disclosed in note 11.1. The aggregate of the emoluments in respect of the remaining three (2016: three) individuals are as follows:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	1,718	1,491
Bonuses 花紅	–	58
Retirement scheme contributions 退休計劃供款	44	27
	1,762	1,576

The above individuals' emoluments are within the following bands:

	Number of individuals 人數	2016 二零一六年
HK\$ nil to HK\$1,000,000 零港元至1,000,000港元	3	3

No Directors or the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2017 (2016: nil). No Directors or the five highest paid individuals have waived or agreed to waive any emoluments during the year ended 31 December 2017 (2016: nil).

11. 董事及最高行政人員薪酬及五名最高薪酬人士 (續)

11.2 五名最高薪酬人士

本集團於截至二零一七年十二月三十一日止年度的五名最高薪酬人士包括兩名(二零一六年: 兩名)董事, 彼等的薪酬披露於附註11.1。有關餘下三名(二零一六年: 三名)人士的薪酬總額如下:

上述人士的薪酬在以下範圍:

於截至二零一七年十二月三十一日止年度內, 董事或五名最高薪酬人士概無向本集團收取任何酬金, 作為加入本集團或於加入本集團時的獎金或作為離職補償(二零一六年: 無)。於截至二零一七年十二月三十一日止年度內, 董事或五名最高薪酬人士概無放棄或同意放棄任何酬金(二零一六年: 無)。

12. DIVIDENDS

No dividend was paid or proposed during 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

12. 股息

於二零一七年並無支付或建議之任何股息，且自報告期末以來，亦無建議任何股息（二零一六年：無）。

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to equity holders of the Company of RMB13,988,000 (2016: RMB56,682,000) and the weighted average 756,234,000 ordinary shares in issue during the year ended 31 December 2017 (2016: 756,234,000 ordinary shares).

13. 每股盈利

每股基本盈利乃根據本公司權益持有人應佔年內溢利人民幣13,988,000元（二零一六年：人民幣56,682,000元）及截至二零一七年十二月三十一日止年度內已發行普通股加權平均數756,234,000股計算（二零一六年：756,234,000股普通股）。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Earnings	盈利		
Profit for the year attributable to equity holders of the Company for the purpose of basic earnings per share	用於計算每股基本盈利之本公司權益持有人應佔年內溢利	13,988	56,682
Effect of dilutive potential ordinary shares	具攤薄效應之潛在普通股之影響	—	916
Interest on convertible bonds	可換股債券之利息	—	916
Earnings for the purpose of diluted earnings per share	用於計算每股攤薄盈利之盈利	13,988	57,598
Number of shares	股份數目	'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股加權平均數	756,234	756,234
Effect of dilutive potential ordinary shares: — convertible bonds	具攤薄效應之潛在普通股之影響：—可換股債券	—	23,552
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用於計算每股攤薄盈利之普通股加權平均數	756,234	779,786

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

13. EARNINGS PER SHARE (Continued)

For the year ended 31 December 2017, the computation of diluted earnings per share has not assumed the conversation of the Company's outstanding convertible bonds (note 24) since the conversation would result in an increase in earnings per share.

The calculation of the diluted earnings per share for the year ended 31 December 2016 is based on the profit attributable to equity holders of the Company, adjusted to reflect the interest of the convertible bonds issued by the Company during the year. The weighted average number of ordinary shares used in the calculation of the diluted earnings per share for the year ended 31 December 2016 is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of the convertible bonds into ordinary shares for the year.

13. 每股盈利 (續)

截至二零一七年十二月三十一日止年度，每股攤薄盈利的計算並無假設轉換本公司之尚未償還可換股債券（附註24），原因為轉換將導致每股盈利增加。

截至二零一六年十二月三十一日止年度之每股攤薄盈利乃根據本公司權益持有人應佔溢利計算，經調整以反映本公司於年內之已發行可換股債券之利息。計算於截至二零一六年十二月三十一日止年度之每股攤薄盈利時所採用的加權平均普通股數目即為計算每股基本盈利所採用年內的已發行普通股數目，而普通股的加權平均數則假設為在視為於年內將可換股債券轉換為普通股時已無償發行。

14. PREPAID LAND LEASE PAYMENTS

Carrying amount at the beginning of the year	年初賬面值
Amortised during the year	年內攤銷
Carrying amount at the end of the year	年末賬面值
Represented by:	代表：
Non-current portion	非流動部分
Current portion	流動部分

The leasehold land is situated in the PRC and is held under a medium term lease.

As at 31 December 2017, the Group's prepaid land lease payments amounting to RMB12,683,000 (2016: RMB12,976,000) were pledged to secure bank borrowings (note 23).

14. 預付土地租賃款項

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
12,976	13,269
(293)	(293)
12,683	12,976
12,390	12,683
293	293
12,683	12,976

租賃土地位於中國，按中期租約持有。

於二零一七年十二月三十一日，本集團的預付土地租賃款項人民幣12,683,000元（二零一六年：人民幣12,976,000元）已質押，以取得銀行借款（附註23）。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machineries 廠房及機械 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture and equipment 傢俬及設備 RMB'000 人民幣千元	Leasehold improvement 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本							
As at 1 January 2016	於二零一六年一月一日	140,073	17,885	2,259	4,058	9,852	61,419	235,546
Additions	添置	–	2,207	839	420	1,774	139,251	144,491
Transfers	轉讓	7,400	–	–	–	32,220	(39,620)	–
Disposals	出售	–	(130)	–	(37)	–	–	(167)
As at 31 December 2016	於二零一六年十二月三十一日	147,473	19,962	3,098	4,441	43,846	161,050	379,870
As at 1 January 2017	於二零一七年一月一日	147,473	19,962	3,098	4,441	43,846	161,050	379,870
Additions	添置	5,071	9,186	92	761	6,984	29,282	51,376
Transfers	轉讓	89,824	1,040	–	–	200	(91,064)	–
Disposals	出售	–	(588)	–	(182)	–	–	(770)
As at 31 December 2017	於二零一七年十二月三十一日	242,368	29,600	3,190	5,020	51,030	99,268	430,476
Accumulated depreciation	累計折舊							
As at 1 January 2016	於二零一六年一月一日	4,413	6,455	1,181	1,636	3,620	–	17,305
Charge for the year	年內支出	3,905	1,718	421	552	3,062	–	9,658
Written back on disposal	於出售時撥回	–	(109)	–	(28)	–	–	(137)
As at 31 December 2016	於二零一六年十二月三十一日	8,318	8,064	1,602	2,160	6,682	–	26,826
As at 1 January 2017	於二零一七年一月一日	8,318	8,064	1,602	2,160	6,682	–	26,826
Charge for the year	年內支出	5,668	2,355	379	579	9,042	–	18,023
Written back on disposal	於出售時撥回	–	(449)	–	(154)	–	–	(603)
As at 31 December 2017	於二零一七年十二月三十一日	13,986	9,970	1,981	2,585	15,724	–	44,246
Net book amount	賬面淨值							
As at 31 December 2017	於二零一七年十二月三十一日	228,382	19,630	1,209	2,435	35,306	99,268	386,230
As at 31 December 2016	於二零一六年十二月三十一日	139,155	11,898	1,496	2,281	37,164	161,050	353,044

As at 31 December 2017, the Group's buildings amounting to RMB200,724,000 (2016: RMB128,252,000) were pledged to the banks to secure the bank borrowings granted to the Group (note 23).

於二零一七年十二月三十一日，本集團人民幣200,724,000元（二零一六年：人民幣128,252,000元）的樓宇已質押予銀行，以取得授予本集團的銀行借款（附註23）。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

16. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2017 are as follows:

16. 於附屬公司之權益

於二零一七年十二月三十一日之主要附屬公司詳情如下：

Company name 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Type of legal entity 法人實體類型	Issued and paid up capital/ Registered capital 已發行及已繳足資本/註冊資本	Equity interest attributable to the Group 本集團應佔股權		Principal activities 主要業務
				2017 二零一七年	2016 二零一六年	
Directly held 直接持有						
Win Profit Enterprise Holdings Limited	BVI	Limited liability company	1 share of US\$1	100%	100%	Investment holding
Win Profit Enterprise Holdings Limited	英屬處女群島	有限責任公司	每股1美元			投資控股
Unlock Bound Investments Limited	BVI	Limited liability company	1 share of US\$1	100%	100%	Investment holding
Unlock Bound Investments Limited	英屬處女群島	有限責任公司	每股1美元			投資控股
Indirectly held 間接持有						
Partytime Group Co., Ltd. (Former known as Jiangxi Styler Industrial Co., Ltd) 派對文化集團有限公司 (前稱為江西絲黛實業有限公司)	The PRC	Limited liability company	RMB130,000,000	100%	100%	Manufacturing and sale of cosplay costumes, cosplay wigs and sexy lingerie
派對文化集團有限公司 (前稱為江西絲黛實業有限公司)	中國	有限責任公司	人民幣130,000,000元			角色扮演服飾、角色扮演假髮及性感內衣的生產及銷售
Partytime Costume & Lingerie (Yiwu) Factory ("Yiwu Partytime") 義烏市派對服飾有限公司 (「義烏派對」)	The PRC	Limited liability company	RMB70,000,000	100%	100%	Manufacturing and sale of cosplay costumes and sexy lingerie
義烏市派對服飾有限公司 (「義烏派對」)	中國	有限責任公司	人民幣70,000,000元			角色扮演服飾及性感內衣的生產及銷售
Yiwu Styler Cultural & Creative Co., Ltd. ("Yiwu Styler") 義烏市絲黛文化創意有限公司 (「義烏絲黛」)	The PRC	Limited liability company	RMB5,000,000	100%	100%	Manufacturing and sale of cosplay wigs
義烏市絲黛文化創意有限公司 (「義烏絲黛」)	中國	有限責任公司	人民幣5,000,000元			角色扮演假髮的生產及銷售
China Partytime Culture (Hong Kong) Limited 中國派對文化(香港)有限公司	Hong Kong	Limited liability company	1 ordinary share	100%	100%	Investment holding
中國派對文化(香港)有限公司	香港	有限責任公司	1股普通股			投資控股

Note: As at 31 December 2017, the aggregate amount of reserves available for distribution to the shareholders of the Company was RMB120,661,000 (2016: RMB119,425,000).

附註：於二零一七年十二月三十一日，可供分派予本公司股東的儲備總額為人民幣120,661,000元（二零一六年：人民幣119,425,000元）。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

17. INTEREST IN A JOINT VENTURE

17. 於一間合營公司之權益

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of investment in a joint venture	於一間合營公司之投資成本	4	4
Share of post-acquisition loss and other comprehensive expense, net of dividends received	應佔收購後虧損及其他全面開支，扣除已收股息	(2)	(2)
		<u>2</u>	<u>2</u>

Details of the Group's interest in a joint venture at 31 December 2017 are as follows:

於二零一七年十二月三十一日，本集團於一間合營公司之權益詳情如下：

Name of joint venture 合營公司名稱	Place of incorporation/ establishment 註冊成立／ 成立地點	Particulars of issued and paid up capital 已發行及已繳足 資本詳情	% of interest held 所持權益百分比	Principal activity 主要業務
Idream Partytime Limited ("Idream Partytime") 創夢派對文化有限公司 ("創夢派對")	Hong Kong 香港	10,000 ordinary shares 10,000股普通股	47.5% (2016: 47.5%) 47.5% (二零一六年: 47.5%)	Inactive 暫無業務

Idream Partytime has a reporting date of 31 December.

創夢派對之報告日期為十二月三十一日。

The Group's commitments relating to its investment in the joint venture are disclosed in Note 29.

有關本集團於合營公司之投資之承擔披露於附註29。

Notes To The Consolidated Financial Statements

綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

18. TRADEMARK

18. 商標

Trademark
商標
RMB'000
人民幣千元

Cost	成本	
As at 1 January 2016,	於二零一六年一月一日、二零一六年及二零	
31 December 2016 and 2017	一七年十二月三十一日	<u>500</u>
Accumulated amortisation	累計攤銷	
As at 1 January 2016	於二零一六年一月一日	62
Charge for the year	年內支出	<u>94</u>
As at 31 December 2016	於二零一六年十二月三十一日	<u>156</u>
As at 1 January 2017	於二零一七年一月一日	156
Charge for the year	年內支出	<u>94</u>
As at 31 December 2017	於二零一七年十二月三十一日	<u>250</u>
Net book amount	賬面淨額	
As at 31 December 2017	於二零一七年十二月三十一日	<u>250</u>
As at 31 December 2016	於二零一六年十二月三十一日	<u>344</u>

The amortisation charge for the year is included in “administrative and other operating expenses” on the face of the consolidated statement of profit or loss and other comprehensive income.

年內攤銷支出計入綜合損益及其他全面收益表中「行政及其他經營開支」內。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. INVENTORIES

19. 存貨

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials	原材料	20,881	18,728
Work in progress	在製品	1,429	1,473
Finished goods	製成品	2,440	8,691
		24,750	28,892

20. TRADE AND OTHER RECEIVABLES

20. 貿易及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables	貿易應收款項		
– from third parties	– 來自第三方	27,757	26,522
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項		
Prepayments	預付款項	1,541	5,237
Prepayments for property, plant and equipment	物業、廠房及設備預付款項	8,050	34,621
Other tax receivables	其他應收稅款	5,063	8,527
Deposits	按金	221	273
Other receivables	其他應收款項	997	3,067
		15,872	51,725
		43,629	78,247

The directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception. The Group usually requires advance deposits from its customers. Before accepting any new customer, the Group applied an internal credit assessment policy to assess the potential customer's credit quality. The credit period is generally for a period of 30 days. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

本集團董事認為貿易及其他應收款項的公平值與其賬面值並無重大差異，原因是該等結餘自開始起計之到期期間較短。本集團通常要求其客戶預先支付按金。於接收任何新客戶前，本集團應用內部信用評估政策評估潛在客戶的信用質素。信用期通常為30天期限。逾期結餘由高級管理層定期審核。貿易應收款項不計息。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

20. TRADE AND OTHER RECEIVABLES (Continued)

An aged analysis of the trade receivables, based on the invoice date and net of impairment, is as follows:

0-30 days	0至30天
31-60 days	31至60天
61-90 days	61至90天
91-365 days	91至365天

As at 31 December 2017, no trade receivables were individually determined to be impaired (2016: nil).

The ageing analysis of trade receivables that are not individually nor collectively considered to be impaired is as follows:

Neither past due nor impaired	既未逾期亦未減值
1-30 days past due	逾期1至30天
31-60 days past due	逾期31至60天
61-90 days past due	逾期61至90天
Over 90 days past due	逾期超過90天

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

20. 貿易及其他應收款項 (續)

按發票日期的貿易應收款項 (扣除減值) 的賬齡分析如下:

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
23,569	24,404
2,301	2,013
1,887	—
—	105
27,757	26,522

於二零一七年十二月三十一日，並無貿易應收款項個別釐定為減值 (二零一六年：無)。

未被個別或共同視為減值的貿易應收款項的賬齡分析如下:

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
23,569	24,404
2,301	2,013
1,887	—
—	95
—	10
27,757	26,522

已逾期但未減值的貿易應收款項與若干於本集團擁有良好往績記錄的獨立客戶有關。根據過往經驗，董事認為毋須就該等結餘計提減值撥備，原因是信用質素並無重大變化，而該等結餘仍視為可完全收回。本集團並無就該等結餘持有任何抵押品或採取其他信貸增強措施。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

21. BANK BALANCES AND CASH

21. 銀行結餘及現金

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bank balances and cash	銀行結餘及現金	69,206	81,604

Included in bank and cash balances of the Group of approximately RMB68,541,000 (2016: RMB79,687,000) as at 31 December 2017 are bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

於二零一七年十二月三十一日，計入本集團的銀行及現金結餘約人民幣68,541,000元（二零一六年：人民幣79,687,000元）為存於位於中國的銀行的以人民幣計值的銀行結餘。人民幣為不可自由兌換貨幣。根據中國的外匯管理條例及《結匯、售匯及付匯管理規定》，本集團獲許可透過獲授權進行外匯業務的銀行將人民幣兌換為外幣。銀行現金按基於每日銀行存款利率的浮動利率賺取利息。

22. TRADE AND OTHER PAYABLES

22. 貿易及其他應付款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables	貿易應付款項		
– to third parties	– 應付予第三方	17,100	36,377
Accrued charges and other payables	應計開支及其他應付款項		
– Deposits from customers	– 客戶按金	322	467
– Salaries payables	– 應付薪金	5,498	10,553
– Interest payable	– 應付利息	–	358
– Other tax payables	– 其他應付稅款	1,252	998
– Other payables	– 其他應付款項	6,723	1,318
		13,795	13,694
		30,895	50,071

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

22. TRADE AND OTHER PAYABLES (Continued)

The Group was granted by its suppliers credit periods ranging from 15 to 60 days. An aged analysis of the trade payables, based on the invoice date, is as follows:

0-30 days	0至30天
-----------	-------

All amounts are short term and hence the carrying values of trade and other payables are considered to be a reasonable approximation of their fair value.

22. 貿易及其他應付款項 (續)

本集團供應商給予本集團介乎15至60天的信用期。基於發票日期的貿易應付款項賬齡分析如下：

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
17,100	36,377

所有款項均為短期，因此貿易及其他應付款項的賬面值被視為其公平值的合理約數。

23. SHORT TERM BORROWINGS

Bank loans, secured	銀行貸款，有抵押
---------------------	----------

As at 31 December 2017, bank loans bear interest at 4.53% to 5.84% (2016: 3.78% to 5.44%) per annum.

The bank loans were secured by certain assets of the Group (notes 14 and 15) as at 31 December 2017 and 2016.

23. 短期借款

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
53,000	60,700

於二零一七年十二月三十一日，銀行貸款按4.53%至5.84%（二零一六年：3.78%至5.44%）的年利率計息。

於二零一七年及二零一六年十二月三十一日，銀行貸款以本集團若干資產（附註14及15）作抵押。

24. CONVERTIBLE BONDS

On 18 May 2016, the Company issued convertible bonds due 17 May 2018 ("Maturity Date"), in the aggregate principal amount of HK\$20,000,000 (equivalent to RMB17,130,000) with annual coupon rate of 4%. Each bond will, at the discretion of the holder, be convertible at any time between the date of issue of the bonds and their maturity date on 17 May 2018 into fully paid ordinary shares of the Company with a par value of HK\$1.00 each at an initial conversion price of HK\$0.529 per share. If the bonds have not been converted, they will be redeemed on Maturity Date at par plus accrued interest. The initial fair values of the liability component and the equity conversion component, based on net proceeds, were determined at issuance of the bonds. On initial recognition, the fair value of the liability component, included in the convertible bonds, was calculated using a market interest rate of 9.38% for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in equity in convertible bond reserves.

The liability component and equity conversion component upon issuance are as follows:

24. 可換股債券

於二零一六年五月十八日，本公司發行二零一八年五月十七日（「到期日」）到期、年票息率4%本金總額為20,000,000港元（相等於人民幣17,130,000元）之可換股債券。持有人可全權決定各債券於債券發行日期至到期日期間隨時以初始轉換價每股0.529港元轉換為每股面值1.00港元之本公司繳足普通股。倘債券未獲轉換，則彼等將按面值加應計利息於到期日贖回。根據所得款項淨額，負債部分及股權轉換部分之初始公平值於發行債券時釐定。於初始確認時，負債部分之公平值（計入可換股債券）按同等非可換股債券之市場利率9.38%計算。餘下金額（相當於股權轉換部分之價值）乃計入可轉換債券儲備權益。

於發行時之負債部分及權益轉換部分如下：

		<i>RMB'000</i> 人民幣千元
Face value of convertible bonds issued on 18 May 2016	於二零一六年五月十八日發行之 可換股債券面值	17,130
Transaction costs	交易成本	(343)
Equity conversion component credited to the equity	計入權益之權益轉換部分	(1,240)
Liability component	負債部分	15,547

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

24. CONVERTIBLE BONDS (CONTINUED)

The movement of the convertible bonds during the year are set out below:

24. 可換股債券 (續)

年內可換股債券之變動載列如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Liability component	負債部分		
Carrying amount at the beginning of the year	年初賬面值	17,107	–
Issued during the year	年內已發行	–	15,547
Effective interest charges	實際利息支出	1,536	916
Interest paid	已付利息	(1,041)	(81)
Exchange adjustments	匯兌調整	(1,190)	725
		<u>16,412</u>	<u>17,107</u>
Carry amount carried forward	賬面值結轉		
		<u>16,412</u>	<u>17,107</u>
Liability components is represented by:	負債部分以下列表示：		
Convertible bonds	可換股債券	16,412	16,749
Accrued interests included in trade and other payables	計入貿易及其他應付款項之應計利息	–	358
		<u>16,412</u>	<u>17,107</u>

No convertible bonds were converted to ordinary shares of the Company during the year or subsequent to 31 December 2017 and up to the date of this report.

The principal amount outstanding at 31 December 2017 is RMB16,667,000 (2016: RMB17,855,000).

於年內或於二零一七年十二月三十一日後及直至本報告日期，概無可換股債券獲轉換為本公司普通股。

於二零一七年十二月三十一日之尚未償還本金額為人民幣16,667,000元（二零一六年：人民幣17,855,000元）。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

25. SHARE CAPITAL

25. 股本

		2017 二零一七年		2016 二零一六年	
		No. of shares 股份數目	RMB'000 人民幣千元	No. of shares 股份數目	RMB'000 人民幣千元
Authorised:	法定：				
	於二零一六年、二零一七年 十二月三十一日				
As at 31 December 2016, 2017		1,560,000,000	12,313	1,560,000,000	12,313
Issued and fully paid:	已發行及繳足：				
	於二零一六年、二零一七年 十二月三十一日				
As at 31 December 2016, 2017		756,234,000	6,209	756,234,000	6,209

The ordinary shares of the Company has a par value of HK\$ 0.01 each.

本公司普通股面值為每股0.01港元。

26. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2017 and 2016 are presented in the consolidated statement of changes in equity of the consolidated financial statements.

Share premium

The share premium represents the difference between the par value of the shares of the Company and net proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

26. 儲備

本集團

於截至二零一七年及二零一六年十二月三十一日止年度，本集團的儲備金額及其變動乃於綜合財務報表的綜合權益變動表呈列。

股份溢價

股份溢價指本公司股份的面值與自發行本公司股份收取的所得款項淨額之差額。

根據開曼群島公司法，本公司股份溢價賬可用於向股東支付分派或股息，惟於緊隨建議支付分派或股息之日期後，本公司能夠於日常業務過程中支付其到期時之債務。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

26. RESERVES (Continued)

Statutory reserve

In accordance with the Company Law of the PRC, each of the subsidiaries of the Company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with the PRC GAAP, to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital.

Capital reserve

The capital reserve of the Group as at 31 December 2017 and 2016 represents the share capital of entities comprising the Group prior to the reorganisation and the reserves arising from the reorganisation for the purpose of listing of the Company's shares on the Stock Exchange.

Convertible bond reserve

Convertible bond reserve represents the amount allocated to the unexercised equity component of bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 2.10.

Translation reserve

Translation reserve comprises all foreign exchange differences for the translation of financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy in note 2.4.

26. 儲備 (續)

法定儲備

根據中國公司法，本公司於中國註冊的各附屬公司須將根據中國公認會計原則釐定的除稅後年度法定溢利（經抵銷任何過往年度的虧損）的10%轉撥至法定儲備，直至儲備資金的結餘達到實體註冊資本的50%。法定儲備可用於抵銷過往年度的虧損或用於增加股本，惟剩餘法定儲備結餘不少於註冊資本的25%。

資本儲備

於二零一七年及二零一六年十二月三十一日，本集團的資本儲備為本集團旗下實體於重組前的股本及產生自因本公司股份於聯交所上市而進行之重組的儲備。

可換股債券儲備

可換股債券儲備指就可換股債券所採納會計政策（附註2.10）確認本公司所發行債券未行使權益部分所獲分配金額。

匯兌儲備

匯兌儲備由換算海外業務財務報表之所有匯兌差異組成。儲備乃根據附註2.4中的會計政策予以處理。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

27. 本公司的財務狀況表

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current asset	非流動資產			
Investments in subsidiaries	於附屬公司之投資	16	—	—
Current assets	流動資產			
Other receivables	其他應收款項		213	57
Amount due from a subsidiary	應收一間附屬公司款項		143,186	159,512
Bank balances and Cash	銀行結餘及現金		106	117
			143,505	159,686
Current liabilities	流動負債			
Other payables	其他應付款項		1,309	1,482
Amount due to subsidiaries	應付附屬公司款項		2,308	2,482
Convertible bonds	可換股債券		16,412	—
			20,029	3,964
Net current assets	流動資產淨值		123,476	155,722
Total assets less current liabilities	總資產減流動負債		123,476	155,722
Non-current liability	非流動負債			
Convertible bonds	可換股債券		—	16,749
			—	16,749
Net assets	資產淨值		123,476	138,973
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	25	6,209	6,209
Reserves (Note)	儲備 (附註)		117,267	132,764
Total equity	權益總額		123,476	138,973

LIN XIN FU
林新福
Chairman
主席

Ma Chi Kwan
馬志鈞
Director
董事

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: The movement of the Company's reserves are as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Convertible bond reserve 可換股債券儲備 RMB'000 人民幣千元	Translation reserve 換算儲備 RMB'000 人民幣千元	Accumulated loss 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2016	於二零一六年一月一日之結餘	139,245	–	2,963	(14,263)	127,945
Equity component of convertible bonds	可換股債券權益部分	–	1,240	–	–	1,240
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	–	(5,557)	(5,557)
Exchange difference on translation to presentation currency	換算為呈列貨幣之匯兌差額	–	–	9,136	–	9,136
Balance at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日之結餘	139,245	1,240	12,099	(19,820)	132,764
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	–	(6,034)	(6,034)
Exchange difference on translation to presentation currency	換算為呈列貨幣之匯兌差額	–	–	(9,463)	–	(9,463)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	139,245	1,240	2,636	(25,854)	117,267

27. 本公司的財務狀況表 (續)

附註：本公司儲備的變動如下：

28. OPERATING LEASE COMMITMENTS

As lessee

At the reporting date, the total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Land and buildings:	土地及樓宇：		
Within one year	一年以內	233	358
In the second to fifth years	於第二年至第五年內	175	–
		408	358

28. 經營租賃承擔

作為承租人

於報告日期，本集團根據不可撤銷經營租賃而須於未來支付的最低租賃付款總額如下：

The Group leased a number of properties under operating lease. The leases run for a fixed 2 years term. None of the leases include contingent rentals.

本集團根據經營租賃承租多項物業。該等租賃固定年期為2年。該等租賃並不包括或然租金。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

28. OPERATING LEASE COMMITMENTS (Continued)

As lessor

At the reporting date, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of plant and equipment are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Plant and equipment:	廠房及設備		
Within one year	一年內	675	—
In the second to fifth years	第二至第五年	2,723	—
		3,398	—

The Group leases its plant and equipment (note 15) under operating lease arrangements which run for an initial period of five years, with an option to renew the lease term at the expiry date.

28. 經營租賃承擔 (續)

作為出租人

於報告日期，本集團就廠房及設備於不可撤銷經營租賃項下之最低租賃收款總額如下：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
廠房及設備		
一年內	675	—
第二至第五年	2,723	—
	3,398	—

本集團根據經營租賃安排出租其廠房及設備（附註15），初始租期為五年，並可於屆滿日重續租期。

29. CAPITAL COMMITMENTS

29. 資本承擔

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Contracted but not provided for	已訂約但未撥備		
– Property, plant and equipment	– 物業、廠房及設備	12,989	22,989
– Investment in a joint venture (Note)	– 於一間合營公司的投資（附註）	3,958	4,255
		16,947	27,244

Note: On 20 June 2016, Unlock Bound Investments Limited (“Unlock Bound”), a wholly owned subsidiary of the Company, entered into an agreement with the convertible bond holder and an independent third party to set up Idream Partytime Limited (“Idream Partytime”) for the development of mobile games and gaming derivative products. Unlock Bound has agreed to subscribe for 4,750,000 ordinary shares at HK\$1 each of Idream Partytime which representing 47.5% of equity interest within six months from the date of the agreement. Addendum has been signed to extend the prescribed time to 19 June 2018. As at 31 December 2017, Idream Partytime has issued 10,000 ordinary shares and Unlock Bound has subscribed 4,750 shares at a total consideration of HK\$4,750.

附註：於二零一六年六月二十日，Unlock Bound Investments Limited（「Unlock Bound」）（本公司之全資附屬公司）與可換股債券持有人及一名獨立第三方訂立協議，以成立創夢派對文化有限公司（「創夢派對文化」）發展手機遊戲及遊戲衍生產品。Unlock Bound已同意於自協議日期起計六個月內認購創夢派對文化4,750,000股每股面值1港元之普通股（相當於47.5%股權）。Addendum已簽名將上述時間延長至二零一八年六月十九日。於二零一七年十二月三十一日，創夢派對文化已發行10,000股普通股及Unlock Bound已以總代價4,750港元認購4,750股股份。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

30. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties:

(i) Compensation of key management personnel

30. 關連方交易

本集團與關連方有以下交易：

(i) 主要管理人員薪酬

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short term employee benefits	短期僱員福利	1,748	1,968
Retirement scheme contributions	退休計劃供款	58	48
		1,806	2,016

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

31. 融資活動產生的負債對賬

本集團融資活動產生的負債的變動可分類如下：

		Bank loans 銀行貸款 RMB'000 人民幣千元	Convertible bond 可換股債券 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	60,700	17,107	77,807
Cash-flows:	現金流量：			
– Repayment	– 預付款項	(48,004)	–	(48,004)
– Proceeds	– 所得款項	40,304	–	40,304
– Interest paid	– 已付利息	–	(1,041)	(1,041)
Non-cash:	非現金：			
– Effective interest charges	– 實際利息支出	–	1,536	1,536
– Exchange adjustments	– 匯兌調整	–	(1,190)	(1,190)
At 31 December 2017	於二零一七年十二月三十一日	53,000	16,412	69,412

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

32.1 Categories of financial assets and liabilities

32. 財務風險管理及公平值計量

本集團於日常營運過程及投資活動中通過使用金融工具而面臨財務風險。財務風險包括市場風險（包括外幣風險及利率風險）、信用風險及流動資金風險。

本集團所承擔的有關風險及本集團就管理該等風險所採用的財務風險管理政策及慣例載於下文。

32.1 金融資產及負債的分類

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables:	貸款及應收款項：		
Trade and other receivables	貿易及其他應收款項	28,975	29,862
Bank balances and cash	銀行結餘及現金	69,206	81,604
		98,181	111,466
Financial liabilities	金融負債		
Measured at amortised cost:	按攤銷成本計量：		
Trade and other payables	貿易及其他應付款項	29,321	48,606
Borrowings	借款	53,000	60,700
Convertible bonds	可換股債券	16,412	16,749
		98,733	126,055

32.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk arise from its sales to and purchases from overseas, which are primarily denominated in USD. These are not the functional currencies of the Group entities to which these transactions relate.

32.2 外幣風險

外幣風險指金融工具的公平值或未來現金流量因匯率變動而浮動的風險。本集團面對的貨幣風險源自主要以美元計值的海外銷售及採購。該等貨幣並非與該等交易有關的本集團實體的功能貨幣。

Notes To The Consolidated Financial Statements
綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR
VALUE MEASUREMENTS (Continued)

32.2 Foreign currency risk (Continued)

Foreign currency denominated financial assets and liabilities, translated into RMB at the closing rates, are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Assets:	資產：		
USD	美元	26,369	25,448
Liabilities:	負債：		
USD	美元	52	432
Net exposures	敞口淨額		
USD	美元	26,317	25,016

The following table illustrates the sensitivity of the Group's profit after income tax for the year and equity as at reporting date in regard to an appreciation in the Group's functional currency against the foreign currencies. These sensitivity rates represent management's best assessment of the possible change in foreign exchange rates.

		Sensitivity rate 敏感度比率	Decrease in profit for the year 年內溢利減少	
			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
USD	美元	5%	1,061	938

The same percentage depreciation in the Group's functional currency against the respective foreign currencies would have the same magnitude on the Group's profit after tax for the year as at the reporting date but of opposite effect.

32. 財務風險管理及公平值計量 (續)

32.2 外幣風險 (續)

外幣計值金融資產及負債以收市匯率換算為人民幣，數值如下：

下表列示本集團於本年度的除所得稅後溢利及於報告日期的權益相對本集團功能貨幣兌各種外幣升值的敏感度。該等敏感度比率代表管理層對外幣匯率可能變動的最佳評估。

本集團功能貨幣兌有關外幣的相同百分比贬值，對本集團於報告日期的年內除稅後溢利構成等同但相反的影響。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate risk arises primarily from borrowings, which are at variable rates. As at 31 December 2017, balances of variable interest rate borrowings amounted to RMB17,000,000 (2016: RMB24,700,000). The exposure to interest rates for the Group's short term bank deposits is considered immaterial.

The following table illustrates the sensitivity of the Group's profit after income tax for the year and equity as at reporting date to a possible change in interest rates of borrowings.

		Decrease in profit for the year and equity 年內溢利及權益減少	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Increase by 50 basis points	增加50個基點	64	93

The same degree of decrease in basis point would have the same magnitude on the Group's profit for the year as at 31 December 2017 and 2016 but of opposite effect.

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rate.

32. 財務風險管理及公平值計量 (續)

32.3 利率風險

利率風險乃關於金融工具的公平值或現金流量將因市場利率變動而浮動的風險。按浮動利率及固定利率計息的借款使本集團分別面臨現金流量利率風險及公平值利率風險。本集團的利率風險主要來自按浮動利率計息的借款。於二零一七年十二月三十一日，浮動利率借款結餘為人民幣17,000,000元（二零一六年：人民幣24,700,000元）。本集團短期銀行存款的利率風險被視為微不足道。

下表列示本集團於本年度的除所得稅後溢利及於報告日期的權益對借款利率可能出現變動的敏感度。

基點減少同等程度，對本集團於二零一七年及二零一六年十二月三十一日年度的溢利構成等同但相反的影響。

以上利率的假設變動乃經觀察現行市場情況後視為合理可能出現的變動，並為管理層對利率的合理可能變動的評估。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk on recognised financial assets is limited to the carrying amount at the reporting date as summarised in note 32.1.

Cash and bank balances are placed at financial institutions that have sound credit rating and the Group considers the credit risk to be insignificant.

For trade and other receivables, the exposures to credit risk are monitored such that any outstanding debtors are reviewed and followed up on an ongoing basis. In the opinion of the Directors, the Group has no significant concentration of credit risk arising from its ordinary course of business due to its large customer base. The Group does not hold any collateral from its debtors.

32.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

32. 財務風險管理及公平值計量 (續)

32.4 信貸風險

信貸風險指金融工具的交易對手方未能履行其於金融工具條款項下的責任，導致本集團蒙受財務虧損的風險。本集團面臨的信貸風險主要來自於日常營運過程中授予客戶的信貸及其投資活動。

本集團就已確認金融資產須承受的最高信貸風險以附註32.1所概述報告日期的賬面值為限。

現金及銀行結餘存放於信用評級良好且本集團認為信用風險並不重大的金融機構。

就貿易及其他應收款項而言，本集團對所承受的信貨風險進行監察，並不斷檢討及跟進任何未償還債項。董事認為，本集團並無因客戶群龐大而導致日常業務過程中的信貸風險高度集中。本集團並無持有債務人任何抵押品。

32.5 流動資金風險

流動資金風險乃關於本集團無法履行與其金融負債相關的責任的風險，該等金融負債需透過交付現金或另一種金融資產結清。本集團就結清貿易及其他應付款項和其融資債務以及就其現金流量管理面臨流動資金風險。本集團的目標為維持適當的流動資產水平及取得承諾信貸融資，以應付其短期及長期的流動資金需求。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.5 Liquidity risk (Continued)

When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The following table details the remaining contractual maturities at the balance sheet date of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows including interest and contractual maturities.

32. 財務風險管理及公平值計量 (續)

32.5 流動資金風險 (續)

負債乃按本集團須付款的最早日期計入，惟債權人可選擇結清負債的日期。當負債以分期償還時，各期還款計入本集團承諾還款的最早期間。

下表詳述於結算日本集團金融資產及金融負債餘下合約的到期狀況，乃按已訂約未貼現現金流量（包括利息及合約的到期狀況）作出。

		Weighted average effective interest rate	Within 1 year	1-2 years	Total undiscounted cash flows	Total carrying amount as at 31 December
		加權平均 實際利率	一年內	一至兩年內	未貼現現金 流量總額	於十二月 三十一日之 賬面總額
		%	RMB'000	RMB'000	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2017	二零一七年					
Financial liabilities at amortised costs	按攤銷成本入賬的金融負債					
Trade and other payables	貿易及其他應付款項	N/A 不適用	29,321	—	29,321	29,321
Borrowings	借貸	4.79%	54,721	—	54,721	53,000
Convertible bonds	可換股債券	9.38%	16,921	—	16,921	16,412
			100,963	—	100,963	98,733
2016	二零一六年					
Financial liabilities at amortised costs	按攤銷成本入賬的金融負債					
Trade and other payables	貿易及其他應付款項	N/A 不適用	48,606	—	48,606	48,606
Borrowings	借貸	5.36%	62,275	—	62,275	60,700
Convertible bonds	可換股債券	9.38%	717	18,187	18,904	16,749
			111,598	18,187	129,785	126,055

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.6 Fair value

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurements, as follows:

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

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

32. 財務風險管理及公平值計量 (續)

32.6 公平值

於綜合財務狀況表中按公平值計量的金融資產及負債可分為三個公平值等級。三個等級基於計量重大輸入值之可觀察程度，定義如下：

- 第一級：相同資產及負債於活躍市場的報價（未作調整）。
- 第二級：就資產或負債直接或間接地可觀察之輸入數據（不包括第一級所包含的報價）。
- 第三級：資產或負債的不可觀察輸入資料。

金融資產或負債整體所應歸入的公平值等級內的層次，應基於對公平值計量具有重大意義的最低層次輸入資料值。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

32.6 Fair value (Continued)

The management considered the carrying amounts of financial assets and liabilities of the Group are not materially different from their fair values as at 31 December 2017 and 2016 due to short term maturity except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

32. 財務風險管理及公平值計量 (續)

32.6 公平值 (續)

於二零一七年及二零一六年十二月三十一日，管理層認為由於本集團的金融資產及負債為短期到期，其賬面值與其公平值並無重大差異，惟以下金融工具除外，其賬面值及公平值及公平值等級披露如下：

		Fair value measurements as at 31 December categorised into 於十二月三十一日之 公平值計量分類為				
		Carrying amounts at 31 December 於 十二月三十一日 之賬面值 RMB'000 人民幣千元	Fair value at 31 December 於 十二月三十一日 之公平值 RMB'000 人民幣千元	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
2017	二零一七年					
Financial liabilities at amortised costs	按攤銷成本列賬之金融負債					
Convertible bonds	可換股債券	16,412	16,390	-	-	16,390
2016	二零一六年					
Financial liabilities at amortised costs	按攤銷成本列賬之金融負債					
Convertible bonds	可換股債券	16,749	16,687	-	-	16,687

Valuation techniques and inputs used in Level 3 fair value measurements

The fair values of the convertible bonds are estimated as being the present values of future cash flows, discounted at interest rates based on the market interest rate for an equivalent non-convertible bond as at the end of the reporting period, adjusted for the Group's own credit risk.

第三級公平值計量所用的估價技術及輸入數據

可換股債券公平值乃按等同非可換股債券於報告期末的市場利率為基準並就本集團自身信貸風險予以調整後之利率折現的未來現金流量現值進行估計。

Notes To The Consolidated Financial Statements 綜合財務報表附註

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

33. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the debt to equity ratio. For this purpose, debt is defined as borrowings. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares and raise new debt financing.

The debt to equity ratio at each reporting date was:

33. 資本管理

本集團的資本管理目標為透過因應風險程度調整貨品及服務定價確保本集團能夠持續經營業務，並為股東帶來充裕回報。

本集團積極及定期檢討其資本架構，並因應經濟狀況變化作出調整。本集團以負債權益比率基準監察其資本架構。就此，負債界定為借款。為維持或調整該比率，本集團可調整向股東派付股息的金額、發行新股及籌集新債務融資。

於各報告日期，負債權益比率為：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Borrowings and convertible bonds	借款及可換股債券	69,412	77,449
Total equity	權益總額	441,305	426,005
Debt to equity ratio	負債權益比率	15.7%	18.2%

34. EVENT AFTER THE REPORTING DATE

On 14 February 2018, the Company entered into a placing agreement with a placing agent, pursuant to which the Company has conditionally agreed to place through the placing agent a maximum of 151,200,000 ordinary shares of HK\$0.01 each at an issue price of HK\$0.53. The placing of 141,890,000 ordinary shares have been issued on 13 March 2018 with net proceeds of approximately HK\$72.5 million. Details have been set out in the Company's announcements dated 14 February 2018, 21 February 2018 and 13 March 2018.

On 23 February 2018, the Group entered into a subscription agreement to subscribe for redeemable convertible bonds with the principal amount of HK\$70,000,000 issued by an independent third party, Charm Success Global Investment Limited. The subscription have been completed on 15 March 2018.

The bonds bear interest at rate of 6% per annum and with a maturity date of four years from the date of issue. Details of the bonds have been set out in the Company's announcements dated 23 February 2018, 2 March 2018 and 15 March 2018.

34. 報告期後事項

於二零一八年二月十四日，本公司與配售代理訂立配售協議，據此，本公司已有條件同意透過配售代理以發行價0.53港元配售最多151,200,000股每股面值0.01港元的普通股。配售的141,890,000股普通股已於二零一八年三月十三日發行，所得款項淨額約為72,500,000港元。有關詳情載於本公司日期為二零一八年二月十四日、二零一八年二月二十一日及二零一八年三月十三日之公佈。

於二零一八年二月二十三日，本集團訂立認購協議以認購由Charm Success Global Investment Limited（一名獨立第三方）發行的本金額為70,000,000港元的可贖回可換股債券。認購事項已於二零一八年三月十五日完成。

債券按6厘之年利率計息，自發行日起計四年當日到期。有關該等債券的詳情載於本公司日期為二零一八年二月二十三日、二零一八年三月二日及二零一八年三月十五日的公佈中。

Five-Year Financial Summary

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
RESULTS	業績					
Revenue	收益	466,371	513,883	569,605	397,923	298,752
Profit before income tax	除所得稅前溢利	19,593	78,735	98,379	78,270	49,904
Income tax expense	所得稅開支	(5,605)	(22,053)	(28,787)	(19,690)	(12,702)
Profit for the year	年內溢利	13,988	56,682	69,592	58,580	37,202
Profit for the year attributable to:	應佔年內溢利：					
– Equity holders of the Company	– 本公司權益持有人	13,988	56,682	66,716	58,580	36,638
– Non-controlling interests	– 非控股權益	–	–	2,876	–	564
		13,988	56,682	69,592	58,580	37,202
		As at 31 December 於十二月三十一日				
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	541,612	555,109	428,767	237,056	134,980
Total liabilities	總負債	(100,307)	(129,104)	(59,974)	(84,326)	(40,904)
Net assets	資產淨值	441,305	426,005	368,793	152,730	94,076
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	441,305	426,005	368,793	137,457	94,076
Non-controlling interests	非控股權益	–	–	–	15,273	–
		441,305	426,005	368,793	152,730	94,076

Note: The results and summary of assets and liabilities for each of the three years ended 31 December 2013 and 2014 which were extracted from the Prospectus have been prepared on a combined basis to indicate the results of the Group as if the group structure, at the time when the Company's shares were listed on the Stock Exchange, had been in existence throughout those years.

附註： 摘錄自招股章程的截至二零一三年及二零一四年十二月三十一日止三個年度各年的業績以及資產及負債概要乃根據合併基準編製，以顯示本集團的業績（猶如本公司股份於聯交所上市時的本集團架構於所有該等年度內已一直存在）。



www.partytime.com.cn