



China Graphene Group Limited 中國烯谷集團有限公司

(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司)
(Stock Code 股份代號 : 63)

2016

Annual Report 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Yuan Li Min (*Chief Executive Officer*)

Mr. Chen Meng

Mr. Mak Tin Sang

Non-executive Director

Mr. Li Feng Mao (*Chairman*)

Independent non-executive Directors

Mr. Leung Po Hon

Mr. Li Jing Bo

Mr. Shigeki Tanaka

COMPANY SECRETARY

Ms. Yuen Wing Kwan

AUDITOR

Crowe Horwath (HK) CPA Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE IN HONG KONG

Rooms 1904–1916, 19th Floor,
Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong

SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

董事會

執行董事

原立民先生 (*行政總裁*)

陳猛先生

麥天生先生

非執行董事

李丰茂先生 (*主席*)

獨立非執行董事

梁寶漢先生

李景波先生

田中茂樹先生

公司秘書

袁詠筠女士

核數師

國富浩華 (香港) 會計師事務所有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港主要辦事處

香港
灣仔港灣道30號
新鴻基中心
19樓 1904–1916室

股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Corporate Information

公司資料

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LISTING INFORMATION

Stock Code: 63, Hong Kong

WEBSITE

www.chn-graphene.com

股份過戶登記分處

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

上市資料

股份代號：63，香港

網站

www.chn-graphene.com

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

During the year, the Group continued to engage in property related businesses, provision of horticultural services, money lending business and securities trading business and established a new business segment of manufacturing and sales of Graphene and Graphene related products. The Group's revenue of the year was mainly derived from horticultural services.

The Group recorded loss for the year of approximately HK\$43,947,000. The increase in net loss was mainly due to decrease in revenue and increase in operating and administrative expenses in 2016.

The Company operates horticultural services business under the brand "Cheung Kee Garden", which has over forty years' history and sound reputation in the local market. This business segment has a long established customer base and remained a stable income stream to the Group during the year under review.

The Company was optimistic on the local property market and continues to market the Group's completed properties held for sale over the year of 2016.

In September 2016, the Company announced that the Group would establish a joint venture (the "Joint Venture") with a Japan Graphene intellectual property developer ("Japan Partner") for commencing the Graphene manufacturing and production and sales of Graphene related products. The capital of the Joint Venture in the amount of JPY700,000,000 would mainly be used for purchasing Graphene production machinery and equipment that can produce 100 tons of Graphene per year. The Directors believe that there is enormous business potential in Graphene industry and expect that this new business segment will enhance the Group's financial performance and accordingly, will help to gain attractive investment return for our Shareholders.

In November 2016, the Company changed its name from "Winfoong International Limited" to "China Graphene Group Limited" so as to better reflect its corporate image and identity with its new Graphene business as it direction of future business development.

In January 2017, the Joint Venture entered into two agreements with the Japan Partner. The first one is the Plant Sale and Purchase Agreement, whereby the Joint Venture as purchaser agreed to acquire from the Japan Partner the tailor made machinery and equipment for Graphene production with capacity of up to 100 tons Graphene powder per year. The another one is the License

業務回顧及展望

年內，本集團繼續從事與物業相關之業務、提供園藝服務、放貸業務及證券交易業務並成立生產並銷售石墨烯及石墨烯相關產品之新業務分類。本集團年度收益主要來自園藝服務。

本集團錄得年內虧損約43,947,000港元。虧損淨額增加主要由於二零一六年收益下降以及營運及行政開支增加所致。

本公司經營以「張記花園」作品牌之園藝服務業務，該品牌已有四十多年歷史且於本地市場享有良好聲譽。此業務分類已建立長久的客戶基礎，且於回顧年度為本集團維持穩定的收入來源。

於二零一六年，本公司對本地物業市場持樂觀態度，並持續推銷本集團竣工之待售物業。

於二零一六年九月，本公司宣佈本集團將與日本石墨烯知識產權開發商（「日本合夥人」）成立合營企業（「合營企業」）以開展石墨烯製造以及生產及銷售石墨烯相關產品之業務。該合營企業資本700,000,000日元將主要用於採購產量可每年生產石墨烯100噸之石墨烯生產機器及設備。董事相信，石墨烯行業具有極高的商業潛力，預期該新業務分類將可提高本集團財務表現並有助於為股東帶來更佳的投资回報。

於二零一六年十一月，本公司由「榮豐國際有限公司」更名為「中國烯谷集團有限公司」，更有效地反映企業形象並確認新的石墨烯業務作為未來業務發展的方向。

於二零一七年一月，合營企業與日本合夥人訂立兩份協議。第一份為設備買賣協議，據此，合營企業（作為買方）同意自日本合夥人購入生產石墨烯所需、產量為每年可生產石墨烯粉達100噸的訂製機器及設備。另一份為特許協議，據此，日本合夥人同意向合營企業授出兩項於日本登記的

Management Discussion and Analysis

管理層討論及分析

Agreement, whereby the Japan Partner agreed to grant to the Joint Venture the license to use the two patents where were registered in Japan and cover the technology with respect to Graphene production. It is expected that the manufacturing of Graphene and Graphene related products could be commenced within the year of 2017.

The net asset value of the Company per share as at 31 December 2016 was approximately HK\$0.08 (2015: HK\$0.10) based on the 2,819,102,084 (2015: 2,819,102,084) shares issued.

LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Company's latest annual report. The Group's monetary assets and liabilities are denominated and the Group conducts its business transactions principally in Hong Kong dollars. In view of the new business segment in Japan, the Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the need arise.

As at 31 December 2016, there was HK\$120,000,000 bank loan outstanding. The Group's working capital requirements are mainly funded by bank loan and bank deposits.

As at 31 December 2015, there was no outstanding bank loan. The Group's working capital requirements are funded by bank deposits.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2016, the Group had a total of 31 employees (2015: 28).

Employees (including directors) are remunerated according to their duties and responsibilities, market conditions and performance of the Group. On top of basic salaries, discretionary bonus and share options may be granted to eligible employee by reference to the individual's performance. In addition, the Company also provides social security benefits to its staff such as mandatory provident fund scheme in Hong Kong.

有關石墨烯生產技術之專利使用許可。預期石墨烯及石墨烯相關產品之生產製造可於二零一七年內開始投產。

根據2,819,102,084股(二零一五年: 2,819,102,084股)已發行股份計算,本公司於二零一六年十二月三十一日之每股資產淨值約為0.08港元(二零一五年: 0.10港元)。

流動資金及財務資源

本集團所有融資和財資活動均在集團層面由中央管理及控制。財資及融資政策與本公司最近期之年報所披露之資料並無重大變動。本集團主要以港元作為貨幣性資產及負債之結算單位及進行業務交易。鑒於本集團在日本開設新業務分部,本集團透過緊密監察匯率變動以管理其外匯風險及考慮於有需要時對沖外匯風險。

於二零一六年十二月三十一日,有120,000,000港元之未償還銀行貸款。本集團之營運資金需求主要以銀行貸款及銀行存款撥付。

於二零一五年十二月三十一日,並無未償還之銀行貸款。本集團之營運資金需求以銀行存款撥付。

僱員和薪酬政策

於二零一六年十二月三十一日,本集團合共有31名僱員(二零一五年: 28名)。

僱員(包括董事)之薪酬乃按照彼等的職務及責任、市況及本集團的表現釐定。於基本薪金以外,亦可能會根據僱員個人表現,向合資格之僱員授出酌情花紅和購股權。此外,本公司亦為僱員提供社會保障福利,例如香港之強制性公積金計劃。

Directors' Report

董事會報告

The directors herein present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 13 to the financial statements.

BUSINESS REVIEW

Business review and prospects

A business review of the Group's and a discussion and analysis of the Group's performance during the year ended 31 December 2016, the financial position and an indication of likely future development in the Company's business are set out in section headed "Business Review and Prospects" on pages 4 to 5 of this Annual Report.

Principal risks and uncertainties

The major risks facing the Group are summarized below.

Impact of local and international regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

Third-party risk

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realizes that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

董事謹此提呈本公司及本集團截至二零一六年十二月三十一日止年度之年度報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務之詳情載於財務報表附註13。

業務回顧

業務回顧及前景

截至二零一六年十二月三十一日止年度之本集團業務回顧及本集團表現分析、財務狀況及本公司業務之可能未來發展陳述載於本年報第4頁至第5頁「業務回顧及前景」一節。

主要風險及不確定因素

以下概述本集團面對的主要風險。

本地及國際規例的影響

本集團的業務營運亦受政府政策、相關規例及監管機構發出的指引所限。未能遵守規則及規定者，可被當局判處罰款、修訂或暫停業務營運。本集團密切監察政府政策、規例及市場的變動，並進行研究，以評估該等變動帶來的影響。

第三方風險

本集團在部份業務方面依賴第三方服務供應商，以改進本集團表現及效率。從外聘服務供應商得到利益的同時，管理層意識到該等營運依賴或會易受不可預期的差劣或失效服務的威脅，包括商譽受損、業務中斷及金錢損失。針對該等不確定因素，本集團僅與信譽良好的第三方供應商合作，並密切監察彼等的表現。

Directors' Report

董事會報告

BUSINESS REVIEW (CONTINUED)

Environmental policies and performance

The Group paid attention to nourish and enhance employees' awareness of cherishing resources and utilizing resources with high efficiency, and proactively promoted environmental protection. It urged and encouraged supervisory employees on duty to save energy and paper at work. The ultimate goal is to save resources and costs and protect the environment.

Compliance with laws and regulations

The incorporation places of the Company and its subsidiaries includes Bermuda, Hong Kong, the British Virgin Islands (the "BVI") and Japan. The Group's operations are carried out by the Company's subsidiaries in Hong Kong and Japan while the Company itself is listed on the Stock Exchange of Hong Kong Limited. Our establishment and operations accordingly shall comply with relevant laws and regulations of Bermuda, Hong Kong, the BVI and Japan. During the year ended 31 December 2016, we have complied with all the relevant laws and regulations in the statutory and business operation.

Key relationships with employees, customers and suppliers

The Group promoted people-oriented management cultures and emphasized the value of employees as it believed employees were important resources for enhancing the Company's productivity and core competency. To provide employees with competitive remunerations and opportunities to receive skill trainings is closely connected to the realization of employees' individual values as well as the Group's strategic goals.

The Group maintained good cooperation and communications with suppliers and ensured both sides were mutually benefited. The Group also paid close attention to customers' satisfaction and constantly enhanced service quality in order to maintain good reputation of the Company.

業務回顧 (續)

環境政策及表現

本集團重視培養及提高僱員珍惜資源和有效利用資源的意識，並積極推動環境保護。本集團促使和鼓勵監管僱員在工作時節省能源及紙張。最終目標乃是節約資源、成本，保護環境。

遵守法律及法規

本公司及其附屬公司的註冊成立地點包括百慕達、香港、英屬處女群島(「英屬處女群島」)以及日本。本集團的業務由本公司位於香港及日本的附屬公司營運，而本公司本身於香港聯合交易所有限公司上市。因此，本公司之成立及營運須遵守百慕達、香港、英屬處女群島及日本相關法律及法規。於截至二零一六年十二月三十一日止年度，我們遵從法定及業務營運之所有相關法律及法規。

與僱員、客戶及供應商之主要關係

本集團推廣以人為本的管理文化，重視僱員價值，因為其認為僱員對增強本公司生產力和核心競爭力而言是重要財富。向僱員提供具有競爭優勢的薪酬及接受技能培訓的機會與實現僱員個人價值和本集團策略目標息息相關。

本集團與供應商保持良好合作和溝通，並確保雙方互惠互利。本集團亦密切關注客戶滿意度及持續提高服務質量，藉此保持本公司的良好聲譽。

Directors' Report

董事會報告

FINANCIAL STATEMENTS

The results and cash flows of the Group for the year ended 31 December 2016 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 39 to 130.

DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2016.

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 the page 132 of this Annual Report.

FIXED ASSETS

Details of movements in the fixed assets of the Group are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital during the year are set out in note 24 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 25 to the financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserves available for distribution calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended) became Nil (2015: HK\$73,880,000).

財務報表

本集團截至二零一六年十二月三十一日止年度之業績及現金流量及本公司與本集團於該日之財務狀況載於財務報表第39頁至第130頁。

股息

董事不建議就截至二零一六年十二月三十一日止年度派付任何股息。

財務資料概要

本集團最近五個財政年度之業績及資產、負債及非控股股東權益概要載於本年報第132頁。

固定資產

本集團固定資產之變動詳情載於財務報表附註12。

股本

年內本公司股本之詳情載於財務報表附註24。

優先購股權

公司細則或百慕達之法例均無規定本公司必須按比例向現有股東優先配售新股之優先購股權條文。

儲備

年內本公司及本集團之儲備變動詳情分別載於財務報表附註25及綜合權益變動表。

可分派儲備

於二零一六年十二月三十一日，根據百慕達一九八一年公司法(經修訂)計算之本公司之可供分派儲備為零港元(二零一五年：73,880,000港元)。

Directors' Report

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 35% (2015: 72%) of the total sales for the year and sales to the largest customer included therein amounted to 17% (2015: 58%).

Purchases from the Group's five largest suppliers accounted for 94% (2015: 81%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 83% (2015: 60%).

As far as the directors are aware, neither the directors, their close associates, nor those shareholders which to the knowledge of the directors own more than 5% of the Company's issued shares had any interest in the five largest customers and suppliers.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Executive directors:

Mr. Yuan Li Min (*Chief Executive Officer*)
Mr. Chen Meng
Mr. Mak Tin Sang

Non-executive director:

Mr. Li Feng Mao (*Chairman*)

Independent non-executive directors:

Mr. Leung Po Hon
Mr. Li Jing Bo
Mr. Shigeki Tanaka

In accordance with the Company's Bye-law 87(1), Mr. Yuan Li Min, Mr. Mak Tin Sang and Mr. Leung Po Hon will retire from office by rotation, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

主要客戶及供應商

於回顧年度內，本集團之五個最大客戶所佔之銷售額佔全年總銷售額35%（二零一五年：72%），而最大客戶所佔之銷售額佔17%（二零一五年：58%）。

本集團向五個最大供應商之購貨額佔全年購貨總額94%（二零一五年：81%），而向最大供應商之購貨額佔83%（二零一五年：60%）。

就董事所知，董事及其緊密聯繫人，或持有本公司已發行股本逾5%之股東概無於五個最大客戶及供應商中擁有權益。

董事

於本年度及截至本報告日期止任職之董事為：

執行董事：

原立民先生（行政總裁）
陳猛先生
麥天生先生

非執行董事：

李丰茂先生（主席）

獨立非執行董事：

梁寶漢先生
李景波先生
田中茂樹先生

根據本公司之公司細則第87(1)條，於即將舉行之股東週年大會上，原立民先生、麥天生先生及梁寶漢先生將輪值退任，且符合資格，並願膺選連任。

Directors' Report

董事會報告

DIRECTORS' SERVICE CONTRACTS

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

INDEMNITY OF DIRECTORS

The Company has maintained appropriated directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year.

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2016, the interests and short positions of directors and chief executive in shares, underlying shares and debentures of the Company as required to be disclosed under and within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") were as follows:

Long Positions in Shares and Underlying Shares of the Company:

Name of directors	董事姓名	Nature of interest 權益性質	Number and class of shares held 所持股份數目及類別	Percentage 百分比
Li Feng Mao	李丰茂	Interest of controlled corporation 受控制法團權益	2,112,395,735 ordinary shares 普通股	74.93%

Note:

Mr. Li Feng Mao ("Mr. Li") was deemed to have 2,112,395,735 shares held by HK Guoxin Investment Group Limited by virtue of it being wholly-owned by Mr. Li.

Save as disclosed above, as at 31 December 2016, none of the directors and the chief executive of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company, that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

董事之服務合約

建議於即將舉行之股東週年大會膺選連任之董事並無與本公司訂立不可由本公司於一年內無需支付賠償(法定賠償除外)而終止之服務合約。

董事之彌償

本公司一直有為董事及本公司主管人員購買適當的責任保險，而該惠及董事的獲准許的彌償條文已於年內生效，且目前仍在生效中。

董事之股份權益

於二零一六年十二月三十一日，董事及主要行政人員於本公司之股份、相關股份及債券中，擁有根據證券及期貨條例(「證券及期貨條例」)第XV部之涵義須予披露之權益及淡倉如下：

於本公司股份及相關股份之好倉：

附註：

李丰茂先生(「李先生」)被視為持有香港國信興業投資集團有限公司的2,112,395,735股股份，乃由於該公司由李先生全資擁有。

除上文所披露者外，於二零一六年十二月三十一日，根據證券及期貨條例第XV部第7及8分部，概無本公司之董事及主要行政人員被當作或視作於本公司之股份、相關股份或債券中，擁有任何其他權益或淡倉而須於本公司根據證券及期貨條例第352條所存置之登記冊中記錄或根據標準守則須知會本公司及聯交所。

Directors' Report

董事會報告

SHARE OPTION SCHEME

Purpose of the scheme

The existing share option scheme (the "Scheme") of the Company was adopted on 25 June 2013 for the purposes of enabling the Group to provide incentives or rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of the Group and to enable the Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the Group.

Participants of the scheme

The directors of the Company are authorised, at their discretion, to invite eligible participants, including the directors or any employee (whether full time or part time) of the Group or an affiliate, and any consultant, agent, or advisor of the Group or an affiliate, to take up options (the "Option(s)") to subscribe for shares of the Company under the Scheme.

Total number of shares available for issue

On the adoption date of 25 June 2013, the total number of shares of the Company (the "Shares") available for issue under the Scheme were 263,165,208, representing 10% of the issued Shares of the Company as at the date of adoption of the Scheme.

On 27 May 2016, the ordinary resolution of refreshment of the Scheme limit was approved by shareholders at the annual general meeting of the Company. As at 31 December 2016, total number of Share available for further issue under the Scheme was 281,910,208, representing 10% of the issued shares of the Company.

During the year ended 31 December 2016, no Option had been granted, exercised, lapsed, or was cancelled under the Scheme.

Maximum entitlement of each participant

The maximum number of Shares in respect of which the Options may be granted to any one participant in any twelve-month period shall not exceed 1% of the total number of shares in issue from time to time.

購股權計劃

計劃之目的

本公司現有購股權計劃(「計劃」)乃於二零一三年六月二十五日採納，旨在令本集團鼓勵或嘉獎合資格參與者對本集團利益作出的貢獻及為此繼續努力及使本集團可招聘及／或挽留高才幹僱員，並吸引對本集團有所裨益之人才。

計劃之參與者

本公司董事獲授權酌情邀請合資格參與者，包括本集團或聯屬公司之董事或任何僱員(不論全職或兼職)及任何本集團或聯屬公司之諮詢人、代理人或顧問根據計劃承購購股權(「購股權」)認購本公司股份。

可供發行之股份總數

於採納日期(二零一三年六月二十五日)，本公司根據計劃可供發行的股份(「股份」)總數為263,165,208股，佔本公司於採納計劃當日已發行股份10%。

於二零一六年五月二十七日，一項更新計劃上限之普通決議案獲股東在本公司股東週年大會上批准。於二零一六年十二月三十一日，根據計劃可供進一步發行的股份總數為281,910,208股，佔本公司已發行股份10%。

於截至二零一六年十二月三十一日止年度，概無根據計劃授出、行使、失效或註銷之購股權。

各參與者之最高配額

於任何十二個月期內可授予任何一名參與者之購股權所涉及最高數目股份不得超過不時發行之股份總數1%。

Directors' Report

董事會報告

SHARE OPTION SCHEME (CONTINUED)

Time of exercise of option

The Options may be exercised in accordance with the terms of the Scheme at any time during a period as determined by the directors of the Company and not exceeding ten years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised.

Acceptance of offer

The offer of a grant of share options may be accepted within twenty-one days from the date of offer upon an initial payment of HK\$1 in total for each acceptance.

Basis of determining the exercise price

The exercise price of the Options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of the grant, which must be a business day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the grant; and
- (c) the nominal value of a Share.

Remaining life of the Scheme

The Scheme became effective on 25 June 2013 and will remain in force for a period of 10 years from that date.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 28 to the financial statements, no transaction, arrangement or contract of significance to which the company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

購股權計劃(續)

行使購股權之時間

購股權可於本公司董事釐定之期間根據計劃之條款隨時行使，但不得超過自授出日期起計十年。並無訂明行使購股權前須持有之最短期限。

接納要約

授出購股權之要約可自要約日期後二十一日內於就每次接納初次支付合共1港元後獲接納。

釐定行使價之基準

購股權之行使價由董事會全權酌情釐定且不得低於以下最高者：

- (a) 於授出日期(必須為營業日)聯交所每日報價表所列股份之收市價；
- (b) 緊接授出日期前五個交易日聯交所每日報價表所列股份之平均收市價；及
- (c) 股份之賬面值。

計劃之餘下年期

計劃於二零一三年六月二十五日生效及將於該日起十年期間內維持有效。

董事於交易、安排及合約之權益

除財務報表附註28所披露者外，概無於年終或年內任何時間有效訂立本公司或其控股公司、附屬公司或同系附屬公司為訂約方及對彼等而言屬重大，且本公司董事擁有重大權益之交易、安排及合約。

Directors' Report

董事會報告

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to rule 13.51B(1) of the Listing Rules, the changes of information on Directors are as follows:

1. Mr. Leung Po Hon retired as the independent non-executive director of Success Dragon International Holdings Limited (stock code: 1182) on 29 August 2016.
2. Mr. Mak Tin Sang was re-designated from the Chief Executive Officer to the Chief Financial Officer of Asia Fashion Holding Limited on 6 June 2016.

RELATED PARTY TRANSACTIONS

Details of transactions between the Group and parties regarded as "Related Parties" under applicable accounting principles are set out in note 28 to the financial statements. No transaction disclosed thereto constitutes connected transaction or continuing connected transaction of the Company subject to, among other things, reporting, announcement or independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2016, none of the Directors or any of their respective close associates (as defined in the Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

董事資料披露

根據上市規則第13.51B(1)條，董事資料變動如下：

1. 梁寶漢先生於二零一六年八月二十九日退任勝龍國際控股有限公司(股份代號：1182)之獨立非執行董事。
2. 麥天生先生於二零一六年六月六日由Asia Fashion Holding Limited的行政總裁調任為財務總監。

關連人士交易

本集團與適用會計原則下被視為「關連人士」各方之交易詳情載於財務報表附註28。於本報告披露的交易概無構成本公司關連交易或持續關連交易而須遵守(其中包括)上市規則第14A章下有關申報、公告或獨立股東批准的規定。

董事於競爭業務之權益

於二零一六年十二月三十一日，概無董事或彼等各自的緊密聯繫人(定義見上市規則)於與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 December 2016, the interests or short positions of the following substantial shareholders (other than persons who were directors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Long positions in shares and underlying shares of the company:

主要股東之股份權益

於二零一六年十二月三十一日，下列主要股東(本公司董事及主要行政人員除外)按照本公司根據證券及期貨條例第336條之規定所存置之登記冊所記錄於本公司之股份及相關股份擁有之權益或淡倉如下：

於本公司股份及相關股份之好倉：

Name of shareholders 股東姓名	Nature of interest 權益性質	Number and class of shares held 所持股份數目及類別	Percentage 百分比
HK Guoxin Investment Group Limited ("HK Guoxin") (Notes 1 & 3) 香港國信興業投資集團有限公司 (「香港國信」)(附註1及3)	Beneficial owner 實益擁有人	2,112,395,735 ordinary shares 普通股	74.93%
Qilu International Funds SPC ("Qilu") (Notes 2 & 3) Qilu International Funds SPC (「Qilu」)(附註2及3)	Person having a security interest in shares 於股份擁有證券權益人士	2,112,395,735 ordinary shares 普通股	74.93%
Zhongtai International Asset Management Limited ("Zhongtai International") (Note 3) 中泰國際資產管理有限公司 (「中泰國際」)(附註3)	Investment manager 投資經理	2,112,395,735 ordinary shares 普通股	74.93%

Notes:

- (1) The entire issued shares of HK Guoxin were owned by Mr. Li Feng Mao.
- (2) Qilu is acting for and on behalf of Zhongtai Dingfeng Classified Fund SP.
- (3) The above references to the 2,112,395,735 shares (the "Shares") relate to the same block of shares of the Company. The total of the Shares beneficially owned by HK Guoxin were charged to Zhongtai Securities Company Limited ("Zhongtai Securities") during the year of 2016. On 14 December 2016, the Company received three notices pursuant to section 324 of Part XV of the Securities and Futures Ordinance from Zhongtai Securities, Qilu and Zhongtai International. According to these notices, Zhongtai Securities ceased to have securities interest in the Shares, Qilu became having securities interest in the Shares and Zhongtai International became the Investment Manager in respect of the Shares.

附註：

- (1) 香港國信全部已發行股份由李丰茂先生擁有。
- (2) Qilu為及代表Zhongtai Dingfeng Classified Fund SP行事。
- (3) 上文所述2,112,395,735股股份(「股份」)涉及本公司同一批股份。由香港國信實益擁有的全部股份於二零一六年質押予中泰證券股份有限公司(「中泰證券」)。於二零一六年十二月十四日，本公司收到三份自中泰證券、Qilu及中泰國際根據證券及期貨條例第XV部第324條所發出的通知書。根據該等通知書，中泰證券不再於股份擁有證券權益，Qilu成為於股份擁有證券權益及中泰國際成為股份之投資經理。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES (CONTINUED)

Save as disclosed above, as at 31 December 2016, the Company had not been notified of any other persons (other than persons who were directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

On 12 August 2016, the Company accepted a facility letter relating to a two-year term loan facility in an aggregate amount of HK\$200,000,000 (the "Facility") (the "Facility Letter") offered by a licensed bank in Hong Kong (the "Bank").

As one of the undertakings requested by the Bank in the Facility Letter, Mr. Li Feng Mao (the ultimate controlling shareholder of the Company), shall hold, directly or indirectly, over 50% controlling shares of the Company during the Facility period. A breach of the aforesaid undertaking may constitute an event of default and all amounts (including principal and interest) due or owing by the Company to the Bank shall become immediately due and payable by the Company.

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

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

主要股東之股份權益(續)

除上文所披露者外，於二零一六年十二月三十一日，本公司不知悉任何其他人士(本公司董事及主要行政人員除外)按照本公司根據證券及期貨條例第336條之規定所存置之登記冊所記錄於本公司之股份及相關股份擁有權益或淡倉。

附帶控股股東特定表現契約之貸款協議

於二零一六年八月十二日，本公司接納由一家香港持牌銀行(「該銀行」)授出，總額為200,000,000港元之兩年期定期貸款(「貸款」)之貸款協議(「貸款協議」)。

該銀行於貸款協議列出所要求之其中一項保證，是李丰茂先生(本公司之最終控股股東)須於貸款期間內直接或間接持續持有本公司超過50%的控制性股權。違反前述保證可構成一項違約事件，本公司可被要求即時償還本公司應付或結欠該銀行的所有尚未償還金額(包括本金及利息)。

購買、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Directors' Report

董事會報告

PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the directors, as at the date of the report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITORS

The consolidated financial statements for the year ended 31 December 2016 were audited by Crowe Horwath (HK) CPA Limited ("Crowe Horwath (HK)"). Crowe Horwath (HK) shall retire as auditor of the Company at the forthcoming annual general meeting. A resolution for the re-appointment of Crowe Horwath (HK) as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Li Feng Mao
Chairman

Hong Kong, 20 March 2017

公眾持股量

根據本公司可公開獲得之資料，及據董事所知，於本報告日期本公司已維持上市規則規定之公眾持股量水平。

核數師

二零一六年十二月三十一日止年度綜合財務報表已由國富浩華(香港)會計師事務所有限公司(「國富浩華(香港)」)審核。國富浩華(香港)將於應屆股東週年大會上辭任本公司核數師職務。於應屆股東週年大會上將提呈一項決議案重新委聘國富浩華(香港)為本公司核數師。

代表董事會

李丰茂
主席

香港，二零一七年三月二十日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “Board”) believes that good corporate governance is crucial to improve the efficiency and performance of the Company and to safeguard the interests of the shareholders.

During the year ended 31 December 2016, the Company had applied the principles of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and complied with all the applicable code provisions of the Code, except the following code provision:

Under the code provision A.6.7 of the Code, independent non-executive directors should, inter alia, attend general meetings. Due to other important engagement at the relevant time, not all independent non-executive directors had attended both the general meetings of the Company held during the year under review.

The Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than the Code. The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

DIRECTORS’ SECURITIES TRANSACTIONS

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”) in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

企業管治常規

本公司董事會(「董事會」)相信良好的企業管治對提升本公司的效率及表現和保障股東的權益而言至為關鍵。

截至二零一六年十二月三十一日止年度，本公司已採用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載的企業管治守則(「企業管治守則」)原則，並已遵守企業管治守則所有適用守則條文，惟以下守則條文除外：

根據企業管治守則之守則條文第A.6.7條，獨立非執行董事應(其中包括)出席股東大會。基於當時有其他要務在身，並非所有獨立非執行董事均有出席本公司於回顧年度內舉行的兩次股東大會。

本公司認為已採取充足措施，確保本公司的企業管治常規不遜於企業管治守則。本公司將參考最新的企業管治發展，定期審閱及改善其企業管治常規。

董事證券交易

本公司已採納上市規則附錄10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之操守守則。本公司經作出具體查詢後，所有董事確認，彼等於全年內一直遵守標準守則所載規定準則。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

Composition of the board of directors

As at 31 December 2016, the Board comprised three executive directors, one non-executive director and three independent non-executive directors, who all have appropriate corporate experiences. The composition of the Board during the year ended 31 December 2016 was as follows:

Executive directors:

Mr. Yuan Li Min (*Chief Executive Officer*)
Mr. Chen Meng
Mr. Mak Tin Sang

Non-executive director:

Mr. Li Feng Mao (*Chairman*)

Independent non-executive directors:

Mr. Leung Po Hon
Mr. Li Jing Bo
Mr. Shigeki Tanaka

The following table shows the attendance of each individual member of the Board at the respective meetings of the Board and the respective Board Committees as well as the general meeting held during the year ended 31 December 2016:

Name of Directors	董事姓名	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	General Meeting 股東大會
<i>Executive directors:</i>						
Mr. Yuan Li Min	執行董事： 原立民先生	10/10	N/A 不適用	N/A 不適用	N/A 不適用	1/2
Mr. Chen Meng	陳猛先生	10/10	N/A 不適用	N/A 不適用	N/A 不適用	1/2
Mr. Mak Tin Sang	麥天生先生	10/10	N/A 不適用	N/A 不適用	N/A 不適用	2/2
<i>Non-executive director:</i>						
Mr. Li Feng Mao	非執行董事： 李丰茂先生	10/10	N/A 不適用	N/A 不適用	N/A 不適用	1/2
<i>Independent non-executive directors:</i>						
Mr. Leung Po Hon	獨立非執行董事： 梁寶漢先生	3/10	2/2	1/1	1/1	2/2
Mr. Li Jing Bo	李景波先生	2/10	2/2	1/1	1/1	0/2
Mr. Shigeki Tanaka	田中茂樹先生	2/10	1/2	1/1	1/1	1/2

董事會

董事會的組成

於二零一六年十二月三十一日，董事會由三名執行董事、一名非執行董事及三名獨立非執行董事組成，彼等全部均具合適企業經驗。於截至二零一六年十二月三十一日止年度，董事會成員為：

執行董事：

原立民先生(行政總裁)
陳猛先生
麥天生先生

非執行董事：

李丰茂先生(主席)

獨立非執行董事：

梁寶漢先生
李景波先生
田中茂樹先生

下表載列董事會各個別成員出席於截至二零一六年十二月三十一日止年度舉行的各次董事會及董事委員會會議和股東大會的記錄：

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (CONTINUED)

Functions of the Board

The Board supervises the management of the business and affairs of the Company and its subsidiaries (the "Group"). Apart from its statutory duties, the Board reviews and approves the Group's strategic plans, key operational initiatives, major investments and funding decisions, annual business plans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management personnel.

Guidelines are established which specify certain material transactions that require the Board's approval which include mergers and acquisitions, divestments and major capital expenditure.

The Board has separate and independent access to management and the company secretary. Management provides the Board with reports of the Group's performance, financial position and prospects, and these are reviewed by the Board at Board meeting. Directors may obtain independent professional advice in furtherance of their duties at the Group's expense.

The Company has arranged for appropriate liability insurance for the Directors for indemnifying their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Independent non-executive directors

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, there are three independent non-executive directors representing at least one-third of the Board. Among the three independent non-executive directors, one of them has appropriate professional qualifications in accounting or relevant financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considered all of them to be independent.

董事會(續)

董事會的職能

董事會監督本公司及其附屬公司(「本集團」)之業務及事務管理。除法定職責外，董事會亦負責審閱及批准本集團之策略規劃、主要營運措施、重大投資及融資決策、年度業務規劃、審閱本集團之財務表現，以及評估高級管理人員之表現及薪酬。

已制定列明必須經董事會批准之若干重大交易(包括合併及收購、撤資及重大資本開支)之指引。

董事會可分開及獨立地接觸管理層及公司秘書。管理層向董事會提供本集團之表現、財務狀況及前景之報告，該等報告由董事會於董事會會議時審閱。董事可就履行其職責獲取獨立專業意見，費用由本集團承擔。

本公司已為董事安排合適的責任保險，以彌償彼等因企業活動而產生的責任，並每年檢討保險保障。

獨立非執行董事

為遵守上市規則第3.10(1)及3.10A條的規定，董事會中有三名獨立非執行董事，最少佔董事會三分之一。根據上市規則第3.10(2)條，三名獨立非執行董事中，其中一名具備適合的會計專業資格或相關金融管理專長。

本公司已收到每位獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認，本公司認為彼等均為獨立。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (CONTINUED)

Directors' continuous professional development

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills.

During the year, directors received briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to rules and regulations applicable to the Company were provided to them. The Company has received from each of Directors the confirmation on and training record of taking continuous professional training.

CHAIRMAN AND CHIEF EXECUTIVE

During the year of 2016, Mr. Li Feng Mao ("Mr. Li") performed the role of the Chairman of the Company and Mr. Yuan Li Min ("Mr. Yuan") performed the role of the Chief Executive Officer of the Company separately.

The aim of the separation of the roles of Chairman and the Chief Executive Officer of the Company is to delineate their respective areas of responsibility, power and authority. Mr. Li focuses on formulating the corporate direction and strategies of the Company. Mr. Yuan is responsible for the implementation of the strategic plans and policies adopted by the Board effectively.

NON-EXECUTIVE DIRECTORS

All the non-executive and independent non-executive directors have entered into letters of appointment with the Company for a term of three years subject to the requirements of the Listing Rules and the Bye-laws of the Company, including the requirement of retirement by rotation and re-election or standing for re-election at annual general meetings of the Company at least once every three years.

董事會(續)

董事持續專業發展

本公司鼓勵董事參與持續專業發展，以建立及更新彼等的知識及技術。

年內，董事獲發有關本集團業務、營運、風險管理及企業管治事宜的簡介及最新資料，亦獲提供有關本公司適用規則及法規的新發展或變動的材料。本公司接獲各董事就接受持續專業培訓發出的確認及培訓記錄。

主席及行政總裁

於二零一六年，李丰茂先生(「李先生」)與原立民先生(「原先生」)分別擔任本公司的主席及本公司的行政總裁。

本公司主席及行政總裁的角色分開乃旨在區分彼等各自在責任、權力及權限的範疇。李先生專注於制定本公司的企業方針及策略。原先生負責有效地執行董事會所採納的策略性規劃及政策。

非執行董事

全體非執行董事及獨立非執行董事已與本公司訂立委任函，為期三年，須遵守上市規則及本公司之公司細則的規定，包括至少每三年一次在本公司的股東週年大會上輪席退任並膺選連任或尋求重選連任的規定。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

Audit committee

The Company established an audit committee (the "Audit Committee") with written terms of reference. The audit committee is responsible for reviewing and monitoring the financial reporting process and internal control system of the Company, and shall assist the Board to fulfill its responsibility over the audit process.

During the year of 2016 and as of the date of this Report, the Audit Committee consists of three members, namely Mr. Leung Po Hon, Mr. Li Jing Bo and Mr. Shigeki Tanaka, all of whom are independent non-executive directors. Mr. Leung Po Hon currently serves as the chairman of the Audit Committee.

During the year ended 31 December 2016, the Audit Committee met two occasions with the presence of external auditors and discharged its responsibilities in its review of the interim and annual results. The work performed by the Audit Committee for the year ended 31 December 2016 included reviewing and discussion of the following:

- a. the consolidated financial statements for the year ended 31 December 2015 of the Group, with a recommendation to the Board for approval;
- b. the consolidated financial statements for the six months ended 30 June 2016 of the Group, with a recommendation to the Board for approval;
- c. the risk management and internal control system of the Group;
- d. the audit process and its effectiveness, audit fees and independence and objectivity of the external auditors for the year ended 31 December 2016, with a recommendation to the Board for approval; and
- e. the compliance status of the Group with the Listing Rules and legal requirements in relation to financial reporting.

The Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2016 of the Group, with a recommendation to the Board for approval.

董事委員會

審核委員會

本公司已成立審核委員會(「審核委員會」)，並制定書面職權範圍。審核委員會負責審閱及監察本公司的財務申報程序及內部監控系統，並須在審核過程中協助董事會履行其責任。

於二零一六年及截至本報告日期，審核委員會由三名成員組成，包括梁寶漢先生、李景波先生及田中茂樹先生，彼等全部均為獨立非執行董事。梁寶漢先生現時擔任審核委員會主席。

於截至二零一六年十二月三十一日止年度，審核委員會在外聘核數師在場的情況下舉行兩次會議，並已履行其審閱中期及全年業績的責任。審核委員會就截至二零一六年十二月三十一日止年度所履行的工作包括審閱及討論以下各項：

- a. 本集團截至二零一五年十二月三十一日止年度的綜合財務報表，並推薦董事會批准；
- b. 本集團截至二零一六年六月三十日止六個月的綜合財務報表，並推薦董事會批准；
- c. 本集團的風險管理及內部監控系統；
- d. 截至二零一六年十二月三十一日止年度外聘核數師的審核程序及其有效性、審核費及獨立性和客觀性，並推薦董事會批准；及
- e. 本集團就財務申報遵守上市規則及法律規定的情況。

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度的綜合財務報表，並推薦董事會批准。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (CONTINUED)

Remuneration committee

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference. The primary responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration policy and structure relating to all directors and senior management of the Company.

During the year of 2016 and as of the date of this Report, the Remuneration Committee consists of three members, comprising three independent non-executive directors, Mr. Li Jing Bo, Mr. Leung Po Hon and Mr. Shigeki Tanaka. Mr. Li Jing Bo currently serves as the chairman of the Remuneration Committee.

For the year ended 31 December 2016, the Remuneration Committee held one meeting and preformed the work included the followings:

- a. reviewing and discussing the then existing remuneration package of the directors of the Company; and
- b. making recommendation of new remuneration packages of the directors and communicating to the Board.

The remuneration of directors is determined with reference to their duties and responsibilities, market conditions and performance of the Group. Details of emoluments of directors for the year ended 31 December 2016 are set out in note 8 to the financial statements.

董事委員會 (續)

薪酬委員會

本公司已成立薪酬委員會(「薪酬委員會」)，並制定書面職權範圍。薪酬委員會的主要職責是審閱本公司全體董事及高級管理層的整體薪酬政策及架構，並向董事會作出推薦建議。

於二零一六年及截至本報告日期，薪酬委員會由三名成員組成，包括獨立非執行董事李景波先生、梁寶漢先生及田中茂樹先生。李景波先生現時擔任薪酬委員會主席。

於截至二零一六年十二月三十一日止年度，薪酬委員會曾舉行一次會議並進行包括以下各項在內的工作：

- a. 審閱及討論本公司董事的現有薪酬待遇；及
- b. 就董事的新薪酬待遇向董事會作出推薦建議，並與董事會溝通。

董事的薪酬乃參考彼等的職務及責任、市況及本集團的表現釐定。截至二零一六年十二月三十一日止年度的董事酬金詳情載於財務報表附註8。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (CONTINUED)

Nomination committee

The Company established a nomination committee (the "Nomination Committee") with written terms of reference. The primary responsibilities of the Nomination Committee are to review the structure, size, composition and diversity of the Board on a regular basis and to make recommendations to the Board the suitable candidates for directorship after consideration of the nominees' independence and quality in order to ensure fairness and transparency of all nominations.

During the year of 2016 and as of the date of this Report, the Nomination Committee consists of three independent non-executive directors, Mr. Shigeki Tanaka, Mr. Leung Po Hon and Mr. Li Jing Bo. Mr. Shigeki Tanaka currently serves as the chairman of the Nomination Committee.

For the year ended 31 December 2016, the Nomination Committee held one meeting and preformed the work included the followings:

- a. reviewing the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board;
- b. reviewing the re-appointment of retiring directors for re-election; and
- c. assessing the independence of the Independent Non-Executive Directors.

董事委員會 (續)

提名委員會

本公司已成立提名委員會(「提名委員會」)，並制定書面職權範圍。提名委員會的主要職責是定期審閱董事會的架構、人數、組成及多元化，並在考慮提名人的獨立性及資格後，就適當的董事候選人向董事會作出推薦建議，藉此確保所有提名公平及透明。

於二零一六年及截至本報告日期，提名委員會由三名獨立非執行董事組成，包括田中茂樹先生、梁寶漢先生及李景波先生。田中茂樹先生現時擔任提名委員會主席。

於截至二零一六年十二月三十一日止年度，提名委員會曾舉行一次會議並進行包括以下各項在內的工作：

- a. 審閱董事會的架構、人數、組成及多元化(包括但不限於性別、年齡、文化及教育背景、專業經驗、技術、知識及服務年期)；
- b. 審閱參與重選的退任董事的重新委聘事宜；及
- c. 評估獨立非執行董事的獨立性。

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance functions are carried out by the Board pursuant to the applicable code provisions of the CG Code which include:

- a. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- b. to review and monitor the training and continuous professional development of the directors and senior management of the Company;
- c. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- d. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the directors of the Company; and
- e. to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

For the year ended 31 December 2016 and as at the date of this report, the Board had reviewed the corporate governance matters of the Company. Except for the deviation disclosed previously, the Company had complied with the principles and applicable code provisions of the CG Code and was not aware of any non-compliance to relevant applicable legal and regulatory requirements.

董事會多元化政策

建立多元化董事會可改善其運作質素，有關益處獲本公司認可及歡迎。候選人之選舉將基於廣泛多元化角度，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。最終決定將取決於獲選候選人將給予董事會之價值及貢獻。

企業管治職能

本公司之企業管治職能由董事會根據企業管治守則之適用守則條文而履行，當中包括：

- a. 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- b. 檢討及監察本公司董事及高級管理人員的培訓及持續專業發展；
- c. 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- d. 制定、檢討及監察適用於本公司僱員及董事之操守守則及合規手冊(如有)；及
- e. 檢討本公司遵守企業管治守則之情況及在企業管治報告內之披露。

截至二零一六年十二月三十一日止年度及於本報告日期，董事會已檢討本公司之企業管治事宜。除上文所披露之偏離者外，本公司已遵守企業管治守則之原則及適用守則條文，而並不知悉任何違反有關適用法律及法規要求之情況。

Corporate Governance Report

企業管治報告

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements for the financial year ended 31 December 2016, which give a true and fair view of the state of affairs of the Company and of the Group at the date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the statutory requirements and accounting standards. The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on pages 32 to 38 of the Annual Report 2016.

AUDITOR'S REMUNERATION

For the year ended 31 December 2016, the auditor of the Company and its subsidiaries would receive approximately HK\$570,000 (2015: HK\$481,000) for audit and audit related services, and HK\$72,000 (2015: HK\$140,000) for other services.

COMPANY SECRETARY

During the year of 2016 until 14 June 2016, the Company engaged in a service contract with an external service provider, Ms. Ho Wing Yan ("Ms. Ho"), who served as the Company Secretary of the Company. The financial controller of the Company acted as the primary contact person of the Company with Ms. Ho. On 14 June 2016, Ms. Yuen Wing Kwan ("Ms. Yuen") was appointed as the Company Secretary of the Company. Ms. Yuen has complied with all the qualifications under the Listing Rules.

董事就財務報表須承擔之責任

董事確認其負責編製截至二零一六年十二月三十一日止財政年度之財務報表，該等財務報表真實而公平地反映本公司及本集團於該日之財務狀況，及截至該日止年度本集團之業績及現金流量，並根據法定規例及會計準則採用持續經營基準妥為編製。董事並不知悉任何重大不確定因素涉及事件或情況，從而可能對本集團的持續經營能力造成重大疑慮。

本公司核數師就其有關本公司財務報表之申報責任作出之聲明載於二零一六年年報第32頁至第38頁之獨立核數師報告。

核數師薪酬

於截至二零一六年十二月三十一日止年度，本公司及其附屬公司之核數師合共就審核及審核相關服務收取約570,000港元(二零一五年：481,000港元)，及就其他服務收取72,000港元(二零一五年：140,000港元)。

公司秘書

於二零一六年直至二零一六年六月十四日為止，本公司與外聘服務供應商何詠欣女士(「何女士」)訂立服務合約，彼據此擔任本公司的公司秘書。本公司財務總監擔任何女士於本公司之主要聯絡人。於二零一六年六月十四日，袁詠筠女士(「袁女士」)獲委任為本公司之公司秘書。袁女士符合上市規則所有資格規定。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Convening a special general meeting

Pursuant to the Bye-law 58 of the Company, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. The Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business. If within twenty-one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act of Bermuda.

Putting enquiries to the board

Shareholders may send their enquiries and concerns in writing to the Board by addressing them to the Company Secretary at the principal place of business in Hong Kong and the Company Secretary shall then forward the same to the appropriate executives of the Company or members in the Board for further handling.

Putting forward proposals at shareholders' meeting

A shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

股東權利

應股東請求召開股東特別大會

根據本公司之公司細則第58條，倘持有不少於本公司已發行股本(附有於本公司任何股東大會上之投票權)及證券十分之一之股東提出請求，則董事會可召開股東特別大會。股東須將書面請求寄往本公司之香港主要營業地點，向本公司董事會或公司秘書提出請求。該書面請求須列明股東之持股資料、其聯絡詳情及有關任何指定事務/事項之建議及其支持文件。

董事會須於接獲有關書面請求後兩(2)個月內舉行該股東大會。本公司須送達所需之股東大會通告，當中註明會議舉行時間、地點及將於會上考慮之決議案內容以及該事項之一般性質。倘董事會未能於接獲該書面請求後二十一(21)日內召開該股東特別大會，則根據百慕達公司法第74(3)條之條文，該股東可召開該大會。

向董事會提出查詢

股東可以書面方式將其向董事會提出的查詢及關注事項郵寄至香港主要營業地點，註明公司秘書收，公司秘書其後會將有關查詢及關注事項轉交本公司適當的執行人員或董事會成員進一步跟進。

於股東大會上提出建議

股東可將書面呈請遞交至香港主要營業地點予董事會或本公司的公司秘書，列明股東的持股資料、其聯絡資料及其擬於股東大會上就任何特定交易/事務提呈的建議和其支持文件。

Corporate Governance Report

企業管治報告

INVESTOR RELATIONS

The Directors meet and communicate with shareholders at the annual general meeting (“AGM”) of the Company. The Chairman proposes separate resolutions for each issue to be considered and put each proposed resolution to the vote by way of a poll. Voting results are posted on the Company’s website on the day of AGM.

In order to reflect the change of Company name, the website of the Company has been changed from www.winfoong-intl.com to www.chn-graphene.com with effect from 28 November 2016.

Our Company’s website which contains corporate information, corporate governance practice, interim and annual reports, announcements and circulars issued by the Company enables the Company’s shareholders to have timely and updated information of the Company.

There was an amendment to the Bye-laws of the Company during the year of 2016. In the annual general meeting held on 27 May 2016, the shareholders of the Company approved to increase the authorized share capital from HK\$150,000,000 divided into 3,000,000,000 shares of the Company to HK\$1,000,000,000 divided into 20,000,000,000 shares of the Company by the creation of an additional 17,000,000,000 new shares. The revised Bye-laws of the Company has been published on the website of the Company for information.

投資者關係

董事於本公司股東週年大會（「股東週年大會」）上與股東會面及溝通。主席就將予考慮之各項事宜提呈獨立決議案，並將每項提呈之決議案以投票方式進行表決。投票表決結果將於股東週年大會當日在本公司網站登載。

為反映本公司名稱之變動，本公司之網址已由www.winfoong-intl.com改為www.chn-graphene.com，由二零一六年十一月二十八日起生效。

本公司之網址載有公司資料，企業管治常規、本公司所刊發的中期及年度報告、公佈及通函，以便本公司股東及時得悉本公司的最新消息。

本公司的公司細則於二零一六年作出修訂。於二零一六年五月二十七日舉行的股東週年大會上，本公司股東批准透過增設17,000,000,000股新股份，將法定股本由150,000,000港元（分為3,000,000,000股本公司股份）增加至1,000,000,000港元（分為20,000,000,000股本公司股份）。本公司的經修訂公司細則已於本公司網站刊載以供查閱。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board 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 for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has employed an external consultant to consider and comment the Group's financial reporting procedures, system and internal controls for the year ended 31 December 2016. The consultant has provided to the Board a review report (the "Report") which contain recommendations to address the identified control design and implementation effectiveness. The Board has reviewed the Report and has made the improvement to the Company's risk management and internal control systems.

A year-end review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate.

風險管理及內部監控

董事會全權負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並維持本集團合適及有效的風險管理及內部監控系統。該等系統的設計為管理未能實現業務目標之風險；對重大錯誤陳述或損失，只能提供合理的，而不是絕對的保證。

本公司已委聘一名外部顧問，以考慮本集團截至二零一六年十二月三十一日止年度的財務申報程序、系統及內部監控，並就此提出意見。顧問已為董事會提供審閱報告（「報告」），當中載有解決已識別監控設計及實施效能的推薦建議。董事會已審閱報告，並已改良本公司的風險管理及內部監控系統。

本公司及其附屬公司的風險管理及內部監控系統每年進行一次年終效能審閱，有關系統被視為有效及充足。

Directors' Biographies

董事履歷

EXECUTIVE DIRECTORS

Mr. Yuan Li Min, aged 57, was appointed as an executive director and the Chief Executive Officer of the Company on 6 November 2015 and then was appointed as the Deputy Chairman of the Company on 27 November in the same year. He has more than 30 years' valuable experience in the capital, investment and financial analysis, and handled more than 15 listing and fund raising projects in China. Mr. Yuan is a senior business analyst with American Etech Securities Inc.. Mr. Yuan was the non-executive director and chairman of Asia Fashion Holdings Limited, a company listed on the main board of the Singapore Stock Exchange, during the period from December 2013 to October 2015. He was the general manager of the CAD Company of the China Ministry of Aerospace from 1987 to 1998 and was an analyst with the Beijing Government's Finance office from 1982 to 1985. Mr. Yuan graduated with a Bachelor Degree in Finance at the Beijing Institute of Technology. He is also a director of certain subsidiaries of the Company.

Mr. Chen Meng, aged 44, was appointed as an executive director of the Company on 6 November 2015. Mr. Chen has abundance experience in corporate management, investment and capital management. Mr. Chan is currently the General Manager of Xin Tian Di Group Jilin Investment Company Limited and Xin Tian Di Investment Group Changchun Zhi Ye Company Limited. He was the general manager of Jilin Long Xin Asset Management Company from 2003 to 2006. Prior to that he was in charge of the Finance department of the Changchun office of China Petroleum Shares Company Limited. He is also a director of a subsidiary of the Company.

Mr. Mak Tin Sang, aged 60, was appointed as an executive director of the Company on 6 November 2015. Mr. Mak has relevant professional knowledge and abundance experience in financial management, audit and accounting. Mr. Mak was an executive director and the CEO of Asia Fashion Holdings Limited, a company listed on the main board of the Singapore Stock Exchange, from May 2015 to June 2016, and was subsequently re-designated as the executive director and the CFO of that company up to now. Previously, Mr. Mak joined Singapore Catalyst-listed Armarda Group Limited as the CFO in 2004 and was appointed as an executive director in June 2013. Mr. Mak was the CFO of another Singapore main board listed company LottVision Limited between August 2001 and September 2003. Mr. Mak holds a Master's Degree in Business Administration awarded by the University of Sheffield, U.K.. He is also a fellow member of the United Kingdom Chartered Association of Certified Accountants and an associate member of the Australian Certified Management Accountants. He is also a director of certain subsidiaries of the Company.

執行董事

原立民先生，57歲，於二零一五年十一月六日獲委任為本公司執行董事及行政總裁，其後於同年十一月二十七日獲委任為本公司副主席。原先生於資本、投資及財務分析方面擁有逾30年的寶貴經驗，曾處理超過15項中國上市及集資專案。彼現亦為美國億泰證券有限公司的高級業務分析師。原先生於二零一三年十二月至二零一五年十月期間曾分別為Asia Fashion Holdings Limited（一間在星加坡交易所主板上市之公司）的非執行董事及主席。彼於一九八七年至一九九八年擔任中國航天部CAD公司的總經理，亦曾於一九八二年至一九八五年擔任北京市政府金融辦分析師。原先生於北京理工大學畢業，並取得財政學士學位。彼亦為本公司若干附屬公司之董事。

陳猛先生，44歲，於二零一五年十一月六日獲委任為本公司執行董事。陳先生在企業管理、投資及資產管理方面擁有豐富經驗。陳先生現亦為新天地集團吉林投資有限公司及新天地投資集團長春置業有限公司的總經理。彼曾於二零零三年至二零零六年擔任吉林龍信資產管理公司的總經理。在此之前，彼曾主管中國石油股份有限公司長春分公司財務部。彼亦為本公司一間附屬公司之董事。

麥天生先生，60歲，於二零一五年十一月六日獲委任為本公司執行董事。麥先生於財務管理、審計及會計方面擁有相關專業知識及豐富工作經驗。麥先生於二零一五年五月至二零一六年六月期間為Asia Fashion Holdings Limited（一間在星加坡交易所主板上市之公司）的執行董事及CEO，其後轉任為該公司執行董事及CFO至今。在此之前，麥先生於二零零四年加入於新加坡凱利板上市的天信集團有限公司擔任CFO，並於二零一三年六月獲委任為執行董事。麥先生曾於二零零一年八月至二零零三年九月期間擔任另一家於新加坡主機板上市的LottVision Limited的CFO。麥先生持有英國謝菲爾德大學頒發的工商管理碩士學位。彼亦為英國特許公認會計師公會資深會員及澳洲註冊管理會計師公會會員。彼亦為本公司若干附屬公司之董事。

Directors' Biographies

董事履歷

NON-EXECUTIVE DIRECTOR

Mr. Li Feng Mao, aged 47, was appointed as an executive director and the Chairman of the Company on 6 November 2015. Mr. Li is an entrepreneur who focused on investment holding and corporate management and has investments in various enterprises mainly located in the Jilin province, China. The business of these enterprises cover railroad communication & logistics, mining and refinery, natural resources, property development, banking, and financial leasing, etc. Mr. Li holds a Doctor of Philosophy Degree awarded by the Jilin University of China. Mr. Li is the sole owner of HK Guoxin Investment Group Limited, the controlling shareholder of the Company. He is also director of several subsidiaries of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Leung Po Hon, aged 53, was appointed as an independent non-executive director of the Company on 6 November 2015 and was then appointed as the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company on 27 November in the same year. Mr. Leung has more than 25 years of experience in accounting, auditing and financial management, he is currently a practicing certified public accountant. Mr. Leung has served as an independent non-executive director of Kingbo Strike Limited (Stock Code: 1421) since 13 November 2015 and up to now. He was also the independent non-executive director of China Investment Fund International Holdings Limited (formerly known as China Investment Fund Company Limited) (Stock Code: 0612) and Success Dragon International Holdings Limited (Stock Code: 1182), and then resigned and retired respectively in 2016. The aforesaid companies are listed on the main board of the Stock Exchange of Hong Kong Limited. Mr. Leung has also served as an independent non-executive director of Flying Financial Service Holdings Limited (Stock Code: 8030) since August 2014 and Medinet Group Limited (Stock Code: 8161) since 19 May 2016 up to now. The aforesaid companies are listed on the Growth Enterprise Market of the Stock Exchange Hong Kong Limited. Mr. Leung graduated and obtained a Professional Diploma in accountancy from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). He then obtained a Master Degree in Business Administration from the University of Bradford of the United Kingdom. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountant and a fellow member of the Chartered Certified Accountants.

非執行董事

李丰茂先生，47歲，於二零一五年十一月六日獲委任為本公司非執行董事及董事會主席。李先生為企業家，專注於投資控股及企業管理，投資主要分佈在中國吉林省的多家企業。企業業務涵蓋鐵路運輸及物流、採礦及提煉、自然資源、房地產開發、銀行及融資租賃等。李先生持有中國吉林大學頒發的哲學博士學位。李先生乃本公司控股股東香港國信興業投資集團有限公司的唯一擁有人。彼亦為本公司數間附屬公司之董事。

獨立非執行董事

梁寶漢先生，53歲，於二零一五年十一月六日獲委任為本公司獨立非執行董事，其後於同年十一月二十七日獲委任為本公司審核委員會主席，以及薪酬委員會及提名委員會成員。梁先生擁有超過25年會計、審計和財務管理經驗，彼目前為執業會計師。梁先生自二零一五年十一月十三日起於工蓋有限公司(股份代號：1421)出任獨立非執行董事至今。彼亦曾於中國投資基金國際控股有限公司(前稱中國投資基金有限公司)(股份代號：0612)及勝龍國際控股有限公司(股份代號：1182)出任獨立非執行董事，其後分別於二零一六年離任及退任，上述公司均於香港聯交所主板上市。梁先生亦自二零一四年八月起於匯聯金融服務控股有限公司(股份代號：8030)及於二零一六年五月十九日起於醫匯集團有限公司(股份代號：8161)出任獨立非執行董事至今，上述兩間公司均於香港聯交所創業板上市。梁先生畢業於香港理工大學(前稱香港理工學院)，並獲得會計專業文憑。彼其後於英國布拉德福德大學獲得工商管理碩士學位。梁先生為香港會計師公會會員及特許公認會計師公會資深會員。

Directors' Biographies

董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTOR (CONTINUED)

Mr. Li Jing Bo, aged 45, was appointed as an independent non-executive director of the Company on 6 November 2015 and then was appointed as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company on 27 November in the same year. Mr. Li has over 20 years of experience in finance industry. Mr. Li was a manager of the security management department of Fuyou Securities Brokerage Co, Ltd., and he worked for Soochow Securities Co., Limited as deputy general manager of online trading department and then became general manager of the Shanghai branch. He acted as deputy general manager of the human resource department of Essence Securities Co., Limited from 2006 to 2009. In January 2010, Mr. Li Jing Bo was appointed as general manager of Essence Futures Co., Limited and then has been serving as the director of Essence International Financial Holding Limited since April 2012.

Mr. Shigeki Tanaka, aged 52, was appointed as an Independent Non-executive Director of the Company on 6 November 2015, subsequently was appointed as the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company on 27 November in the same year. Mr. Tanaka has been serving T&C Medical Science, Inc., the holding company of T&C XTF Japan, Inc. and acting as the chief executive officer of the Company since 2001, a company listed on Tokyo Stock Exchange JASDAQ (Growth). Mr. Tanaka was senior management of Mizuho Securities Co., Ltd, Credit Lyonnais Securities, Tokyo and Tokai Tokyo Securities Co., Ltd. respectively from April 1998 to August 2001.

獨立非執行董事(續)

李景波先生，45歲，於二零一五年十一月六日獲委任為本公司獨立非執行董事，其後於同年十一月二十七日獲委任為本公司薪酬委員會主席，以及審核委員會及提名委員會會員。李先生於金融業擁有逾20年經驗。李先生曾為富友證券經紀有限責任公司的證券事務部經理，亦曾擔任東吳證券股份有限公司網上交易部的副總經理，其後成為上海分支的總經理。彼於二零零六年至二零零九年擔任安信證券股份有限公司人力資源部副總經理。於二零一零年一月，李先生獲委任為安信期貨有限責任公司的總經理，並自二零一二年四月起擔任安信國際金融控股有限公司的董事。

田中茂樹先生，52歲，於二零一五年十一月六日獲委任為本公司獨立非執行董事，其後於同年十一月二十七日獲委任為本公司提名委員會主席，以及審核委員會及薪酬委員會會員。田中先生自二零零一年起服務T&C Medical Science, Inc.，該為T&C XTF Japan, Inc.的控股公司，為該公司的行政總裁，該公司在日本證券交易所JASDAQ (Growth)上市。田中先生於一九九八年四月至二零零一年八月分別於Mizuho Securities Co., Ltd、里昂證券東京公司及東海東京證券有限公司擔任高級管理人員。

Independent Auditor's Report

獨立核數師報告



國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

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Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA GRAPHENE GROUP LIMITED (formerly known as Winfoong International Limited)
(Incorporated in Bermuda with limited liability)

致中國烯谷集團有限公司(前稱榮豐國際有限公司)
各股東之獨立核數師報告

(於百慕達註冊成立之有限公司)

OPINION

意見

We have audited the consolidated financial statements of China Graphene Group Limited ("the Company") and its subsidiaries ("the Group") set out on pages 39 to 130, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss, 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.

本核數師(「我們」)已審核載於第39頁至第130頁中國烯谷集團有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，包括二零一六年十二月三十一日之綜合財務狀況報表及截至該日止年度之綜合損益及其他全面收入表、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。

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

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

BASIS FOR OPINION

意見的基礎

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.

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

Valuation of inventories – completed properties held for sale

Refer to note 16 to the consolidated financial statements.

The carrying value of the completed properties held for sale as included in inventories was HK\$248,319,000 as at 31 December 2016. We identified the valuation of completed properties held for sale as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, together with the significant judgments and estimates made by the management in determining the net realisable value.

The management determined the net realisable value of the completed properties held for sale with reference to the valuations performed by an independent professional valuer (the “valuer”) engaged by the Group. The valuation was performed by the direct comparison approach, which involved the use of estimates and assumptions including recent sales price of similar properties with adjustments for any difference in locality and condition of the properties.

How our audit address the key audit matter

Our procedures in relation to management's assessment of the carrying value of the completed properties held for sale included:

- Assessing the appropriateness of the methodologies used by management for the assessment of the net realisable value of the completed properties held for sale.
- Assessing the competence, capabilities and objectivity of the valuer.
- Discussing with the management about the valuation techniques adopted by the valuer and assessing the relevance and reasonableness of valuation techniques used by the valuer.
- Considering whether the adjusting factors used in by the valuer fell within a reasonable range with reference to our knowledge of property industry and in which the properties are located.

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時處理，我們不會對這些事項個別提供意見。

存貨估值 – 持作出售完工物業

茲提述綜合財務報表附註 16。

於二零一六年十二月三十一日，計入存貨的持作出售完工物業的賬面值為 248,319,000 港元。我們將存貨估值 – 持作出售完工物業識別為關鍵審核事項，原因是其結餘數字對綜合財務報表整體屬重大，當中已結合管理層在釐定可變現淨值時所作出的重大判斷及估計。

管理層參考 貴集團委聘的獨立專業估值師（「估值師」）所進行的估值，釐定持作出售完工物業的可變現淨值。該估值乃透過直接比較法進行，涉及使用估計及假設（包括類似物業的近期售價），並已就物業的地區及狀況的任何差異作出調整

我們的審核如何處理關鍵審核事項

我們就管理層對持作出售完工物業賬面值的評估的程序包括：

- A 評估管理層就估算持作出售完工物業可變現淨值所用方法的合適性。
- 評估估值師的資格、能力及客觀性。
- 與管理層討論估值師所採用的估值技術並評估估值師所採用的估值技術的相關性及合理性。
- 根據我們對物業行業和物業所在地區的認識，考慮估值師所採用的調整因素是否介乎合理範圍。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Collectability of escrow money receivable

Refer to note 18 to the consolidated financial statements.

The carrying value of the escrow money receivable as included in trade and other receivables was Japanese Yen 300 million (equivalent to HK\$20,351,000). We identified the collectability of escrow money receivable as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, together with the significant management judgments in determining the collectability.

How our audit address the Key Audit Matter

Our procedures in relation to management's judgment of the collectability of the escrow money receivable included:

- Assessing the Group's processes and controls relating to the monitoring of escrow money receivable and identifying any impairment indicators.
- Obtaining and reviewing corroborative evidence including the escrow agreement, bank advice and correspondence between the Group and counterparties.
- Obtaining direct confirmation from the escrow agent.
- Performing company search on the escrow agent.
- Considering whether any post year-end payment had been received up to the date of completing our procedures.
- Assessing the Group's disclosures in the financial statements.

關鍵審核事項 (續)

應收託管款項的可收回性

涉及簡明綜合財務報表附註 18。

包括貿易及其他應收賬款的應收託管款項的賬面值為 300,000,000 日圓 (相當於 20,351,000 港元)。我們已辨別託管款項的可收回性屬重大審核事宜，皆因對整體綜合財務報表的賬戶連同管理層在釐定其可收回性作出的重大判斷實屬重大。

我們的審核如何處理關鍵審核事宜

關於管理層對應收託管款項可收回性的判斷，我們採取的步驟包括：

- 評估 貴集團就監察應收託管款項和識別減值跡象的程序及監控。
- 取得及審閱託管協議、銀行通知單及 貴集團與對手方之間的通訊等支持憑證。
- 向託管代理取得直接確認。
- 對託管代理進行公司查冊。
- 了解截至吾等完成程序日期有否接獲任何結算日後付款。
- 評估 貴集團在財務報表之披露。

Independent Auditor's Report

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE 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 are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

除綜合財務報表及核數師報告以外的資料

董事須對其他資料負責。其他資料包括年報內的所有資料，不包括綜合財務報表及我們的核數師報告。

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

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

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

董事就綜合財務報表須承擔的責任

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

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

董事由審核委員會協助履行責任，監察 貴集團之財務申報程序。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, 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 judgement and maintain professional scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否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，並出具載有我們意見的核數師報告。根據百慕達公司法第90條，本報告僅向閣下（作為整體）作出，除此之外本報告別無其他目的。本核數師並不會就本報告內容對任何其他人士負責或承擔任何責任。

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

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

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

Independent Auditor's Report

獨立核數師報告

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

核數師就審核綜合財務報表承擔的責任(續)

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

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

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

Independent Auditor's Report

獨立核數師報告

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

From the matters communicated with the 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.

核數師就審核綜合財務報表承擔的責任(續)

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

Crowe Horwath (HK) CPA Limited

Certified Public Accountants

Hong Kong, 20 March 2017

Lam Cheung Shing

Practising Certificate Number P03552

國富浩華(香港)會計師事務所有限公司

執業會計師

香港，二零一七年三月二十日

林長成

執業證書編號 P03552

Consolidated Statement of Profit or Loss

綜合損益表

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

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	4	5,442	12,210
Cost of sales	銷售成本		(894)	(5,611)
Gross profit	毛利		4,548	6,599
Net gain/(loss) on trading securities	交易證券收益/(虧損)淨額		48	(73)
Other revenue	其他收益	5	7,321	7,012
Other net income	其他收入淨額	5	5,052	519
Operating and administrative expenses	經營及行政開支		(59,848)	(40,652)
Finance costs	融資成本	6(a)	(1,068)	–
Gain on disposal of a subsidiary	出售一間附屬公司收益	32	–	126
Loss before taxation	除稅前虧損	6	(43,947)	(26,469)
Income tax expense	所得稅開支	7	–	–
Loss for the year	年內虧損		(43,947)	(26,469)
Attributable to:	以下應佔：			
Equity shareholders of the Company	本公司權益持有人		(43,947)	(26,469)
Non-controlling interests	非控股權益		–	–
Loss for the year	年內虧損		(43,947)	(26,469)
Loss per share	每股虧損	10		
Basic	基本		HK cent (1.56) 港仙	HK cent (0.99) 港仙
Diluted	攤薄		HK cent (1.56) 港仙	HK cent (0.99) 港仙

The notes on pages 45 to 130 form part of these financial statements.

第45頁至第130頁之附註構成此等財務報表之一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss for the year	年內虧損	(43,947)	(26,469)
Other comprehensive (loss)/income for the year	年內其他全面(虧損)/收入		
Items that may be reclassified subsequently to profit or loss	其後可重新分類至損益之項目		
Available-for-sale financial assets: net movement in the fair value reserve (net of nil tax):	可供出售金融資產：公平值儲備之變動淨額，無稅項之淨額：		
– Changes in fair value recognised during the year	– 年內已確認之公平值變動	(200)	2,900
– Reclassification of cumulative fair value gain attributable to disposal of available-for-sale financial assets to profit or loss	– 出售可供出售金融資產之累計公平值收益之重新分類至損益	(4,930)	–
		(5,130)	2,900
Exchange differences:	匯兌差額：		
– Exchange differences on translation of financial statements of operations outside Hong Kong	– 換算香港境外業務之金融資產而產生的匯兌差額	(7,656)	–
Other comprehensive(loss)/ income, net of nil tax	其他全面(虧損)/收入(除零稅項後)	(12,786)	2,900
Total comprehensive loss for the year	年內全面虧損總額	(56,733)	(23,569)
Attributable to:	以下應佔：		
Equity shareholders of the Company	本公司權益持有人	(56,733)	(23,569)
Non-controlling interests	非控股權益	–	–
Total comprehensive loss for the year	年內全面虧損總額	(56,733)	(23,569)

The notes on pages 45 to 130 form part of these financial statements.

第45頁至第130頁之附註構成此等財務報表之一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	6,630	4,335
Available-for-sale financial assets	可供出售金融資產	14	–	6,500
Restricted bank deposits	受限制銀行存款	19	8,120	–
			14,750	10,835
Current assets	流動資產			
Trading securities	交易證券	15	581	548
Inventories	存貨	16	248,750	244,811
Loan receivables	應收貸款	17	2,344	22,081
Trade and other receivables	貿易及其他應收賬項	18	26,739	4,461
Cash and cash equivalents	現金及現金等價物	19	75,587	11,018
			354,001	282,919
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬項	20	17,198	5,468
Bank loan	銀行貸款	21	120,000	–
			137,198	5,468
Net current assets	流動資產淨值		216,803	277,451
NET ASSETS	資產淨值		231,553	288,286
Capital and reserves	股本及儲備			
Share capital	股本	24	140,955	140,955
Reserves	儲備	25	90,598	147,331
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益總額		231,553	288,286
Non-controlling interests	非控股權益		–	–
TOTAL EQUITY	總權益		231,553	288,286

The consolidated financial statements on pages 39 to 130 were approved and authorised for issue by the board of directors on 20 March 2017 and are signed on its behalf by:

Yuan Li Min
原立民
Director
董事

Mak Tin Sang
麥天生
Director
董事

載於第39頁至第130頁之綜合財務報表乃由董事會於二零一七年三月二十日批准及授權刊發，並由下列董事代表簽署：

The notes on pages 45 to 130 form part of these financial statements.

第45頁至第130頁之附註構成此等財務報表之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Attributable to equity shareholders of the Company 本公司權益持有人應佔權益

		Reserves 儲備										
		Share capital	Share premium	Capital redemption reserve	Share option reserve	Exchange reserve	Fair value reserve	Retained profits	Sub-total	Total	Non-controlling interests	Total equity
		股本	股份溢價	贖回儲備	購股權儲備	匯兌儲備	公平值儲備	保留溢利	小計	總計	非控股權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	131,790	5,241	121	9,285	-	2,230	141,779	158,656	290,446	-	290,446
Comprehensive income:	全面收益：											
Loss for the year	年內虧損	-	-	-	-	-	-	(26,469)	(26,469)	(26,469)	-	(26,469)
Other comprehensive income:	其他全面收益：											
Fair value changes on available-for-sale financial assets	可供出售金融資產之公平值變動	-	-	-	-	-	2,900	-	2,900	2,900	-	2,900
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	2,900	(26,469)	(23,569)	(23,569)	-	(23,569)
Shares issued under share option scheme	根據購股權計劃已發行股份	9,165	21,529	-	(9,285)	-	-	-	12,244	21,409	-	21,409
At 31 December 2015	於二零一五年十二月三十一日	140,955	26,770	121	-	-	5,130	115,310	147,331	288,286	-	288,286
At 1 January 2016	於二零一六年一月一日	140,955	26,770	121	-	-	5,130	115,310	147,331	288,286	-	288,286
Comprehensive income:	全面收益：											
Loss for the year	年內虧損	-	-	-	-	-	-	(43,947)	(43,947)	(43,947)	-	(43,947)
Other comprehensive income:	其他全面收益：											
Fair value changes on available-for-sale financial assets	可供出售金融資產公平值變動	-	-	-	-	-	(200)	-	(200)	(200)	-	(200)
Reclassification of cumulative fair value gain attributable to disposal of available-for-sale financial assets	出售可供出售金融資產之應佔之累計公平值收益重新分類調整	-	-	-	-	-	(4,930)	-	(4,930)	(4,930)	-	(4,930)
Exchange differences on translation of financial statements of operations outside Hong Kong	換算香港境外業務之財務報表而產生的匯兌差額	-	-	-	-	(7,656)	-	-	(7,656)	(7,656)	-	(7,656)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	(7,656)	(5,130)	(43,947)	(56,733)	(56,733)	-	(56,733)
At 31 December 2016	於二零一六年十二月三十一日	140,955	26,770	121	-	(7,656)	-	71,363	90,598	231,553	-	231,553

The notes on pages 45 to 130 form part of the financial statements.

第45頁至第130頁之附註構成此等財務報表之一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(43,947)	(26,469)
Adjustments for:	經以下調整：		
Surplus on revaluation of buildings	樓宇重估(盈餘)/虧絀	(1)	(32)
Amortisation of leasehold land	租賃土地攤銷	12	21
Depreciation of other property, plant and equipment	其他物業、廠房及設備折舊	1,164	125
Interest income	利息收入	(1)	(61)
Interest expense	利息開支	1,068	–
Net realised and unrealised (gain)/loss on trading securities	交易證券之已變現及未變現 (收益)/虧損淨額	(48)	73
Foreign exchange difference	外匯匯兌差額	(816)	–
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備 (收益)/虧損	(121)	8
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之 收益	(4,930)	–
Gain on disposal of a subsidiary	出售附屬公司的收益	–	(126)
Changes in working capital:	營運資金變動：		
(Increase)/decrease in inventories	存貨(增加)/減少	(3,939)	3,551
Decrease/(increase) in trading securities	交易證券減少/(增加)	15	(188)
(Increase)/decrease in trade and other receivables	貿易及其他應收賬項 (增加)/減少	(4,766)	551
Decrease/(increase) in loan receivables	應收貸款減少/(增加)	19,737	(22,081)
Increase/(decrease) in trade and other payables	貿易及其他應付賬項 增加/(減少)	11,581	(3,947)
Cash used in operations	經營所用之現金	(24,992)	(48,575)
Tax paid	已付稅項	–	–
Hong Kong profits tax paid	已付香港利得稅	–	–
Net cash used in operating activities	經營業務使用之現金淨額	(24,992)	(48,575)

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Investing activities	投資活動		
Payment for purchase of property, plant and equipment	購入物業、廠房及設備之付款	(3,793)	(3,880)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	121	–
Proceeds from sale of available-for-sale financial assets	出售可供出售金融資產所得款項	6,300	–
Net cash inflow on disposal of a subsidiary	出售附屬公司之現金流入淨額	–	495
Payment for escrow money	託管金付款	(20,351)	–
Increase in restricted bank deposits	受限制銀行存款增加	(8,120)	–
Interest received	已收利息	1	62
Net cash used in investing activities	投資活動所使用之現金淨額	(25,842)	(3,323)
Financing activities	融資活動		
Proceeds from bank loan	銀行貸款所得款項	120,000	–
Interest paid	已付利息	(919)	–
Proceeds from shares issued under share option scheme	購股權計劃下已發行股份之所得款項	–	21,409
Net cash generated from financing activities	融資活動所產生之現金淨額	119,081	21,409
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物之增加/(減少)淨額	68,247	(30,489)
Cash and cash equivalents at the beginning of the year	於年初之現金及現金等價物	11,018	41,507
Effect of foreign exchange rate changes	匯率變動之影響	(3,678)	–
Cash and cash equivalents at the end of the year	於年末之現金及現金等價物	75,587	11,018

The notes on pages 45 to 130 form part of these financial statements.

第45頁至第130頁之附註構成此等財務報表之一部分。

Notes to the Financial Statements

財務報表附註

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

1. GENERAL INFORMATION

China Graphene Group Limited (formerly known as Winfoong International Limited) (the “Company”) is a limited liability company incorporated in Bermuda and acts as an investment holding company. Its shares are listed on the Main Board of the The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is changed from Room 3201, 9 Queen’s Road Central, Hong Kong to Rooms 1904–1916, 19/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The principal activities of its principal subsidiaries are property development and construction, property management, money lending, provision of horticultural services, manufacturing and sale of graphene and graphene related products and security trading.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable 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”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting years reflected in these financial statements.

1. 一般資料

中國烯谷集團有限公司(前稱榮豐國際有限公司)(「本公司」)為於百慕達註冊成立的有限公司，並為投資控股公司。其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司主要營業地點則由香港中環皇后大道中9號3201室改為香港灣仔港灣道30號新鴻基中心19樓1904–1916室。其主要附屬公司之主要業務為物業發展及建造、物業管理、借貸業務、提供園藝服務、製造及銷售石墨烯及石墨烯相關產品，以及證券交易。

2. 主要會計政策

(a) 合規聲明

該等財務報表已根據香港財務報告準則(「香港財務報告準則」，此統稱包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認之會計原則及香港公司條例之披露規定編製而成。該等財務報表亦已符合香港聯合交易所有限公司證券上市規則之適用披露規定。下文載列本集團採納之主要會計政策之概要。

香港會計師公會已頒佈數項由本集團及本公司首次於本期會計期生效或可提早採納之新增及經修訂之香港財務報告準則。初次應用該等於當前和以往會計年度與本集團有關之該等發展之資料，已反映於本財務報表附註3。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2. 主要會計政策(續)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- buildings (see note 2(f)); and
- financial instruments classified as available-for-sale securities or as trading securities (see note 2(e)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 29.

(b) 財務報表編製基準

截至二零一六年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

綜合財務報表乃以港元列值，而港元亦為本公司之功能貨幣。

編製財務報表所使用之計量基準為歷史成本法，惟誠如以下會計政策所解釋，下列資產乃按彼等之公平值列賬：

- 樓宇(見附註2(f))；及
- 分類為可供出售證券或交易證券之金融工具(見附註2(e))。

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響有關資產、負債、收入及開支之政策應用及申報數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源明顯得出賬面值的資產及負債作出判斷之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。倘若會計估計之修訂僅影響作出有關修訂之期間，則於該期間確認有關修訂；倘若會計估計之修訂影響當期及未來期間，則於當期及未來期間確認有關修訂。

在應用對財務報表有重大影響之香港財務報告準則時管理層作出之判斷及不確定性之主要估計來源在附註29論述。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the executive directors of the Company, being the chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intragroup transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2. 主要會計政策 (續)

(c) 分類報告

經營分類及財務報表內呈報之各分類項目之金額自定期提供予本公司執行董事即主要營運決策者之財務資料中識別出來，以將資源分配至本集團之各項業務及地理位置及評估本集團之各項業務及地理位置之表現。

就財務報告而言，除非分類具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法及監管環境之性質方面相似，否則各個重大經營分類不會進行合算。個別非重大之經營分類，如果符合上述大部分標準，則可進行合算。

(d) 附屬公司及非控股權益

附屬公司是由本集團控制的實體。倘本集團因參與實體的業務而可或有權獲得可變回報，且有能力透過對實體行使權力而影響其回報，對該實體擁有控制權。於評估本集團是否有權力時，僅考慮實質權利(由本集團及其他各方持有)。

於附屬公司之投資自控制開始日期直至控制終止日合併入綜合財務報表。集團內公司間之結餘、交易及現金流量及因集團內交易而產生之任何未變現溢利，均於編製綜合財務報表時全部撇銷。集團內公司間交易所產生之未變現虧損亦按照未變現收益之方法同樣予以撇銷，惟僅限於沒有減值跡象之情況下。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests represent the equity in 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 the non-controlling interests' 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 equity attributable to the equity shareholders 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 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 equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-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, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(e)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2. 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益指附屬公司之權益並不直接或間接歸屬本公司，當中本集團並未同意該等權益持有人之任何其他條款，該等條款會導致本集團整體承擔符合金融負債釋義之該等權益之合約責任。就各業務合併而言，本集團可選擇按公平值或以非控制權益所佔附屬公司可識別資產淨值之相應份額計量非控制權益。

非控股權益與本公司股東應佔權益分開呈列，列入綜合財務狀況表之股權內。於本集團業績內之非控股權益，在綜合損益表及綜合全面損益及其他收益表以年內分配予非控股權益與本公司股東之溢利或虧損總額及全面收入總額方式呈列。

本集團於附屬公司之權益變動並無導致喪失控制權，列作權益交易，當中已對綜合權益內控股及非控股權益數額作出調整，以反映相關權益變動，但並無對商譽作出調整，及並無確認盈虧。

倘本集團失去附屬公司控制權，則其被列作出售該附屬公司全部權益，並於損益表內確認盈虧。於控制權喪失日期，該前附屬公司保留之任何權益按公平值確認，該數額被視作金融資產初步確認之公平值(見附註2(e))或於聯營公司或合營公司投資初步確認之成本(如適用)。

於本公司財務狀況表內，於附屬公司之投資按成本減減值虧損列賬(見附註2(h))，除非該投資被分類為持作出售用途(或列入被歸類為持作出售之出售組別內)。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 2(q)(iv) and (v).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 2(h)).

2. 主要會計政策(續)

(e) 於債務及股本證券內之其他投資

本集團及本公司就債務及股本證券投資之政策(不包括於附屬公司之投資)如下:

於債務及股本證券之投資初步按公平值列賬, 公平值為交易價格, 除非初步確認公平值區別於交易價格且公平值由相同資產或負債於活躍市場之報價證實或基於僅使用可觀察市場之估值方法。成本包括應佔交易成本, 惟下文另有說明則除外。隨後該等投資視乎其分類按下列方式列賬:

持作交易之證券投資被列作流動資產。所有歸屬的交易成本當產生時在損益表內確認。公平價於各報告期末進行重估, 所產生之任何損益於損益表內確認。在損益表內確認的淨損益不包括從該投資獲得的任何股息或利息, 因該等收入已根據附註2(q)(iv)及(v)列出的政策確認。

本集團及/或本公司有明確的能力和意願持有至到期之有期債務證券, 分類為持有至到期證券。持有至到期證券以攤銷成本減值虧損後列賬(見附註2(h))。

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Other investments in debt and equity securities (continued)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(h)). Dividend income from equity securities and interests income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in notes 2(q)(iv) and 2(q)(v), respectively. When the investments are derecognised or impaired (see note 2(h)), the cumulative gain or loss recognised in equity is reclassified to profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(f) Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 2(g)) are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of reporting period.

2. 主要會計政策(續)

(e) 於債務及股本證券內之其他投資(續)

不屬於以上類別的證券投資歸類為可供出售證券。於各報告期末，公平值將予以重新計量，任何因此產生之盈虧直接於其他全面收入中確認並於公平值儲備之權益中獨立累計，作為例外情況，於活躍市場並無相同工具報價且其公平值不能可靠計量之股本證券投資於財務狀況表內按成本減減值虧損確認(見附註2(h))。股本證券之股息收入及債券證券的利息收入按實際利率法計算，並分別根據附註2(q)(iv)及2(q)(v)所載之政策於損益表內確認。倘解除確認該等投資或予以減值(見附註2(h))，於權益確認的累計收益或虧損重新分類至損益表。

該等投資於本集團承諾購買該等投資之日予以確認或於本集團承諾出售該等投資或到期之日解除確認。

(f) 物業、廠房及設備

座落在租賃土地持作自用之樓宇(該樓宇之公平值可在租約開始時與租賃土地之公平值分開計量(見附註2(g)))乃按其重估金額(即其於重估日期之公平值減任何後續累積折舊)列賬。

重估會每相隔一段合適時間定期進行，確保該等資產之賬面值與於報告期末採用公平值釐定之價值並無重大偏差。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment (continued)

The other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)).

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in property revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(s)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the property revaluation reserve to retained profits and is not reclassified to profit or loss.

2. 主要會計政策(續)

(f) 物業、廠房及設備(續)

物業、廠房及設備之其他項目按成本減累積折舊及減值虧損列賬(見附註2(h))。

因重估持作自用物業產生之變動一般在其他綜合收入內處理，並於物業重估儲備之權益內獨立累計。僅有例外情況如下：

- 倘產生重估虧絀，變動將在損益表內扣除，直至超出於緊接重估前就有關資產於儲備內持有之金額為止；及
- 倘產生重估盈餘，變動將計入損益表，並以就同一項資產先前已於損益表內支銷之重估虧絀為限計算。

自行興建之物業、廠房及設備項目之成本，包括材料成本、直接勞工成本，及如適用，初步估計拆卸及搬遷項目以及恢復項目所在地原貌的成本，以及適當比例的其他生產成本和借貸成本(見附註2(s))。

報廢或出售物業、廠房及設備項目所產生之盈虧，以出售所得款項淨額與項目之賬面金額之間差額釐定，並於報廢或出售日在損益表內確認。任何相關重估盈餘由物業重估儲備撥入保留溢利，且不會重新分類至損益表。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Leasehold land classified as held under finance leases is depreciated over the term of lease.
- Buildings situated on leasehold land are depreciated over their estimated useful lives of 40 years.
- Furniture, equipment and motor vehicles are depreciated over 5 years.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 主要會計政策(續)

(f) 物業、廠房及設備(續)

物業、廠房及設備項目於以下之預計可用年期內以直線法撇銷成本或估值減其剩餘可使用價值(如有)以計算折舊:

- 分類為按融資租賃持有之租賃土地於租期內計算折舊。
- 座落在租賃土地之樓宇於其預計可用期限40年期間折舊。
- 傢俬、設備及汽車分5年折舊。

當物業、廠房及設備項目之不同部分有不同使用年期時，項目之成本或估值在不同部分之間按合理基準分配，每個部分分開計算折舊。資產之可使用年期及其剩餘價值(如有)須每年檢討。

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財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leased assets

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.

(i) Classification of assets leased to the Group

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, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. 主要會計政策 (續)

(g) 租賃資產

倘本集團決定在約定的時期內將特定資產使用權出讓以換取一筆或一連串付款的安排，則包括一項交易或連串交易之該項安排為或包括一項租賃。該項決定乃基於安排內容的估值而作出並不計是否該安排採取法律形式的租賃。

(i) 租賃予本集團資產之分類

本集團根據租賃持有之資產，而其中絕大部分風險及擁有權利益均轉移至本集團之租約乃分類為融資租約。不會轉移絕大部分風險及擁有權利益之租賃乃分類為經營租約，惟以下例外：

- 倘根據經營租約持有之物業可另行符合投資物業之定義，則按個別物業之基準分類為投資物業，而倘分類為投資物業，則根據融資租約持有入賬；及
- 根據經營租約持作自用之土地，而其公平值無法與於其上蓋興建之樓宇於租約生效時之公平值分開計量，有關土地則根據融資租約持有入賬，惟有關樓宇已根據經營租約持有則例外。就此而言，租賃生效之時間為本集團首次訂立租賃之時間，或從先前承租人接管租賃之時間。

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財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(h). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property or is held for development for sale (see note 2(i)(ii)).

2. 主要會計政策(續)

(g) 租賃資產(續)

(ii) 以融資租賃購入的資產

如果本集團是以融資租賃獲得資產的使用權，便會將相當於租賃資產公平值或最低租賃付款額的現值(如為較低的數額)記入物業、廠房及設備，而扣除融資費用後的相應負債則列為融資租賃承擔。折舊是在相關的租賃期或資產的可用期限(如本集團很可能取得資產的所有權)內，以沖銷其成本或估值的比率計提；有關的資產可用期限列載於附註2(f)。減值虧損按照附註2(h)所載的會計政策入賬。租賃付款內含的融資費用會計入租賃期內的損益中，使每個會計期間的融資費用佔承擔餘額的比率大致相同。或有租金在其產生的會計期間計入損益。

(iii) 經營租約費用

如屬本集團透過經營租約使用資產之情況，則根據租賃作出之付款會於租賃期所涵蓋之會計期間內，以等額在損益表扣除，惟如有其他基準能更清楚反映租賃資產所產生之收益模式則例外。已獲租賃優惠於損益表確認為租賃淨付款總額之組成部分。或有租金在其產生之會計期間內在損益表扣除。

根據經營租約所持有土地之收購成本於租賃期內以直線法攤銷，惟該物業分類為投資物業或持作發展供出售則例外(見附註2(i)(ii))。

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財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets

(i) *Impairment of investments in debt and equity securities and receivables*

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment 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
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續)

(h) 資產減值

(i) *於債務及股本證券內之投資及其他應收賬項之減值*

於債務及股本證券內之投資及其他流動及非流動應收賬項若以成本或攤銷成本列示，或歸類為可供出售證券，將會於各報告期末被審閱以確定有否客觀減值證據。客觀減值證據包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 對債務人有不利影響之技術、市場、經濟或法律環境之重大變動；及
- 股本工具投資之公平值大幅或長期下跌至低於其成本值。

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財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (continued)

(i) Impairment of investments in debt and equity securities and receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other current receivables, loan receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. The Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策(續)

(h) 資產減值(續)

(i) 於債務及股本證券內之投資及其他應收賬項之減值(續)

若存在任何有關證據，則按以下方式釐定及確認任何減值虧損：

- 就按攤銷成本列值之貿易及其他即期應收賬項、應收貸款及其他金融資產而言，如貼現影響重大，減值虧損乃按資產賬面金額與估計未來現金流量按金融資產原有之實際利率(即在初始確認該等資產時計算之實際利率)貼現之現值兩者之差額計量。本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，個別評估是否存在減值跡象。倘本集團釐定按個別基準經評估的金融資產(無論是否屬重大)並無客觀跡象顯示出現減值，則該項資產會歸入一組具類似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值且獲確認(或繼續獲確認)減值虧損的資產，不會納入進行共同減值評估。

若於其後的期間，減值虧損數額減少，而有關減少可客觀地與在確認減值虧損後發生的事件聯繫，則減值虧損會透過損益表撥回。減值虧損撥回不得導致資產賬面金額超出若在以往年度沒有確認減值虧損之金額。

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (continued)

(i) Impairment of investments in debt and equity securities and receivables (continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of loan receivables and trade receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against debtors directly and any amounts held in the allowance account relating to that debt 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. 主要會計政策 (續)

(h) 資產減值 (續)

(i) 於債務及股本證券內之投資及其他應收賬項之減值 (續)

- 就可供出售證券而言，已於公平價值儲備中確認之累計虧損會重新分類至損益表。於損益表確認之累計虧損金額為收購成本(減去任何本金還款及攤銷)與現行公平價值之差額，減去任何以前該資產於損益表中確認的減值虧損。

可供出售股本證券的減值虧損如已於損益表內確認，則不會透過損益表撥回。其後該資產公平價值之任何增加會於其他全面收入中確認。

若其後公平值的增加可客觀地與在確認減值虧損後發生的事件聯繫，則可供出售債券的減值虧損可被撥回。減值虧損在該情況下撥回會於損益表中確認。

減值虧損與相應資產直接撇銷，惟包含有關已確認的應收貸款及貿易應收賬項中的減值虧損除外，其可收回性被視為難以預料而並非微乎其微。在此情況下，呆壞賬的減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回之金額會直接與應收賬款撇銷，而在撥備賬中就該債務保留的任何金額會被撥回。倘之前計入撥備賬的款項在其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先直接撇銷的款項均於損益賬中確認。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the property, plant and equipment (other than properties carried at revalued amounts) and investments in subsidiaries in the Company's statement of financial position may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount
The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).
- Recognition of impairment losses
An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產之減值

本集團會在各報告期末審閱內部及外部資料，以確定於本公司財務狀況報表內的物業、廠房及設備(按重估金額列值之物業除外)以及附屬公司的投資是否出現減值跡象，或以往確認的減值虧損是否不再存在或已經減少。

倘若存在任何有關跡象，則會估計資產的可收回金額。

- 計算可收回金額
資產之可收回金額為其公平值減出售成本及使用價值之較高者。於評估使用價值時，估計未來現金流量乃按能反映現時市場對貨幣時間值及資產特定風險的評估的稅前貼現率，貼現至其現值。倘資產所產生的現金流入基本上不能獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產組別(即現金產生單位)來釐定可收回金額。
- 確認減值虧損
每當資產或其所屬的賺取現金單位的賬面金額超過其可收回金額，即會於損益表中確認減值虧損。就賺取現金單位確認的減值虧損，會分配予按比例減少該單位(或一組單位)中資產的賬面金額，惟個別資產賬面值不會減少至低於其本身的公平值減銷售成本(若能計量)或使用價值(若能釐定)。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- Reversals of impairment losses
An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(i) Inventories

(i) Horticultural services

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產之減值(續)

- 撥回減值虧損
倘用以釐訂定收回金額之估計出現有利轉變，有關減值虧損將予撥回。

撥回之減值虧損以過往年度並未確認減值虧損而應已釐定之資產賬面金額為限。撥回之減值虧損乃於確認撥回之年度內計入損益表。

(i) 存貨

(i) 園藝服務

存貨以成本及可變現淨值兩者之較低者入賬。

成本乃運用先進先出法計算，包括採購成本、轉換成本和將存貨運至現址及使其達至現時狀況所產生之成本。

可變現淨值按在日常業務過程中之估計售價，減去估計完成成本及估計進行出售所需之其他成本計算。

於出售存貨後，其賬面值計入相關收益確認之期間之費用。存貨撇減至可變現淨值之任何撇減金額和虧損之金額確認為撇銷或虧損發生之期間之費用。撥回就存貨撇減之任何金額乃於撥回產生之期間確認為已確認存貨之減值及列作一項開支。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories (continued)

(ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

- Property under development for sale
The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(s)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.
- Completed property held for sale
In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(h)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

2. 主要會計政策(續)

(i) 存貨(續)

(ii) 物業發展

與物業發展活動有關之存貨按成本及可變現淨值兩者之較低者入賬。成本及可變現淨值計算方式如下：

- 持作出售之發展中物業
持作出售之發展中物業之成本包括特別界定之成本，包括收購土地成本、發展、材料及供給、工資及其他直接費用之成本總額，及按比例攤分之成本及資本化之借貸成本(見附註2(s))。可變現淨值指估計售價減估計完成及出售物業所產生之成本。
- 持作出售之落成物業
本集團已發展落成物業之成本，按該發展項目中未售物業所佔發展總成本之部分釐定。可變現淨值指估計售價減估計出售物業產生之成本。

持作出售之落成物業之成本包括所有購買成本、轉換成本，以及將存貨達致其現有地點及狀況所產生之其他成本。

(j) 貿易及其他應收賬項

貿易及其他應收賬項最初按公平值列值，其後用實際利率法按攤銷成本減呆賬減值撥備列值(見附註2(h))，惟應收賬項為向關連人士作出無固定還款期之免息貸款或折現之影響並不重大者除外。在該等情況下，應收賬項按成本減呆賬減值撥備列值。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(l) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(p)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(n) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. 主要會計政策 (續)

(k) 計息借貸

計息借貸初步按公平值減應計之交易成本計算。初步確認後，計息借貸按攤銷成本連同初步確認金額與於借貸期內在損益表確認的贖回價值之間之任何差額，以及用實際利率法計算的任何利息及應付費用列賬。

(l) 貿易及其他應付賬項

貿易及其他應付賬項最初按公平值確認，除根據附註2(p)(i)計量之財務擔保負債外，貿易及其他應付賬項其後按攤銷成本列值，除非折現之影響並不重大，在此情況下則按成本列值。

(m) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款，以及可隨時兌換為已知數額之現金之短期高流動投資，該等投資所面對之價值變動風險並不重大，並為一般於購入時起計之三個月內到期。

(n) 僱員福利

(i) 短期僱員福利以及界定退休計劃供款

薪酬、年度分紅、有薪年假、界定退休計劃供款以及非貨幣性福利的成本於僱員提供相關服務期內計提。如此等付款或結算獲遞延及影響屬重大，則按其現值列值。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

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

(o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

2. 主要會計政策(續)

(n) 僱員福利(續)

(ii) 以股份為基礎的付款

授予僱員的購股權之公平值確認為僱員成本，而權益中的購股權儲備亦會相應增加。公平值在授出日期以二項期權定價模式經考慮期權授予條款和條件而計量。如果僱員須符合歸屬條件才能無條件地享有購股權，在考慮到購股權歸屬的可能性後，購股權公平值估計總額便會在整個歸屬期內分攤。

在歸屬期內，預期歸屬的購股權數目會予以審閱。已於以往年度確認的累計公平值的任何調整會在審閱當年在損益中扣除／計入，除非原僱員開支合資格確認為資產，則對購股權儲備作出相應的調整。已確認為開支的數額會在歸屬日作出調整，以反映所歸屬購股權的實際數目（同時對購股權儲備作出相應調整），惟僅因無法符合與本公司股份市價相關的歸屬條件時被沒收則除外。權益數額在購股權儲備中確認，直至購股權獲行使（轉入股份溢價賬）或購股權到期（直接撥回至保留溢利）時為止。

(iii) 離職福利

離職福利於本集團不再能取消提供該等福利時及本集團確認涉及支付離職福利的重組成本時（以較早者為準）確認。

(o) 所得稅

本年度之所得稅包括即期稅項及遞延稅項資產及負債變動。即期稅項及遞延稅項資產及負債變動均於收益表內確認，惟於其他全面收入內確認或直接與於權益內確認有關之項目除外，於該情況下，稅項之相關金額分別於其他全面收入或直接於權益內確認。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income tax (continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2. 主要會計政策(續)

(o) 所得稅(續)

即期稅項是根據年內應課稅收入，按報告期末已頒行或大致已頒行之稅率計算之預期應付稅項，並就過往年度的應付稅項作出調整。

遞延稅項之資產及負債乃分別來自資產及負債項目為財務報告目的所呈列之賬面值，與其就稅基計算之賬面值之可扣稅或須課稅暫時差額。遞延稅項資產亦可由尚未動用之稅務虧損及尚未動用之稅收抵免所產生。

除若干有限之特別情況外，所有遞延稅項負債及遞延稅項資產(只限於未來有可能產生之應課稅溢利以使該資產得以使用)均被確認。足以支持確認可予扣減暫時差異所產生遞延稅項資產之日後應課稅溢利，包括因轉回現有應課稅暫時差異而產生之數額；但這些差異必須與同一稅務機關及同一應課稅實體有關，並預期在預計轉回可予扣減暫時差異之同一期間或遞延稅項資產所產生稅務虧損可予撥回或結轉之期間內轉回。在決定現有應課稅暫時差異是否足以支持確認由未使用稅項虧損及抵免所產生的遞延稅項資產時，亦會採用同一準則，即預計及與同一稅務機關及同一應課稅實體有關的差異，並預期在能夠使稅項虧損或抵免之期間內轉回。

確認遞延稅項資產及負債之有限例外情況包括：產生自不影響會計或應稅溢利(如屬業務合併的一部分則除外)之資產或負債之初步確認之暫時差異，以及於附屬公司之投資之暫時差異，如為應課稅差異，只限於本集團控制轉回時間而且在可預見未來不大可能轉回之差異；或如屬可予扣減的差異，則只限於在將來可能轉回的差異。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策(續)

(o) 所得稅(續)

所確認遞延稅項之金額乃根據該資產及負債之賬面值之預期變現或結算之方式，按於報告期末已生效或基本上已生效之稅率計算。遞延稅項資產及負債不作折讓。

遞延稅項資產之賬面值會於各報告期末予以評估。當不再可能產生足夠應課稅溢利以使用相關之稅務利益，則相應地調低其賬面值。但如可能有足夠應課稅溢利，該減值將被撥回。

即期稅項結餘及遞延稅項結餘以及當中之變動乃各自分開呈列及不予抵銷。只有當符合以下之額外條件，而本公司或本集團擁有以即期稅項資產沖銷稅項負債之法律權利，即期稅項資產才會與即期稅項負債抵銷，而遞延稅項資產則與遞延稅項負債抵銷：

- 就即期稅項資產及負債而言，本公司或本集團計劃以淨額方式結算，或同時變現資產及償還負債；或
- 就遞延稅項資產及負債而言，如該資產及負債所產生之所得稅乃為同一個稅務機關所徵收，而：
 - 稅項乃為同一個繳稅單位；或
 - 對不同繳稅單位，但於每一個未來期間，意料到可觀之遞延稅項負債或資產將被償還或回收，計劃以淨額方式變現即期稅項資產及償還即期稅項負債或同時變現及償還。

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財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e., the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(p)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, that is, the amount initially recognised, less accumulated amortisation.

2. 主要會計政策(續)

(p) 所發出之財務擔保、撥備及或然負債

(i) 所發出之財務擔保

財務擔保乃要求發行人(即擔保人)就補償擔保受益人(「持有人」)因特定債務人未能根據債務工具之條款於到期時付款而蒙受之損失，而向持有人支付特定款項之合約。

倘本集團發出財務擔保，該擔保的公平值初步確認為貿易及其他應付賬項下的遞延收入。倘該等資料為可取時或經參考利率差額而另外估計，經比較以放款人將收取之估計利率提供擔保時放款人收取的實際利率，在發出時已作出財務擔保的公平值乃參照在公平交易中同類服務收取費用而釐定，倘無擔保，將作出該等資料之可靠估計。倘就發出擔保已收或應收代價，代價則根據本集團該等資產類別之適用政策確認。倘並無已收或應收代價，於初步確認任何遞延收入時於損益內確認為即時開支。

最初確認為遞延收入之擔保款額按擔保年期於損益內攤銷為所發出之財務擔保收入。此外，倘(i)擔保持有人有可能根據擔保省視本集團，及(ii)向本集團的申索款額預期超過現時列於該擔保的應付貿易及其他應付賬項(即最初確認的金額)減累計攤銷，即根據附註2(p)(ii)確認撥備。

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財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial guarantees issued, provisions and contingent liabilities (continued)

(ii) Other provisions and contingent liabilities

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

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

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. 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 in profit or loss as follows:

(i) Sale of properties

When properties under development are sold, income is recognised when the property development is completed with the relevant occupation permit issued by the authorities and the significant risks and rewards of the ownership of the properties are passed to the buyers. Deposits and instalments received on properties sold prior to the date of revenue recognition are recorded as forward sales deposits and instalments received.

2. 主要會計政策(續)

(p) 所發出之財務擔保、撥備及或然負債(續)

(ii) 其他撥備及或然負債

當本集團或本公司因過往事件而須負上法律或推定責任，可能須為處理該責任而導致付出經濟效益及於有關金額可作出可靠估計時，則須為未能確定何時發生或數額的其他負債計提撥備。當數額涉及重大的時間價值時，處理該責任的撥備以預計所需支出的現有價值呈列。

如果付出經濟效益的可能性較低，或其數目未能可靠地估計，則有關責任披露為或然負債，除非經濟效益外流的可能性極微。當可能發生的責任的存在將只由一項或多項未來事件之產生與否所決定，此等責任亦披露為或然負債，除非付出經濟效益的可能性極微。

(q) 收益確認

收益乃根據已收或應收代價之公平值計量。收益在本集團可取得經濟利益及收益及成本(倘適用)可按下列基準可靠地計量時於損益表內確認：

(i) 物業出售

倘發展中物業獲出售，則收入於物業發展竣工並取得機構頒發之相關入夥紙時確認，重大風險及物業擁有權利益轉移至買方。收益確認日期前已收已出售物業按金及分期付款列作已收之未來銷售按金及分期付款。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Revenue recognition (continued)

(ii) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(iii) Service income

Service income is recognised when the relevant services are rendered.

(iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vi) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(vii) Management fee income

Management fee income is recognised at the time when the services are rendered.

2. 主要會計政策 (續)

(q) 收益確認 (續)

(ii) 銷售貨物

收益於貨物及時送抵客戶接收貨物之地點及因擁有該等貨物而產生之風險及回報之時確認。收益不包括增值稅或其他銷售稅，並於扣除任何貿易折扣後計算。

(iii) 服務收入

服務收入於提供相關服務時確認。

(iv) 股息

- 非上市投資之股息收入於股東收取付款之權利確定時確認。
- 上市投資之股息收入在該投資價格除息時確認。

(v) 利息收入

利息收入乃採用實際利率法於其產生利息時確認。

(vi) 經營租約之租金收入

應收經營租約之租金收入乃按等額分期於租賃期所涵蓋期間於損益表內確認，但如有其他基準更清楚地反映租賃資產所產生之收益模式則除外。就給予之租賃優惠措施於損益表中確認為應收租賃款項淨總額之組成部分。或然租金於賺取該等租金之會計期間確認為收入。

(vii) 管理費收入

管理費收入於提供服務後確認。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 主要會計政策(續)

(r) 外幣換算

於年內進行之外幣交易以交易日之適用外匯匯率換算。於報告期末以外幣結算之貨幣資產及負債按該日之外匯匯率換算。匯兌盈虧則計入損益表內。

按歷史成本以外幣為單位之非貨幣性資產及負債，按交易日之匯率換算。以公平值列賬的以外幣計值為非貨幣性資產及負債按釐定其公平值當日適用之匯率換算。

海外經營之業績乃按與交易日之外匯匯率相若之匯率換算為港元。財務狀況表項目乃按報告期末之外匯收市匯率換算為港元。最終之匯率差額於其他全面收入確認，並於匯兌儲備權益內獨立累計。

於出售海外經營業務時，有關該海外經營業務之匯兌差額之累計數額於損益表內確認出售時由權益重新分類至損益表。

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財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences 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 in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(t) Related parties

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

2. 主要會計政策(續)

(s) 借貸成本

與收購、建設或生產需要長時間才可以投入擬定用途或銷售的資產直接相關的借貸成本會資本化為該資產成本之一部分。其他借貸成本於其產生期間支銷。

屬於合資格資產成本一部分的借貸成本在用於資產的開支產生、產生借貸成本及使資產投入擬定用途或銷售所必需的準備工作進行期間開始資本化。當使合資格資產投入擬定用途或銷售所必需的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

(t) 關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

Notes to the Financial Statements

財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Related parties (continued)

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

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of 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 Group's parent.

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

2. 主要會計政策(續)

(t) 關連人士(續)

(b) 倘符合下列任何條件，即實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
- (vi) 實體受(a)所識別人土控制或受共同控制。
- (vii) 於(a)(i)所識別人土對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 實體或實體所屬集團任何成員公司向本集團或母公司集團提供主要管理人員服務。

個人的近親家庭成員指預期可影響，或受該個人影響他們與該實體交易的家庭成員。

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財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interest in Joint Operations</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2010–2014 Cycle</i>

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本集團已於本年度首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂：

香港財務報告準則第11號之修訂	收購合營安排權益的會計處理
香港會計準則第1號之修訂	主動披露
香港會計準則第16號及香港會計準則第38號之修訂	澄清折舊及攤銷的可接納方法
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合入賬之例外情況
香港財務報告準則之修訂	香港財務報告準則二零一零年至二零一四年週期之年度改進

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財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

Amendments to HKFRS 11, *Accounting for Acquisitions of Interest in Joint Operations*

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (for example, HKAS 12 *Income Taxes regarding the recognition of deferred tax at the time of acquisition* and HKAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments have been applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in HKFRS 3) occurring from the beginning of the current year. The amendments do not have an impact on these financial statements as the Group has no acquisitions of interest in joint operations.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第11號之修訂「收購合營安排權益的會計處理」

香港財務報告準則第11號之修訂就如何將構成香港財務報告準則第3號業務合併所界定業務之收購合營業務入賬提供指引。具體而言，該等修訂指出，香港財務報告準則第3號有關業務合併之相關會計原則及其他準則(例如香港會計準則第12號「就於收購時確認遞延稅項的所得稅」及香港會計準則第36號「資產減值」，內容有關現金產生單位之減值測試，而有關現金產生單位已獲分配收購合營業務之商譽)應予採用。倘若現有業務只是由參與合營業務之一方注入合營業務，則上述規定應適用於合營業務之成立。

共同經營者亦須披露香港財務報告準則第3號及有關業務合併之其他準則所規定之相關資料。

該等修訂按未來適用基準應用於本年度開始起計發生的收購合營業務權益(當中合營業務的活動構成香港財務報告準則第3號所界定的業務)。有關修訂對此等財務報表並無任何影響，原因是本集團並無收購合營業務權益。

Notes to the Financial Statements

財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

Amendments to HKAS 1 *Disclosure Initiative*

The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity’s financial position and financial performance.

In addition, the amendments clarify that an entity’s share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs; (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regard the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes. The amendments have had no significant impact on the Group’s financial statements.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第1號之修訂「主動披露」

香港會計準則第1號之修訂澄清假若因一香港財務報告準則的要求而需要提供的資料並不重要，則實體無須提供特定的披露及根據匯集及分析資料的基準提供指引。惟修訂本重申當根據香港財務報告準則的特定要求並不足以讓財務報表使用者瞭解特定交易、事項及情況對實體的財務狀況及財務表現的影響時，則實體應考慮提供額外的披露。

此外，該修訂本澄清實體以權益法入賬的應佔聯營公司及合營企業的其他全面收入應與由集團所產生的分開列示，及應根據其他香港財務報告準則區分為：(i)隨後不會重新分類至損益應佔項目；及(ii)當符合特定條件時隨後會重新分類至損益應佔項目。

至於財務報表的結構，該修訂本為系統性排列或組合附註提供例子。有關修訂對本集團的財務報表並無重大影響。

Notes to the Financial Statements

財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 *Property, Plant and Equipment* prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 *Intangible Assets* introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances;

- (a) when the intangible asset is expressed as a measure of revenue, or
- (b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

In addition, the amendments also clarify that in choosing an appropriate amortisation method an entity could determine the predominant limiting factor that is inherent in the intangible asset.

The amendments do not have an impact on these financial statements as the Group does not use a revenue-based depreciation method for property, plant and equipment and does not have intangible assets.

Amendments to HKAS 16 and HKAS 41 *Agriculture: Bearer Plants*

The amendments to HKAS 16 *Property, Plant and Equipment* and HKAS 41 *Agriculture* define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第16號及香港會計準則第38號之修訂「澄清折舊及攤銷的可接納方法」

香港會計準則第16號物業、廠房及設備之修訂禁止實體就物業、廠房及設備項目採用以收益為基礎之折舊法。香港會計準則第38號無形資產之修訂引入可推翻之前設，認為收益並非無形資產攤銷之合適基準。該項前設只能在下列兩個有限之情況下被推翻：

- (a) 於無形資產以收益之計量表達；或
- (b) 於其能顯示無形資產的收益與其經濟利益消耗有緊密關係。

此外，該等修訂亦澄清在挑選適當攤銷方法的過程中，實體可決定無形資產中概有的主要限制因素。

有關修訂對此等財務報表並無任何影響，原因是本集團並無就物業、廠房及設備使用以收益為基礎的折舊方法，且亦無任何無形資產。

香港會計準則第16號及香港會計準則第41號之修訂「農業：生產性植物」

香港會計準則第16號物業、廠房及設備及香港會計準則第41號農業之修訂界定生產性植物之定義，並規定符合生產性植物定義之生物資產必須根據香港會計準則第16號入賬列為物業、廠房及設備，而非根據香港會計準則第41號入賬。生產性植物長出之農產物繼續根據香港會計準則第41號入賬。

Notes to the Financial Statements

財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

Amendments to HKAS 16 and HKAS 41 *Agriculture: Bearer Plants* (continued)

The amendments do not have an impact on these financial statements as the Group does not have bearer plants.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 *Investment Entities: Applying the Consolidation Exception*

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 28 *Investment Entities: Applying the Consolidation Exception for the first time in the current year*. The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment entity parent, applies only to subsidiaries that are not investment entities themselves.

The amendments do not have an impact on these financial statements as the Group is not an investment entity.

Annual Improvements to HKFRSs 2012–2014 Cycle

The Group has applied the Annual Improvements to HKFRSs 2012–2014 Cycle for the first time in the current year which include a number of amendments to various HKFRSs as summarised below.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第16號及香港會計準則第41號之修訂「*農業：生產性植物*」(續)有關修訂對此等財務報表並無任何影響，原因是本集團並無任何生產性植物。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂「*投資實體：應用綜合入賬之例外情況*」

本集團於本年度首次應用香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂「*投資實體：應用綜合入賬之例外情況*」。該等修訂澄清，若母公司實體為投資實體之附屬公司，則編製綜合財務報表之豁免對其適用，即使該投資實體根據香港財務報告準則第10號按公平值計量其全部附屬公司。有關修訂亦澄清若附屬公司之主要目的是就投資實體母公司之投資活動提供相關服務及活動，則投資實體將有關附屬公司綜合入賬之規定僅適用於本身並非投資實體之附屬公司。

有關修訂對此等財務報表並無任何影響，原因是本集團並非投資實體。

香港財務報告準則二零一二年至二零一四年週期之年度改進

本集團於本年度首次應用香港財務報告準則二零一二年至二零一四年週期之年度改進，包括對不同的香港財務報告準則作出的多項修訂，詳情概述如下。

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

Annual Improvements to HKFRSs 2012–2014 Cycle (continued)

The amendments to HKFRS 5 clarify when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa), such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale of plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract constitutes continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on governments bonds dominated in that currency should be used instead.

The above amendments do not have an impact on these financial statements as the Group does not have the related items.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則二零一二年至二零一四年週期之年度改進(續)

香港財務報告準則第5號之修訂澄清，當實體將資產(或出售組合)由持作出售重新分類為持作分派予擁有人(反之亦然)時，有關變動應被視為原始出售計劃的延續，因此香港財務報告準則第5號所載有關銷售計劃變更的規定並不適用。有關修訂亦澄清持作分派會計處理終止時之特定指引。

香港財務報告準則第7號之修訂載有額外指引以澄清一項服務合約就已轉讓資產之規定披露而言是否屬於對已轉讓資產之持續參與。

香港會計準則第19號之修訂澄清用以貼現離職後福利責任的貼現率應參考報告期末優質公司債券的市場息率釐定。就優質公司債券市場深度的評估應在貨幣層面(即支付福利的相同貨幣)作出。就沒有深度市場的該等優質公司債券的貨幣而言，應使用於報告期末以該貨幣計值的政府債券的市場息率。

有關修訂對此等財務報表並無任何影響，原因是本集團並無相關項目。

於本年度應用香港財務報告準則之修訂對本集團於目前及以往年度之財務表現及狀況及/或此等綜合財務報表所載之披露並無重大影響。

本集團概無應用任何尚未於本會計期間生效的新訂準則或詮釋。

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財務報表附註

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

4. REVENUE

The amount of each significant category of revenue during the year is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales of properties	物業銷售	–	7,100
Provision of property management services	來自提供物業管理服務之收益	121	175
Provision of horticultural services	來自提供園藝服務之收益	4,830	4,854
Loan interest income	貸款利息收入	491	81
		5,442	12,210

4. 收益

年內各重大收益類別之金額如下：

5. OTHER REVENUE AND OTHER NET INCOME

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other revenue	其他收益		
Bank interest income	銀行利息收入	1	61
Management fee income (note 28(b))	管理費收入(附註28(b))	–	204
Rental income from operating leases	經營租約租金收入	6,953	6,395
Dividend income from equity securities	股本證券所得股息收入	27	23
Others	其他	340	329
		7,321	7,012
Other net income	其他收入淨額		
Gain on disposal of available-for-sale financial assets (transfer from equity)	出售可供出售金融資產之收益(權益轉讓)	4,930	–
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益/(虧損)	121	(8)
Surplus on revaluation of buildings	樓宇重估盈餘	1	32
Others	其他	–	495
		5,052	519

5. 其他收益及其他收入淨額

During the year, the interest income that was derived from financial assets not at fair value through profit or loss amounted to HK\$492,000 (2015: HK\$142,000).

年內，來自不按公平值計入損益的金融資產金額為492,000港元(二零一五年：142,000港元)。

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財務報表附註

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

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

6. 除稅前虧損

除稅前虧損已扣除：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(a) Finance costs	(a) 融資成本		
Interest on bank loan	銀行貸款之利息	1,068	-
Total interest expense on financial liabilities not at fair value through profit or loss	不按公平值計入損益的金融負債總利息開支	1,068	-
(b) Staff costs (including directors' emoluments)	(b) 員工成本(包括董事酬金)		
Salaries, wages and other benefits	薪金、工資及其他福利	37,127	26,819
Contributions to defined contribution retirement plan (note 30)	界定退休計劃供款(附註30)	489	345
		37,616	27,164
(c) Other items	(c) 其他項目		
Amortisation of leasehold land	租賃土地攤銷	12	21
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,164	125
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	570	481
– other services	– 其他服務	72	140
Operating lease charges:	經營租約開支：		
minimum lease payments	最低租約付款		
– land and buildings	– 土地及樓宇	4,564	2,322
Cost of inventories (note 16)	存貨成本(附註16)	894	5,611

Notes to the Financial Statements

財務報表附註

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

7. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss

No Hong Kong Profits Tax for the years ended 31 December 2016 and 2015 has been provided for as the Group has no estimated assessable profits arising in Hong Kong for both years.

No Japan Profits Tax for the year ended 31 December 2016 has been provided for as the Group has no estimated assessable profits arising in Japan. No Japan Profits Tax for the year ended 31 December 2015 has been provided for as the Group only commenced the operations in Japan in the current year.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

(b) Reconciliation between tax expense and accounting loss at the applicable tax rates:

7. 所得稅

(a) 綜合損益表內之稅項

由於本集團於兩年內於香港並無產生估計應課稅溢利，故截至二零一六年及二零一五年十二月三十一日止年度並無作出香港利得稅撥備。

由於本集團概無於日本產生估計應課稅溢利，故截至二零一六年十二月三十一日止年度概無就日本所得稅作出撥備。由於本集團僅於本年度於日本開展營運，故截至二零一五年十二月三十一日止年度概無就日本所得稅作出撥備。

根據百慕達及英屬處女群島規章制度，本集團無須繳納該等轄區任何所得稅。

(b) 採用適用稅率計算之稅項開支與會計虧損對賬：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(43,947)	(26,469)
Notional tax on loss before taxation, calculated at the rates applicable to losses in the jurisdictions concerned	除稅前虧損之名義稅項，按有關司法權區適用於虧損之稅率計算	(8,070)	(4,367)
Tax effect of non-deductible expenses	不可扣除費用之稅務影響	1,232	946
Tax effect of non-taxable income	非課稅收入之稅務影響	(839)	(40)
Tax effect of unused tax losses not recognised	未確認之未用稅項虧損之稅務影響	7,634	4,078
Tax effect of prior years' tax losses utilised this year	本年動用過往年度之稅項虧損之稅務影響	(3)	(4)
Tax effect of temporary difference not recognised	未確認之暫時性差異之稅務影響	46	(613)
Actual tax expense	實際稅項開支	-	-

Notes to the Financial Statements

財務報表附註

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

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to the Listing Rules and section 383 (1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8. 董事酬金

根據上市規則及香港公司條例(第383(1)章)及公司(披露董事利益資料)規例第二部披露之董事酬金如下:

		Salaries, allowances and benefits in kind 薪金、津貼 及實物利益	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	2016 Total 二零一六年 合計	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Executive directors:	執行董事:					
Chen Meng	陳猛	-	3,000	-	18	3,018
Mak Tin Sang	麥天生	-	3,000	-	18	3,018
Yuan Li Min, Chief Executive Officer	原立民, 行政總裁	-	8,000	-	18	8,018
		-	14,000	-	54	14,054
Non-executive director:	非執行董事:					
Li Feng Mao, Chairman	李丰茂, 主席	-	10,000	-	18	10,018
Independent non-executive directors:	獨立非執行董事:					
Leung Po Hon	梁寶漢	400	-	-	-	400
Li Jing Bo	李景波	360	-	-	-	360
Shigeki Tanaka	田中茂樹	360	-	-	-	360
		1,120	-	-	-	1,120
		1,120	24,000	-	72	25,192

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

8. DIRECTORS' EMOLUMENTS (CONTINUED)

8. 董事酬金(續)

	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2015 Total	
	薪金、津貼	薪金、津貼及實物利益	酌情花紅	退休計劃供款	二零一五年合計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
Executive directors:	執行董事：					
Cheong Pin Chuan, Patrick (resigned on 27 November 2015)	鍾斌銓 (於二零一五年十一月二十七日呈辭)	-	2,405	630	-	3,035
Cheong Sim Eng, (resigned on 27 November 2015)	鍾樂榮 (於二零一五年十一月二十七日呈辭)	-	19	630	19	668
Cheong Hooi Kheng (resigned on 27 November 2015)	鍾惠卿 (於二零一五年十一月二十七日呈辭)	-	981	630	17	1,628
Chen Meng (appointed on 6 November 2015)	陳猛 (於二零一五年十一月六日獲委任)	-	458	-	3	461
Mak Tin Sang (appointed on 6 November 2015)	麥天生 (於二零一五年十一月六日獲委任)	-	458	-	3	461
Yuan Li Min, Chief Executive Officer (appointed on 6 November 2015)	原立民，行政總裁 (於二零一五年十一月六日獲委任)	-	1,222	-	3	1,225
		-	5,543	1,890	45	7,478
Non-executive director:	非執行董事：					
Li Feng Mao, Chairman (appointed on 6 November 2015)	李丰茂主席 (於二零一五年十一月六日獲委任)	-	1,528	-	3	1,531
Independent non-executive directors:	獨立非執行董事：					
Chan Yee Hoi, Robert (resigned on 27 November 2015)	陳以海 (於二零一五年十一月二十七日呈辭)	136	-	-	-	136
Leung Wing Ning, Chairman (resigned on 27 November 2015)	梁永寧，主席 (於二零一五年十一月二十七日呈辭)	136	-	-	-	136
Kwik Sam Aik (resigned on 27 November 2015)	郭三溢 (於二零一五年十一月二十七日呈辭)	136	-	-	-	136
Leung Po Hon (appointed on 6 November 2015)	梁寶漢 (於二零一五年十一月六日獲委任)	61	-	-	-	61
Li Jing Bo (appointed on 6 November 2015)	李景波 (於二零一五年十一月六日獲委任)	55	-	-	-	55
Shigeki Tanaka (appointed on 6 November 2015)	田中茂樹 (於二零一五年十一月六日獲委任)	55	-	-	-	55
		579	-	-	-	579
		579	7,071	1,890	48	9,588

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

8. DIRECTORS' EMOLUMENTS (CONTINUED)

During the years ended 31 December 2016 and 2015, no emoluments were paid by the Group to any directors of the Company as an inducement to join or upon joining the Company or as compensation for loss of office. There was no arrangement under which a director has waived or agreed to waive any emoluments during the years ended 31 December 2016 and 2015.

During the year ended 31 December 2015, the directors held share options under the Company's share options scheme. The details of the share options are disclosed under the paragraph "Share Option Scheme" in the Directors' Report and note 23.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2015: two directors), details of whose emoluments are disclosed in note 8. Details of the emoluments for the year of the remaining one (2015: three) highest paid employee is as follows:

8. 董事酬金(續)

於截至二零一六年及二零一五年十二月三十一日止年度，本集團概無向本公司任何董事支付酬金以吸引彼等加盟本公司或作為加入後的獎金或離職補償。於截至二零一六年及二零一五年十二月三十一日止年度，概無訂立安排致使董事放棄或同意放棄任何酬金。

截至二零一五年十二月三十一日止年度，董事持有本公司購股權計劃下之購股權。購股權之詳情於董事會報告之「購股權計劃」一段內及附註23披露。

9. 五名最高薪酬之僱員

於年內五名最高薪酬之僱員，包括四名董事(二零一五年：兩名董事)，其薪酬於附註8中披露。於年內其餘一名(二零一五年：三名)之最高薪酬僱員之酬金詳情如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他薪酬	1,002	7,680
Discretionary bonuses	酌情花紅	–	1,750
Retirement scheme contributions	退休計劃供款	19	50
		1,021	9,480

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

9. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

The number of non-director and non-chief executive highest paid employees whose emoluments fell within the following bands are as follows:

		2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
HK\$1,000,001–HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	–
HK\$2,500,001–HK\$3,000,000	2,500,001 港元至 3,000,000 港元	–	2
HK\$3,500,001–HK\$4,000,000	3,500,001 港元至 4,000,000 港元	–	1
		1	3

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK\$43,947,000 (2015: HK\$26,469,000) and the weighted average number of approximately 2,819,102,000 (2015: 2,665,825,000) ordinary shares in issue during the year.

(b) Diluted loss per share

Diluted loss per share is same as basic loss per share as the Company does not have dilutive potential ordinary shares for the year ended 31 December 2016.

The calculation of diluted loss per share for the year ended 31 December 2015 does not assume the exercise of the Company's outstanding share options as the exercise of the share options would result in a decrease in loss per share.

9. 五名最高薪酬之僱員(續)

酬金在以下範圍之最高薪酬僱員(非董事或非行政總裁)數目如下:

10. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據年內本公司權益持有人應佔虧損43,947,000港元(二零一五年: 26,469,000港元)及年內已發行普通股之加權平均數約2,819,102,000股(二零一五年: 2,665,825,000股)股份計算。

(b) 每股攤薄虧損

截至二零一六年十二月三十一日止年度,本公司之每股攤薄虧損與每股基本虧損相同,因為本公司並無攤薄潛在普通股。

截至二零一五年十二月三十一日止年度每股攤薄虧損之計算並不假設本公司尚未行使購股權獲行使,此乃由於行使購股權將使每股虧損減少。

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

11. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. The Group commenced the graphene manufacturing business during the year ended 31 December 2016 and this was a new operating segment of the Group. The Company's directors are of the opinion that graphene manufacturing business will provide good opportunities for the Group to diversify and enhance the Group's revenue stream. No operating segments have been aggregated to form the following reportable segments.

- Property development: this segment develops and sells the Group's properties.
- Money lending: this segment provides loan financing to corporate entities and individuals.
- Horticultural services: this segment provides horticultural services.
- Graphene manufacturing: this segment manufactures and sells graphene and graphene related products.
- Property management and other related services: this segment mainly provides building management services.
- Securities trading: this segment engages in the trading of securities.

11. 分類申報

本集團按不同分部劃分管理其業務，該等分部乃按業務線(產品和服務)劃分。按照與就資源分配及表現評估向本公司執行董事即主要營運決策者內部呈報資料方式一致之方式，本集團呈列以下呈報分類。截至二零一六年十二月三十一日止年度期間，本集團開始從事石墨稀製造業務，該業務乃本集團新的營運分類。本公司董事認為，石墨稀製造業務將為本集團拓展銷售渠道，使收入來源更多元化提供良機。並無將任何經營分類合計以構成以下之呈報分類。

- 物業發展：該分類發展及銷售本集團物業。
- 借貸業務：該分類向公司實體及個人提供貸款。
- 園藝服務：該分類提供園藝服務。
- 石墨稀製造：該分類生產及售出石墨稀及石墨稀相關產品。
- 物業管理及其他相關服務：該分類主要提供樓宇管理服務。
- 證券交易：該分類從事證券交易。

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財務報表附註

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

11. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and current assets with the exception of available-for-sale financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals and other payables attributable to the activities of the individual segments and managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e., "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including bank interest income and investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as auditor's remuneration and other corporate administration costs.

11. 分類申報(續)

(a) 分類業績、資產及負債

就評估分類表現及於分類間分配資源而言，本公司執行董事按以下基礎監控各報告分類應佔之業績、資產及負債：

分類資產包括所有有形及流動資產，惟可供出售金融資產、遞延稅項資產及其他公司資產除外。分類負債包括個別分類之活動應佔之應付貿易款項、應計費用及其他應付賬項，由各分類直接管理，惟其他公司負債除外。

收益及開支乃經參考該等分類產生之銷售額及開支(該等分類應佔之折舊或攤銷資產產生之開支除外)分配至報告分類。

用於申報分類溢利之方法為「經調整 EBITDA」，即「扣除利息、稅項、折舊及攤銷前之經調整盈利」，其中「利息」包括銀行利息收入及投資收入而「折舊及攤銷」包括非流動資產之減值虧損。為達致經調整 EBITDA，本集團之盈利乃對並非指定屬於個別分類之項目作出進一步調整，如董事及核數師之酬金以及其他公司行政開支。

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財務報表附註

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

11. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (continued)

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter segment sales), interest income from cash balances managed directly by the segments, depreciation and amortisation, material non-cash items and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Company's executive directors for the purposes of resource allocation and assessment of segment performance for the years end 31 December 2016 and 2015 is set out below.

2016

11. 分類申報(續)

(a) 分類業績、資產及負債(續)

除收到有關經調整EBITDA之分類資料外，管理層獲提供有關收益(包括分類間銷售)、分類直接管理之現金結餘之利息收入、分類於彼等營運中使用之折舊及攤銷、重大非現金項目及添置非流動分類資產之分類資料。分類間銷售乃經參考外部人士就類似訂單所定之價格而定價。

就截至二零一六年及二零一五年十二月三十一日止年度之資源分配及評估分類表現向本公司執行董事提供有關本集團報告分類之資料載於下文。

二零一六年

		Property development	Money lending	Horticultural services	Graphene manufacturing	Property management and other related services	Securities trading	Total
		物業發展	借貸業務	園藝服務	石墨烯生產	物業管理及其他相關服務	證券交易	總計
		2016	2016	2016	2016	2016	2016	2016
		二零一六年	二零一六年	二零一六年	二零一六年	二零一六年	二零一六年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	來自對外客戶之收益	-	491	4,830	-	121	-	5,442
Inter-segment revenue	分類間收益	-	-	80	-	-	-	80
Reportable segment revenue	報告分類收益	-	491	4,910	-	121	-	5,522
Reportable segment (loss)/profit (adjusted EBITDA)	報告分類(虧損)/溢利(經調整EBITDA)	(23,526)	491	(2,025)	(5,581)	95	48	(30,498)
Reportable segment assets	報告分類資產	251,554	2,344	2,296	49,548	873	581	307,196
Reportable segment liabilities	報告分類負債	5,163	-	197	1,059	27	-	6,446

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11. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (continued)

2015

		Property development	Money lending	Horticultural services	Property management and other related services	Securities trading	Total
		物業發展	借貸業務	園藝服務	物業管理及 其他相關服務	證券交易	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	來自對外客戶之收益	7,100	81	4,854	175	-	12,210
Inter-segment revenue	分類間收益	-	-	23	-	-	23
Reportable segment revenue	報告分類收益	7,100	81	4,877	175	-	12,233
Reportable segment (loss)/ profit (adjusted EBITDA)	報告分類(虧損)/溢利 (經調整EBITDA)	(18,982)	81	353	105	(73)	(18,516)
Reportable segment assets	報告分類資產	249,423	22,081	1,458	961	575	274,498
Reportable segment liabilities	報告分類負債	4,100	-	236	18	-	4,354

For the year ended 31 December 2016, revenue of approximately HK\$926,000 was derived from a single external customer who contributed 10% or more of the total revenue of the Group. This revenue was attributable to the horticultural services segment.

For the year ended 31 December 2015, revenue of approximately HK\$7,100,000 was derived from a single external customer who contributed 10% or more of the total revenue of the Group. This revenue was attributable to the property development segment.

11. 分類申報(續)

(a) 分類業績、資產及負債(續)

二零一五年

截至二零一六年十二月三十一日止年度，由單一對外客戶產生收益約926,000港元。該客戶的貢獻本集團總收益10%或以上。該收益歸屬園藝服務分類。

截至二零一五年十二月三十一日止年度，由單一對外客戶產生收益約7,100,000港元。該客戶的貢獻本集團總收益10%或以上。該收益歸屬物業發展分類。

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

11. SEGMENT REPORTING (CONTINUED)

11. 分類申報(續)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

(b) 報告分類收益與損益、資產及負債之對賬

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益		
Reportable segment revenue	報告分類收益	5,522	12,233
Elimination of inter-segment revenue	抵銷分類間收益	(80)	(23)
Consolidated revenue	綜合收益	5,442	12,210
Profit or loss	損益		
Reportable segment loss	報告分類虧損	(30,498)	(18,516)
Elimination of inter-segment profit	抵銷分類間溢利	(80)	(23)
Reportable segment loss derived from the Group's external customers	來自本集團對外客戶之報告分類虧損	(30,578)	(18,539)
Other revenue and net income	其他收益及收入淨額	5,299	641
Gain on disposal of a subsidiary	出售一間附屬公司的收益	-	126
Depreciation and amortisation	折舊及攤銷	(1,176)	(146)
Finance costs	融資成本	(1,068)	-
Unallocated corporate expenses	未分配公司開支	(16,424)	(8,551)
Consolidated loss before taxation	除稅前綜合虧損	(43,947)	(26,469)

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

11. SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

11. 分類申報(續)

(b) 報告分類收益與損益、資產及負債之對賬(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Assets	資產		
Reportable segment assets	報告分類資產	307,196	274,498
Available-for-sale financial assets	可供出售金融資產	–	6,500
Unallocated corporate assets	未分配公司資產		
– Restricted bank deposits	– 受限制銀行存款	8,120	–
– cash and cash equivalents	– 現金及現金等價物	47,145	7,653
– other assets	– 其他資產	6,290	5,103
Consolidated total assets	綜合資產總額	368,751	293,754
Liabilities	負債		
Reportable segment liabilities	報告分類負債	6,446	4,354
Unallocated corporate liabilities	未分配公司債券		
– Bank loan	– 銀行貸款	120,000	–
– Other liabilities	– 其他負債	10,752	1,114
Consolidated total liabilities	綜合負債總額	137,198	5,468

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

11. SEGMENT REPORTING (CONTINUED)

(c) Other segment information

2016

	Property development	Money lending	Horticultural services	Graphene manufacturing	Property management and other related services	Securities trading	Unallocated	Total
	物業發展	借貸業務	園藝服務	石墨烯生產	物業管理及其他相關服務	證券交易	未分配	總計
	2016	2016	2016	2016	2016	2016	2016	2016
	二零一六年	二零一六年	二零一六年	二零一六年	二零一六年	二零一六年	二零一六年	二零一六年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Interest income	-	-	-	-	-	-	1	1
Interest expense	-	-	-	-	-	-	(1,068)	(1,068)
Rental income from operating leases	6,953	-	-	-	-	-	-	6,953
Depreciation and amortisation	-	-	-	(122)	-	-	(1,054)	(1,176)
Income tax expense	-	-	-	-	-	-	-	-
Gain on disposal of a subsidiary	-	-	-	-	-	-	-	-
Additions to non-current segment assets during the year	-	-	-	3,075	-	-	718	3,793

2015

	Property development	Money lending	Horticultural services	Graphene manufacturing	Property management and other related services	Securities trading	Unallocated	Total
	物業發展	借貸業務	園藝服務	石墨烯生產	物業管理及其他相關服務	證券交易	未分配	總計
	2015	2015	2015	2015	2015	2015	2015	2015
	二零一五年	二零一五年	二零一五年	二零一五年	二零一五年	二零一五年	二零一五年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Interest income	-	-	-	-	-	-	61	61
Interest expense	-	-	-	-	-	-	-	-
Rental income from operating leases	6,395	-	-	-	-	-	-	6,395
Depreciation and amortisation	-	-	(4)	-	(15)	-	(127)	(146)
Income tax expense	-	-	-	-	-	-	-	-
Gain on disposal of a subsidiary	-	-	-	-	-	-	126	126
Additions to non-current segment assets during the year	-	-	-	-	-	-	3,880	3,880

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

11. SEGMENT REPORTING (CONTINUED)

(d) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

11. 分類申報(續)

(d) 地區資料

下表載列有關(i)本集團來自對外客戶之收益；及(ii)本集團物業、廠房及設備(「指定非流動資產」)之地區資料客戶的地區乃以提供服務或交付貨品的所在地為基準。指定非流動資產的地區乃以資產的實際地點為基準。

		Revenue from external customers 來自對外客戶之收益		Specified non-current assets 指定非流動資產	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong (place of domicile)	香港 (註冊所在地)	5,442	12,210	4,000	4,335
Japan	日本	–	–	2,630	–
		5,442	12,210	6,630	4,335

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Interests in leasehold land held for own use under finance leases	Buildings held for own use carried at fair value	Furniture and equipment	Motor Vehicles	Total
		於根據融資 租約持作自 用租賃土地 之權益 HK\$'000 千港元	以公平值 列賬之持作 自用樓宇 HK\$'000 千港元	傢俬及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	總計 HK\$'000 千港元
Cost or valuation:	成本或估值：					
At 1 January 2015	於二零一五年一月一日	970	110	3,208	565	4,853
Additions	添置	-	-	2,348	1,532	3,880
Disposals	出售	-	-	(2,965)	-	(2,965)
Disposal of a subsidiary	出售一間附屬公司	(370)	(40)	-	-	(410)
Surplus on revaluation	重估盈餘	-	32	-	-	32
Less: elimination of accumulated depreciation	減：累積折舊對銷	-	(3)	-	-	(3)
At 31 December 2015	於二零一五年 十二月三十一日	600	99	2,591	2,097	5,387
Representing:	相當於：					
Cost	成本	600	-	2,591	2,097	5,288
Valuation - 2015	估值 - 二零一五年	-	99	-	-	99
		600	99	2,591	2,097	5,387
At 1 January 2016	於二零一六年一月一日	600	99	2,591	2,097	5,387
Additions	添置	-	-	718	3,075	3,793
Disposals	出售	-	-	-	(260)	(260)
Surplus on revaluation	重估盈餘	-	1	-	-	1
Exchange alignment	匯兌調整	-	-	-	(324)	(324)
Less: elimination of accumulated depreciation	減：累積折舊對銷	-	(3)	-	-	(3)
At 31 December 2016	於二零一六年 十二月三十一日	600	97	3,309	4,588	8,594
Representing:	相當於：					
Cost	成本	600	-	3,309	4,588	8,497
Valuation - 2016	估值 - 二零一六年	-	97	-	-	97
		600	97	3,309	4,588	8,594

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12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

12. 物業、廠房及設備(續)

		Interests in leasehold land held for own use under finance leases	Buildings held for own use carried at fair value	Furniture and equipment	Motor Vehicles	Total
		於根據融資 租約持作自 用租賃土地 之權益	以公平值 列賬之持作 自用樓宇	傢俬及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Accumulated amortisation and depreciation:	累計攤銷及折舊：					
At 1 January 2015	於二零一五年一月一日	262	-	3,081	565	3,908
Charge for the year	本年度支出	21	5	120	-	146
Written back on disposals	出售後撥回	-	-	(2,957)	-	(2,957)
Written back on disposal of a subsidiary	出售一間附屬公司後撥回	(40)	(2)	-	-	(42)
Elimination on revaluation	重估時對銷	-	(3)	-	-	(3)
At 31 December 2015	於二零一五年 十二月三十一日	243	-	244	565	1,052
At 1 January 2016	於二零一六年一月一日	243	-	244	565	1,052
Charge for the year	本年度支出	12	3	732	429	1,176
Written back on disposals	出售後撥回	-	-	-	(260)	(260)
Exchange alignment	匯兌調整	-	-	-	(1)	(1)
Elimination on revaluation	重估時對銷	-	(3)	-	-	(3)
At 31 December 2016	於二零一六年 十二月三十一日	255	-	976	733	1,964
Carrying amount:	賬面淨值：					
At 31 December 2016	於二零一六年 十二月三十一日	345	97	2,333	3,855	6,630
At 31 December 2015	於二零一五年 十二月三十一日	357	99	2,347	1,532	4,335

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財務報表附註

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12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2016, the leasehold land of HK\$345,000 and buildings of HK\$97,000 were pledged for the bank facilities granted to the Group, details of which are set out in note 21 to the financial statements.

The revaluation surplus of HK\$1,000 (2015: HK\$32,000) has been recognised in the consolidated statement of profit or loss to reverse a revaluation deficit of the same asset previously recognised in profit in profit or loss. Had these buildings held for own use been carried at cost less accumulated depreciation, the carrying amounts would have been HK\$356,000 (2015: HK\$375,000).

Revaluation of buildings held for own use

As at 31 December 2016 and 2015, buildings were revalued based on net replacement cost by an independent valuer. The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

12. 物業、廠房及設備(續)

於二零一六年十二月三十一日，租賃土地及樓宇分別345,000港元及97,000港元已就本集團獲授的銀行融資作出抵押，詳情載於財務報表附註21。

重估盈餘1,000港元(二零一五年：32,000港元)已於綜合損益表確認藉此撥回早前在損益中確認同樣資產的重估虧損。倘該等持作自用樓宇按成本減累計折舊列賬，其賬面值將為356,000港元(二零一五年：375,000港元)。

持作自用樓宇之重估

於二零一六年及二零一五年十二月三十一日，樓宇根據由一名獨立估值師之淨重置成本法進行重新估值。下表呈列於報告期末按經常性基準計量的本集團物業公平值，並按香港財務報告準則第13號公平值計量所界定的公平值等級制度分類為三個等級。公平值計量是參考估值方法所使用輸入數據的可觀察性及重要性而分類及釐定其級別，並列如下：

- 第1級估值：僅使用第1級輸入數據，即於計量日期相同資產或負債在活躍市場之未經調整報價計量之公平值
- 第2級估值：使用第2級輸入數據，即未滿足第1級之可觀察輸入數據，而不使用重要的不可觀察輸入數據計量之公平值。不可觀察輸入數據為不可獲得之市場數據之輸入數據
- 第3級估值：使用重要不可觀察輸入數據計量之公平值

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12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Revaluation of buildings held for own use (continued)

(a) Fair value hierarchy

		Fair value measurements categorised into 下列分類之公平值計量		
		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元
Recurring fair value measurement	經常性公平值計量			
Buildings held for own use:	持作自用樓宇:			
- Industrial — Hong Kong	- 工業 — 香港			
As at 31 December 2016	於二零一六年十二月三十一日	-	-	97
As at 31 December 2015	於二零一五年十二月三十一日	-	-	99

During the year ended 31 December 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2015: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer.

於截至二零一六年十二月三十一日止年度，第1級及第2級之間並無轉撥，亦概無轉入或轉出第3級(二零一五年：無)。本集團政策旨在確認於引致轉撥事件或情況發生變動之日期公平值各等級間之轉撥。

12. 物業、廠房及設備(續)

持作自用樓宇之重估(續)

(a) 公平值等級

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12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Revaluation of buildings held for own use (continued)

(b) Movements during the year in the balance of these Level 3 fair value measurement

		Buildings held for own use in Hong Kong 持作自用樓宇 – 香港	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	99	110
Depreciation charge for the year	年度折舊費用	(3)	(5)
Surplus on revaluation	重估盈餘	1	32
Disposal of a subsidiary	出售一間附屬公司	–	(38)
At 31 December	於十二月三十一日	97	99

Revaluation surplus of HK\$1,000 (2015: HK\$32,000) was included in the line item of "other net income" in the consolidated statement of profit or loss to reverse a revaluation deficit of the same asset previously recognised in profit or loss.

(c) Valuation processes of the Group

The Group's buildings were revalued at 31 December 2016 and 2015 by DTZ Cushman & Wakefield Limited ("DTZ"). DTZ is an independent firm of chartered surveyors and has among its staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. For the buildings, their current use equates to the highest and best use.

The Group's finance department considers and discusses the valuations performed by the independent valuer for financial reporting purposes, including all key inputs to the valuations and property valuations movements as compared to the prior year valuation report.

12. 物業、廠房及設備(續)

持作自用樓宇之重估(續)

(b) 年內該等第3級公平值計量結餘變動

1,000港元(二零一五年: 32,000港元)的重估盈餘已計入綜合損益表中的「其他收入淨額」,以抵銷先前同一資產已計入損益表的重估虧絀。

(c) 本集團估值流程

本集團樓宇於二零一六年及二零一五年十二月三十一日分別由獨立估值師戴德梁行(「戴德梁行」),戴德梁行乃特許測量師之獨立公司並為香港測量師公會成員,於估物業之定位及分類方面具有經驗。就樓宇而言其現時使用為最高及最佳使用。

本集團財務部專責就財務報告目的對獨立估值師的估值進行考慮及討論,包括對獨立估值報告的所有主要輸入數據及物業估值與上年度比較下的變動。

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12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Revaluation of buildings held for own use (continued)

(d) Valuation techniques

The valuation was determined based on the net replacement cost with reference to the current cost of replacing an asset with its modern equivalent asset with deductions of physical deterioration, relevant forms of obsolescence and age of asset. These inputs include:

Cost of construction

Cost per square feet to completion was estimated based on the type of building structure and taking into account market data on current construction costs for similar properties.

Estimated depreciation

Deducting all sources of depreciation by straight-line method over the estimated useful life, including physical deterioration and functional and economic obsolescence and adjusting by the physical condition of the building.

There were no changes to the valuation techniques during the year.

(e) Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Valuation technique	Unobservable input	Relationship of unobservable inputs to fair value
描述	估值技術	不可觀察輸入數據	不可觀察輸入數據對公平值的關係
Buildings	Based on net replacement cost	Cost of construction of HK\$1,036 (2015: HK\$938) per square feet	The higher the estimated cost per square feet to completion, the higher the fair value
樓宇	基於折舊重置成本	建設成本為每平方呎 1,036 港元 (二零一五年：938 港元)	每平方呎落成估計成本越高，公平值越高
		Estimated depreciation over the useful life of 58 years (2015: 58 years) 按可使用年期的五十八年 (二零一五年：五十八年) 估計折舊	The higher the estimated depreciation, the lower the fair value 估計折舊越高，公平值越低

12. 物業、廠房及設備(續)

持作自用樓宇之重估(續)

(d) 估值技術

估值經參考重置一項資產之以現代之等價資產置換資產之目前成本，減實際損耗及所有相關形式之陳舊及資產年齡基於淨重置成本釐定。該等輸入數據包括：

建築成本

估值師按類似用途的建築物結構類別及計及現時建築成本的市場數據。而估計的每平方米落成成本。

估計折舊

估計折舊應用直線法將樓宇在預計可使用年期內扣減各來源的折舊，包括自然損耗和功能性及經濟上的損耗，並按樓宇實際狀況而作出調整。

年內估值技術並無變動。

(e) 有關公平值計量中使用重大不可觀察輸入數據(第3級)之資料

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13. SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinions of the directors, result in particulars of excessive length.

13. 附屬公司

下表僅提供主要影響本集團業績、資產或負債之附屬公司之資料。若列示其他附屬公司之詳情，董事認為會令有關資料過於冗長。

Name of company 公司名稱	Place of incorporation and operation 註冊成立及營業地點	Particulars of issued and paid-up capital 已發行及繳足股本詳情	Proportion of ownership interests held by the Company 本公司所持擁有權權益比例		Principal activity 主要業務
			Direct 直接	Indirect 間接	
Century Elegant Limited 進加有限公司	Hong Kong 香港	1 ordinary share 1股普通股	–	100%	Provision of property management services 提供物業管理服務
Cheung Kee Garden Limited 張記花園有限公司	Hong Kong 香港	100 ordinary shares and 450,000 non-voting deferred shares 100股普通股及450,000股無投票權遞延股	–	100%	Investment holding and provision of horticultural services 投資控股及提供園藝服務
Donwin Property Limited 棟榮置業有限公司	Hong Kong 香港	2 ordinary shares 2股普通股	–	100%	Property holding 物業持有
Fort Property Management Limited 堡壘物業管理有限公司	Hong Kong 香港	2 ordinary shares 2股普通股	–	100%	Provision of management services 提供管理服務
Sui Chong Finance Limited 瑞昌財務有限公司	Hong Kong 香港	2 ordinary shares 2股普通股	–	100%	Provision of financing and management services, money lending and trading of securities 提供融資及管理服務、借貸業務及證券交易
Sui Chong International Resources Limited 瑞昌國際資源有限公司	Hong Kong 香港	1,000 ordinary shares 1,000股普通股	–	100%	Provision of property management and project management services 提供物業管理及項目管理服務
Super Homes Limited	Hong Kong 香港	100 ordinary shares and 100 non-voting deferred shares 100股普通股及100股無投票權遞延股	–	100%	Property development 物業發展

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13. SUBSIDIARIES (CONTINUED)

13. 附屬公司(續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及營業地點	Particulars of issued and paid-up capital 已發行及繳足股本詳情	Proportion of ownership interests held by the Company 本公司所持擁有權益比例		Principal activity 主要業務
			Direct 直接	Indirect 間接	
China Graphene Holdings Limited (formerly known as Winfoong Assets Limited) 前稱 Winfoong Assets Limited	British Virgin Islands 英屬處女群島	100 ordinary shares of US\$1 each 每股面值1美元之100股普通股	100%	–	Investment Holding 投資控股
WI Capital Co., Limited ("WI Capital")	Japan 日本	Japanese Yen 800 million 800,000,000日圓	–	100%	Investment Holding 投資控股
WI Graphene Co., Limited ("WI Graphene")	Japan 日本	Japanese Yen 380 million 380,000,000日圓	–	100%	Manufacturing and sale of graphene and graphene related products 生產及銷售石墨烯及石墨烯相關產品

On 15 September 2016, the Group entered into a shareholder agreement (the "Shareholder Agreement") with Graphene Platform Corporation ("GP") pursuant to which both parties agreed to form a joint venture for manufacturing of graphene and related products in Japan. The joint venture namely WI Graphene Co., Limited was formed on 24 October 2016. According to the Shareholder Agreement, the Group and GP shall own 80% and 20% equity interest of WI Graphene respectively and the Group shall make its capital contribution by cash and GP shall make its capital contribution by way of granting WI Graphene the right of using certain patents. Given that the Group is able to control the joint venture, the joint venture has been classified as a subsidiary of the Group. As at 31 December 2016, the Group has paid its capital contribution of Japanese Yen 380 million in cash which represented the entire 100% paid up and issued capital of WI Graphene. On 13 January 2017, WI Graphene and GP signed a license agreement pursuant to which GP granted WI Graphene the right for using of certain patents. Up to the date of approval of these financial statements, the procedures for allotment of shares to GP according to the Japanese Companies Act are still in progress i.e., preparing and filing the valuation report of the right of using the patents to Legal Affairs Bureau in Japan. Upon completion of the procedures, WI Graphene would allot new shares to GP and GP would own 20% equity interest of WI Graphene.

於二零一六年九月十五日，本集團與 Graphene Platform Corporation (「GP」) 訂立股東協議(「股東協議」)，據此，訂約雙方同意成立於日本製造石墨烯及相關產品的合營企業。合營企業(即WI Graphene Co., Limited)於二零一六年十月二十四日成立。根據股東協議，本集團及GP將分別擁有WI Graphene之80%及20%股權，及本集團將以現金注資及GP將通過向WI Graphene授出若干專利使用權之方式注資。考慮到本集團能控制合營企業，合營企業分類為本集團附屬公司。於二零一六年十二月三十一日，本集團已以現金繳付其注資(380,000,000日圓)，相當於WI Graphene全部100%已繳足已發行股本。於二零一七年一月十三日，WI Graphene與GP簽立特許協議，據此GP向WI Graphene授出若干專利使用權。截至該等財務報表批准日期，向GP配發股份之程序根據日本公司法仍在進行中(即編製並向日本法務局呈上應用若干專利的權利的估值報告予以備案)。完成有關程序後，WI Graphene將配發新股份及GP將擁有WI Graphene之20%股權。

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14. AVAILABLE-FOR-SALE FINANCIAL ASSETS 14. 可供出售金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted debt securities at fair value	按公平值未上市債務證券	–	6,500

15. TRADING SECURITIES 15. 交易證券

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Listed equity securities at fair value – in Hong Kong	上市股本證券(按公平值) – 香港	581	548

16. INVENTORIES 16. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Horticultural plants	園藝植物	431	448
Completed properties held for sale	持作出售完工物業	248,319	244,363
		248,750	244,811

The analysis of the amount of inventories recognised as an expense is as follows:

確認為開支之存貨金額分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Completed properties held for sale	持作出售完工物業	–	4,811
Horticultural plants	園藝植物	894	800
		894	5,611

As at 31 December 2016, the completed properties held for sale of HK\$248,319,000 were pledged for banking facilities granted to the Group, details of which are set out in note 21 of the financial statements.

於二零一六年十二月三十一日，持作出售已
完成物業248,319,000港元抵押作本集團獲
授之銀行融資之擔保，有關詳情載於財務報
表附註21。

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財務報表附註

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

Balance due within one year	一年內到期賬項
-----------------------------	---------

Loan receivables as at 31 December 2016 represents receivables arising from money lending business of the Group, and bear interests at the rate of 6.0% per annum.

Loan receivable as at 31 December 2015 represents receivable arising from money lending business of the Group, and bears interests at the rate of 4.7% per annum and is fully secured by a personal guarantee of an independent third party.

The grant of the loans were approved and monitored by the Group's management. No provision for impairment on loan receivables was made as at 31 December 2016 and 2015.

An aged analysis of the loan receivables as at the end of the reporting period, based on the payment due date, is as follows:

Neither past due nor impaired	並無逾期或減值
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Loan receivables that were neither past due nor impaired relate to debtors for whom there was no recent history of default.

17. 應收貸款賬款

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
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2,344	22,081
-------	--------

於二零一六年十二月三十一日之應收貸款指本集團借貸業務產生之應收款項，按年利率6.0%計息。

於二零一五年十二月三十一日之應收貸款指自本集團借貸業務產生的應收款項，按4.7%的年利率計息及由獨立第三方提供完整的個人擔保進行抵押。

該貸款乃經本集團管理層批准及監察授出。於二零一六年及二零一五年十二月三十一日，概無為應收貸款作減值撥備。

於報告期末按付款到期日的應收貸款的賬齡分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
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2,344	22,081
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並無逾期或減值之應收貸款與近期並無拖欠紀錄之債務人有關。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元計值)

18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收賬項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade debtors	應收貿易賬款	1,064	749
Escrow money receivable (note ii)	應收託管金(附註ii)	20,351	-
Other debtors	其他應收賬項	1,246	1,016
Loans and receivables	貸款及應收賬項	22,661	1,765
Rental and other deposits	租金及其他按金	1,499	1,433
Prepayments	預付款項	2,579	1,263
		26,739	4,461

(i) All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

(ii) Escrow money receivable

On 19 September 2016, WI Capital entered into an escrow agreement with GP pursuant to which WI Capital paid escrow money of Japanese Yen 300 million (equivalent to HK\$20,351,000) to an escrow agent for intention of purchasing of a production line from GP by WI Graphene. On 13 January 2017, WI Graphene entered into an agreement with GP to purchase the production line at Japanese Yen 700 million (equivalent to HK\$ 47,500,000). Pursuant to the escrow agreement, the escrow money shall be released accordingly upon the signing of purchase agreement. As mentioned in note 13 to the financial statements, GP already granted the right of using the patents on 13 January 2017 to WI Graphene but the allotment of new shares by WI Graphene to GP is still in progress, to safeguard GP's interest, the Group therefore agreed to extend the release of escrow money to a later day until the completion of valuation of the right of using the patents and submission of the valuation report to the Legal Affairs Bureau in Japan for share allotment purpose.

(i) 所有貿易及其他應收賬項，預計將於一年內收回或確認為開支。

(ii) 應收託管金

於二零一六年九月十九日，WI Capital與GP訂立託管協議，據此WI Capital就WI Graphene擬向GP購買一條生產線而向一名託管代理支付託管金300,000,000日元(相當於20,351,000港元)。於二零一七年一月十三日，WI Graphene與GP訂立協議，以按700,000,000日元(相當於47,500,000港元)購買生產線。根據託管協議，簽署買賣協議後，託管金將據此解除。如財務報表附註13所述，GP已於二零一七年一月十三日向WI Graphene授出使用專利的權利，惟WI Graphene向GP配發新股份仍在進行中，為了確保GP的利益，本公司因而同意將託管金之解除延至較後日期，有關日期為完成對專利之估值及就配發股份向日本法務局提交估值報告後。

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis

Included in trade and other receivables are trade debtors with the following ageing analysis based on the invoice date, as of the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 month	一個月以下	482	619
After 1 month but within 3 months	一至三個月	348	123
Over 3 months	超過三個月	234	7
		1,064	749

The Group's credit policy is set out in note 26(a) to the financial statements.

(b) Impairment of trade debtors

During the years ended 31 December 2016 and 2015, there was no impairment loss made against the trade receivables.

18. 貿易及其他應收賬項(續)

(a) 賬齡分析

於貿易及其他應收賬項內，應收貿易賬項，基於發票日期於報告期末之賬齡分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 month	482	619
After 1 month but within 3 months	348	123
Over 3 months	234	7
	1,064	749

本集團之信貸政策載於財務報表附註26(a)。

(b) 應收貿易賬項之減值

截至二零一六年及二零一五年十二月三十一日止年度，並無產生應收貿易賬項減值虧損。

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Trade debtors that are not impaired

The ageing analysis of the trade debtors that are neither individually nor collectively considered to be impaired, based on due date, are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦未減值	482	619
Less than 1 month past due	既未逾期亦未減值	252	101
More than 1 month past due	已逾期多於一個月	330	29
		582	130
		1,064	749

Receivables that were neither past due nor impaired relate to a number of independent customers for whom there was no recent history of default.

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, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

18. 貿易及其他應收賬項 (續)

(c) 未予減值之應收貿易賬項

個別或共同認為不予減值之應收貿易賬項基於到期日而言之賬齡分析如下：

既未逾期亦未減值之應收賬項乃涉及若干近期並無拖欠記錄之獨立客戶。

已逾期但未予減值之應收賬項乃涉及若干與本集團有良好往績記錄之獨立客戶。基於以往經驗，管理層認為，由於信貸質素並無出現重大變動及有關結餘仍認為可全數收回，故毋須就該等結餘作出減值撥備。

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

19. 現金及現金等價物

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits with banks and other financial institutions	存放於銀行及其他金融機構之存款	83,702	10,991
Cash on hand	手頭之現金	5	27
		83,707	11,018
Less: Restricted bank deposits (note 21)	扣減：受限制銀行存款(附註21)	(8,120)	-
Cash and cash equivalents in the consolidated statements of financial position and cash flows	綜合財務狀況及現金流量表之現金及現金等價物	75,587	11,018

At 31 December 2016, bank balances carried interest at market rates which range from 0% to 0.01% (2015: range from 0% to 0.02%) per annum.

於二零一六年十二月三十一日之銀行結餘按每年介乎0%至0.01%(二零一五年：介乎0%至0.02%)之市場利率計算。

As at 31 December 2016, the bank deposits of HK\$8,120,000 were pledged for bank loan, details of which are set out in note 21 to the financial statements.

於二零一六年十二月三十一日，8,120,000港元的銀行存款已就銀行貸款作抵押，詳情載於財務報表附註21。

20. TRADE AND OTHER PAYABLES

20. 貿易及其他應付賬項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade creditors	應付貿易賬項	605	317
Other payables and accrued charges	其他應付賬項及應計開支	7,321	4,977
Amount due to a director (note 28(c))	應付一名董事款項(附註28(c))	9,150	-
Financial liabilities measured at amortised cost	按攤銷成本列賬之金融負債	17,076	5,294
Receipt-in-advance	預取收益	122	174
		17,198	5,468

All of the trade and other payables, apart from the retentions payable, are expected to be settled within one year or are repayable on demand.

除應付保留款項外，所有貿易及其他應付賬項預計於一年內支付或按要求償還。

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20. TRADE AND OTHER PAYABLES (CONTINUED)

As at the end of the reporting period, the ageing analysis of the trade creditors based on the date of receipt of goods/ services is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 month	一個月以下	605	10
After 1 month but within 3 months	一個月後但不超過三個月	–	150
Over 6 months	超過六個月	–	157
		605	317

20. 貿易及其他應付賬項(續)

於報告期末，應付貿易賬項基於收取貨品／服務日期之賬齡分析如下：

21. BANK LOAN

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank loan, secured	銀行貸款，有抵押	120,000	–

The bank loan is classified as current liabilities as it contains a repayment on demand clause. According to the repayment schedule, the bank loan is repayable as follow:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 year	在一年內	–	–
After 1 year but within 2 years	一年後但兩年內	120,000	–
		120,000	–

21. 銀行貸款

由於銀行貸款載有償還要求條款，故分類為流動負債。根據償還時間表，銀行借貸將按以下期間償還：

During the year ended 31 December 2016, the Group obtained the bank loan from a bank and the Group was able to meet all the financial covenants under the banking facilities.

The bank loan is carried at amortised cost and at the interest rate of 2% per annum over one-month HIBOR or 2% per annum below HKD Prime Rate, whichever is lower.

截至二零一六年十二月三十一日止年度，本集團自一間銀行取得銀行貸款及本集團能夠達成銀行信貸下所有財務契約。

銀行貸款按攤銷成本列賬及按一個月香港銀行同業拆息加2%之年利率或港元最優利率減2%之年利率(以較低者為準)計息。

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21. BANK LOAN (CONTINUED)

As at 31 December 2016, the bank loan is secured by (i) the Group's completed properties held for sale of HK\$248,319,000 as disclosed in note 16 to the financial statements, (ii) the land and buildings of HK\$442,000 as disclosed in note 12 to the financial statements, (iii) assignment of rental income from completed properties held for sale and (iv) bank deposits of HK\$8,120,000 as disclosed in note 19 to the financial statements.

22. DEFERRED TAXATION

(a) Deferred tax liabilities not recognised:

The Group had no material unprovided deferred tax liabilities as at 31 December 2016 and 2015.

(b) Deferred tax assets not recognised

At 31 December 2016, the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$385,579,000 (2015: HK\$344,296,000) as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant taxation authority and the relevant entity. The tax losses of HK\$379,876,000 (2015: HK\$344,296,000) that are available for offsetting against future profits do not expire under current tax legislation. The tax loss of HK\$5,703,000 (2015: HK\$ Nil) attributable to the continuing operations in Japan are available for offsetting against future profits that may be carried forward for nine years for Japan income tax purpose.

23. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 25 June 2013 whereby the directors of the Company are authorised, at their discretion, to invite eligible participants including the directors or any employee (whether full time or part time) of the Group or an affiliate and any consultant, agent, or advisor of the Group or an affiliate, to take up options at \$1 consideration for each acceptance. The options vest from the date of grant and are then exercisable within a period of ten years. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

21. 銀行貸款(續)

於二零一六年十二月三十一日，銀行貸款由下列各項作抵押(i)財務報表附註16所披露持作出售之本集團已完成物業248,319,000港元，(ii)財務報表附註12所披露土地及樓宇442,000港元，(iii)轉讓持作出售已完成物業的租賃收入及(iv)銀行存款8,120,000港元(如財務報表附錄19所披露)。

22. 遞延稅項

(a) 未經確認之遞延稅項負債：

本集團於二零一六年及二零一五年十二月三十一日概無任何未作撥備的重大遞延稅項負債。

(b) 未經確認之遞延稅項資產

於二零一六年十二月三十一日，本集團並無就385,579,000港元(二零一五年：344,296,000港元)之累計稅項虧損確認遞延稅項資產，因為有關之稅務機構及相關實體不大可能產生未來應課稅溢利以作稅項虧損抵銷之用。根據現行稅務法規，該等可用作抵銷將來溢利的稅項虧損379,876,000港元(二零一五年：344,296,000港元)並未到期。用作抵銷將來溢利的應佔日本持續經營業務的稅項虧損5,703,000港元(二零一五年：零港元)，可就日本利得稅結轉9年。

23. 以股份為基礎之權益結算交易

本公司於二零一三年六月二十五日採納一項購股權計劃，據此，本公司董事獲授權酌情邀請合資格參與者，包括本集團或附屬公司董事或任何僱員(無論全職或兼職)以及本集團或附屬公司任何諮詢機構、代理人或顧問以1元之代價認購購股權。購股權於授出日期歸屬並於十年內期間可行使。每份購股權賦予持有人權利認購本公司一份普通股並全數以股份按總額結算。

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23. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) The terms and conditions of the grants are as follows:

	Number of instruments 工具數目	Vesting conditions 歸屬條件	Contractual life of options 購股權合約期限
Options granted to directors: 授予董事之購股權：			
- on 18 December 2013 - 於二零一三年十二月十八日	80,100,000	Immediate vest 立即歸屬	10 years 十年
Options granted to eligible employees: 授予合資格員工之購股權：			
- on 18 December 2013 - 於二零一三年十二月十八日	108,300,000	Immediate vest 立即歸屬	10 years 十年
Total share options granted 授出購股權總數	188,400,000		

23. 以股份為基礎之權益結算交易 (續)

(a) 授出條款及條件如下：

(b) The number and weighted average exercise prices of share options are as follows:

(b) 購股權數目及加權平均行使價如下：

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price 加權平均行使價 HK\$'000 千港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均行使價 HK\$'000 千港元	Number of options 購股權數目 '000 千份
Outstanding at the beginning of the year	年初尚未行使	-	-	0.1168	183,300
Exercised during the year	年內已行使	-	-	0.1168	(183,300)
Outstanding at the end of the year	年終尚未行使	-	-	-	-
Exercisable at the end of the year	年終可行使	-	-	-	-

The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2015 was HK\$0.5020.

於截至二零一五年十二月三十一日止年度，於行使已行使購股權日期之加權平均股價0.5020港元。

There were no options outstanding at 31 December 2016 and 2015.

於二零一六年及二零一五年十二月三十一日，概無尚未行使購股權。

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24. SHARE CAPITAL

24. 股本

		2016 二零一六年		2015 二零一五年	
		Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.05 each	每股面值0.05港元之 普通股				
At 1 January	於一月一日	3,000,000	150,000	3,000,000	150,000
Increase on 27 May 2016 (note i)	於二零一六年 五月二十七日 增加(附註i)	17,000,000	850,000	-	-
At 31 December	於十二月三十一日	20,000,000	1,000,000	3,000,000	150,000
Ordinary shares, issued and fully paid:	普通股，已發行及 繳足：				
At 1 January	於一月一日	2,819,102	140,955	2,635,802	131,790
Share issued under share option scheme (note ii)	購股權計劃下之 已發行股份 (附註ii)	-	-	183,300	9,165
At 31 December	於十二月三十一日	2,819,102	140,955	2,819,102	140,955

Note:

- (i) On 27 May 2016, the Company passed an ordinary resolution pursuant to which the authorised share capital of the Company was increased by HK\$850,000,000 by the creation of 17,000,000,000 shares of par value of HK\$0.05 each.
- (ii) During the year ended 31 December 2015, the Company issued 183,300,000 ordinary shares at a price of HK\$0.1168 per share upon the exercise of share options.

附註：

- (i) 於二零一六年五月二十七日，本公司通過一項普通決議案，據此，本公司通過增設每股面值0.05港元的17,000,000,000股股份，將法定股本增加850,000,000港元。
- (ii) 於二零一五年十二月三十一日止年度期間，本公司行使購股權，並已發行普通股183,300,000股，每股股價0.1168港元。

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權獲派不時宣派之股息，且在本公司會議上每股可獲一票投票權。所有普通股對本公司之剩餘資產享有同等權益。

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25. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and market risk (including foreign exchange risk, price risk and interest rate risk) arises in the normal course of the Group's business. The Group's exposure to these risks and the financial management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to loan receivable, trade and other receivables and cash at banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In order to minimise the credit risk on loan receivable, the Group has credit policy on credit limits, credit approvals and other monitoring procedures. In addition, the Group reviews the recoverable amount of the debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount. The Group grants a credit period of not more than 30 days from the date of billing. Debtors with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

25. 儲備

本集團儲備及其即期與前期變動於綜合權益變動表中列示。

26. 金融工具之金融風險管理及公平值

信貸、流動資金及市場風險(包括外匯風險、價格風險及利率風險)乃在本集團業務之正常過程中產生。本集團面臨之該等風險及本集團用以管理該等風險的財務管理政策及實務闡述如下。

(a) 信貸風險

本集團之信貸風險主要由應收貸款、貿易及其他應收賬項以及銀行現金產生。管理層已制定現成之信貸政策，並對該等信貸風險持續監控。

為盡量降低應收貸款的信貸風險，本集團有其一套信貸額度、信貸審批及其他監察程序之信貸政策。此外，本集團於報告期末評估債務之可收回金額，以確保對不可收回之金額計提充足之減值虧損。就此而言，本公司董事認為本集團之信貸風險可以大幅降低。

就貿易及其他應收賬項而言，將須對要求超出若干金額之信貸之客戶進行信貸評估。本集團授予信貸期不超過自發出賬單日起30日。逾期三個月未結清餘額之債務人須結清所有未償還餘額後方可授予進一步信貸。本集團通常不收取客戶抵押品。

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

In respect of cash at bank, the Group limit its exposure to credit risk by placing deposits with financial institutions that meet the established credit rating. Given these high credit standing, the management does not expect any counterparty to fail to meet its obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor rather than the industry or country in which debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual debtors. As at 31 December 2016, the Group had concentration of credit risk in respect of escrow money receivable of HK\$20,351,000. Taking into account of the credit worthiness of the counterparty, there was no impairment recognised. In the opinion of the Company's directors, the risk of non-recoverability of the carrying amount is minimal. Other than this, the Group has no significant concentration of credit risk.

As at 31 December 2015, the Group had concentration of credit risk in respect of loan receivable of HK\$22,081,000. Taking into consideration of the personal guarantee on entire outstanding balance provided to the Group and the financial information of the counterparty, there was no impairment recognised. In the opinion of the Company's directors, the risk of non-recoverability of the carrying amount is minimal. Other than this, the Group has no significant concentration of credit risk.

The Group do not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from loan receivable and trade and other receivables are set out in notes 17 and 18 respectively.

26. 金融工具之金融風險管理及公平值(續)

(a) 信貸風險(續)

就銀行現金而言，本集團透過於達到認同信貸評級的金融機構存款以限制其信貸風險。鑒於該等金融機構信貸狀況優良，管理層預期交易方應能履行其責任。

本集團面對之信貸風險主要受各債務人之個別特性而非債務人經營所在行業或國家所影響，因此重大集中信貸風險主要於本集團於個別債務人有重大風險時出現。於二零一六年十二月三十一日，本集團就應收託管金20,351,000港元出現集中信貸風險。經考慮對手方的信貸質素，並無確認減值。本公司董事認為，賬面值不能收回的風險甚微。除此之外，本集團信貸風險概無重大不確定性。

於二零一五年十二月三十一日，本集團有關應收貸款22,081,000港元存在集中之信貸風險。經考慮提供予本集團整筆未償還結餘之個人擔保及交易對手方之財務資料後，年內概無確認減值。本公司董事認為，賬面值不可收回的風險甚微。除此以外，本集團並無重大集中信貸風險。

本集團並無提供任何擔保而致使本集團將承受信貸風險。

有關本集團因應收貸款及貿易及其他應收賬項所產生之信貸風險之進一步定量披露資料分別載於附註17及18。

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

26. 金融工具之金融風險管理及公平值(續)

(b) 流動資金風險

本集團內個別經營實體乃負責彼等本身之現金管理，包括利用盈餘現金進行短期投資及籌集貸款以應付預計現金需求。本集團制訂政策以定期監察其流動資金需求及其遵守放貸契約之情況，從而確保維持充足現金儲備及獲主要金融機構承諾提供足夠資金，以應付其短期及長期之流動資金需求。

下表顯示本集團之金融負債於報告期末之餘下合約到期日，乃根據合約未折扣現金流量(包括使用合約利率計算之利息付款，或如屬浮動利率，則按於報告期末之利率計算)以及本集團可要求償還之最早日期計算：

		2016 二零一六年		2015 二零一五年	
		Contractual undiscounted cash outflow 合約未折現 現金流出	Carrying amount at 31 December 於十二月 三十一日之 賬面值	Contractual undiscounted cash outflow 合約未折現 現金流出	Carrying amount at 31 December 於十二月 三十一日之 賬面值
		Within 1 year or on demand HK\$'000 千港元	HK\$'000 千港元	Within 1 year or on demand HK\$'000 千港元	HK\$'000 千港元
Trade and other payables	貿易及其他應付賬項	17,076	17,076	5,294	5,294
Bank loan	銀行貸款	120,000	120,000	-	-
		137,076	137,076	5,294	5,294

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

The table that follows summarises the maturity analysis of loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. Taking into account of the Group's financial position, the directors of the Company do not consider it probable that the lenders will exercise its discretion to demand immediate repayment. The directors of the Company believe that such loans will be repaid in accordance with the scheduled repayment date set out in the loan agreements.

Maturity Analysis – Term Loans subject to a repayment on demand clause based on scheduled repayments

		More than 1 year but less than 2 years 多於一年 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 多於兩年 但少於五年 HK\$'000 千港元	Total undiscounted cash outflows 合於未折現 現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	
31 December 2016	於二零一六年三月三十一日	3,259	122,024	–	125,283	120,000
31 December 2015	於二零一五年三月三十一日	–	–	–	–	–

26. 金融工具之金融風險管理及公平值(續)

(b) 流動資金風險(續)

下表根據貸款協議所載之協定還款計劃，概述附帶按要求還款條文的貸款的到期分析。該等款項包括採用合約率計算的利息付款。經計及本集團的財務狀況後，本公司董事認為放貸人將不大可能會行使其酌情權要求即時還款。本公司董事相信有關貸款將根據貸款協議所載的預定還款日期償還。

到期分析 – 根據預定償還須按要求還款之定期貸款

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank deposits (see note 19 for details of bank balances) and bank loan (see note 21 for details of bank loan) as at 31 December 2016 at 2015. The Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivable as at 31 December 2016 and 2015. The Group currently does not have any interest rate hedging policy. The directors of the Company monitor the interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group does not anticipate there is any significant interest rate risk on the bank balances because the interest rates of bank deposits are not expected to change significantly.

The sensitivity analysis below has been determined based on the exposure to interest rate on bank borrowings. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting periods were outstanding for the whole year.

100 basis point increase/decrease are used for bank loan and represent management's assessment of reasonably possible changes in interest rates. If interest rates had 100 basis points increase/decrease and all other variables were held constant, the Group's loss after tax for the year ended 31 December 2016 would increase/decrease by HK\$1,200,000 (2015: HK\$Nil). The directors do not expect a significant increase of interest rate.

26. 金融工具之金融風險管理及公平值(續)

(c) 利率風險

於二零一六年及二零一五年十二月三十一日，本集團所承受之現金流量利率風險與浮動利率銀行存款(銀行結餘詳情參閱附註19)及銀行貸款(銀行貸款詳情請見附註21)有關。本集團當前未採取任何利率對沖政策。本公司董事監控利率風險狀況，並將於預期出現重大利率風險時考慮其他必要措施。

本集團預期銀行賬戶並無任何重大利率風險，因為預期銀行的存款利率不會出現重大變動。

以下的敏感度分析乃按照銀行貸款的利率風險而釐定。分析乃假設於報告期末尚未償還之財務工具整個年內為未償還而編製。

就銀行貸款使用100個基點增加/減少，亦反映管理層對利率出現可能合理變動的評估。倘利率上升/下跌100個基點，而其他可變因素維持不變，本集團截至二零一六年十二月三十一日止年度的除稅後虧損將會增加/減少1,200,000港元(二零一五年：零港元)。董事預期利率不會重大變動。

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Group's exposure to currency risk is insignificant.

(e) Price risk

The Group is exposed to price risk because the available-for-sale financial assets and trading securities are stated at fair value. The directors of the Company monitor the price risk and will consider other necessary actions when significant price risk is anticipated.

If the prices of the available-for-sale financial assets and trading securities had been 5% (2015: 5%) high/lower, assuming all other variables were held constant, the other comprehensive income and profit or loss would increase/decrease by nil (2015: HK\$325,000) and approximately HK\$29,000 (2015: HK\$27,000), respectively.

26. 金融工具之金融風險管理及公平值(續)

(d) 貨幣風險

貨幣風險來自以非功能性貨幣計量的外幣金融工具。

本集團面對之貨幣風險並不重大。

(e) 價格風險

由於可供出售金融資產及上市證券以公平值列賬，本集團正面對價格風險。本公司董事監察價格風險，而當預期價格風險出現時，將考慮採取其他必要行動。

倘可供出售金融資產及上市證券價格高/低於5% (二零一五年：5%)時(假設所有其他可變因素維持不變)，其他全面收入及損益將分別增加/減少零(二零一五年：325,000港元)及約29,000港元(二零一五年：27,000港元)。

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

26. 金融工具之金融風險管理及公平值(續)

(f) 公平值計量

(i) 按公平值計量之金融資產及負債

公平值等級

下表呈列於報告期末按經常性基準計量的本集團金融工具公平值，並按香港財務報告準則第13號公平值計量所界定的公平值等級制度分類為三個等級。公平價值計量是參考估值方法所使用輸入數據的可觀察性及重要性而分類及釐定其級別，並列如下：

- 第1級估值：僅使用第1級輸入數據，即於計量日期相同資產或負債在活躍市場之未經調整報價計量之公平值
- 第2級估值：使用第2級輸入數據，即未滿足第1級之可觀察輸入數據，而不使用重要的不可觀察輸入數據計量之公平值。不可觀察輸入數據為不可獲得之市場數據之輸入數據
- 第3級估值：使用重要不可觀察輸入數據計量之公平值

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

		Fair value measurements as at 31 December 2016 categorised into 於二零一六年十二月三十一日 公平值計量分類為				Fair value measurements as at 31 December 2015 categorised into 於二零一五年十二月三十一日 公平值計量分類為			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Recurring fair value measurements	經常性公平值計量								
Assets	資產								
Available-for-sale financial assets	可供出售金融資產	-	-	-	-	6,500	-	-	6,500
Trading securities	交易證券	581	-	-	581	548	-	-	548
		581	-	-	581	7,048	-	-	7,048

The fair value of financial assets traded in active markets is based on quoted market prices at the end of the reporting period. The Group's finance department performs valuation for financial instruments and reports directly to the directors of the Company.

There were no transfers of financial instruments between Levels 1, 2 and 3 during the years ended 31 December 2016 and 2015. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer.

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016 and 2015.

26. 金融工具之金融風險管理及公平值(續)

(f) 公平值計量(續)

(i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

於活躍市場買賣之金融資產公平值基於報告期末已報價市場價。本集團財務部評估金融工具的表現，並直接向本公司董事匯報。

於截至二零一六年及二零一五年十二月三十一日止年度，金融工具第1級、第2級以及第3級之間並無轉撥。本集團之政策為確認於引致轉撥事項或狀況發生變動之日期公平值各等級間之轉撥。

(ii) 按公平值以外價值列賬的金融工具公平值

本集團的金融工具的賬面值乃按成本或攤銷成本列賬，且與其於二零一六年及二零一五年十二月三十一日的公平值無重大出入。

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(g) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, the Group defines net debt as total debt (which includes interest-bearing borrowings and other financial liabilities) less cash and cash equivalents and restricted bank deposits. Capital comprises all components of equity.

During 2016, the Group's strategy, which was unchanged from 2015, was to maintain the net debt-to-capital ratio at below 60%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

26. 金融工具之金融風險管理及公平值(續)

(g) 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，以便透過與風險水平相應之產品及服務定價以及獲得合理成本之融資，繼續為股東創造回報及為其他相關人士帶來利益。

本集團積極及定期對資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與良好資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

和業界慣例一樣，本集團以債務淨額對資本比率為基準監察其資本架構。為此本集團之債務淨額按總債務(包括計息借貸、其他金融負債)減去現金及現金等價物及受限制銀行存款計算。資本包含所有股本成分。

於二零一六年內，本集團之策略與二零一五年沒有改變，乃維持債務淨額對資本比率低於60%。為維持或調整該比率，本集團或會調整向股東派付之股息、發行新股份、向股東回報資本、進行新債務融資或出售資產，以減少債務。

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(g) Capital management (Continued)

The net debt-to-capital ratio at 31 December 2016 and 2015 was as follows:

26. 金融工具之金融風險管理及公平值(續)

(g) 資本管理(續)

於二零一六年及二零一五年十二月三十一日之債務淨額對資本比率如下：

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total debt	債務總額			
Financial liabilities included in trade and other payables	計入貿易及其他應付賬項之金融負債	20	17,076	5,294
Bank Loan	銀行貸款	21	120,000	–
Less: Cash and cash equivalents	減：現金及現金等價物	19	(75,587)	(11,018)
Restricted bank deposits	受限制銀行存款	19	(8,120)	–
Net debt/(cash)	債務/(現金)淨額		53,369	(5,724)
Capital	資本		231,553	288,286
Net debt-to-capital ratio	債務淨額對債務資本比率		23%	N/A 不適用

At 31 December 2016 and 2015, neither the Company nor any of its subsidiaries were subject to any externally imposed capital requirements.

於二零一六年及二零一五年十二月三十一日，本公司或其任何附屬公司毋須遵守任何外部施加的資本規定。

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27. OPERATING LEASE COMMITMENTS

- (a) The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases in respect of properties are payable as follows:

As lessee

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 year	一年以內	4,155	3,778
After 1 year but within 5 years	一年以後但在五年以內	3,881	7,773
		8,036	11,551

- (b) At 31 December 2016, the Group contracted with tenants for the following total future minimum lease receivables:

As lessor

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 year	一年以內	6,531	1,978
After 1 year but within 5 years	一年以後但在五年以內	3,055	-
		9,586	1,978

27. 經營租賃承擔

- (a) 本集團為數項根據經營租約持有之物業之承租人。該等租賃之初始年期通常為一至三年，可選擇重新磋商所有條款後續約。該等租賃概無包含或然租金。

於二零一六年十二月三十一日，有關物業之不可撤銷經營租約項下之未來應付最低租金總額如下：

作為承租人

- (b) 於二零一六年十二月三十一日，本集團與租戶之間訂約的日後應收最低租金總額如下：

作為出租人

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28. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	26,122	18,970
Post-employment benefits	離職福利	91	98
		26,213	19,068

(b) Other related party transactions

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Management fee income from a former fellow subsidiary for share of administrative expenses (Note)	有關股份行政開支自一間前同系附屬公司收取之管理費收入(附註)	-	204

Note: The management fee income is determined based on negotiation between both parties having regard to the cost of services on a quarterly basis.

In the opinion of the directors, the above transactions were conducted in the ordinary course of business and on terms mutually agreed by both parties.

28. 重要關連人士交易

(a) 主要管理人員酬金

本集團主要管理人員酬金(包括於附註8所披露之支付本公司董事款項及於附註9所披露之若干最高薪酬人士酬金)如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	26,122	18,970
Post-employment benefits	離職福利	91	98
		26,213	19,068

(b) 其他關連人士交易

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Management fee income from a former fellow subsidiary for share of administrative expenses (Note)	有關股份行政開支自一間前同系附屬公司收取之管理費收入(附註)	-	204

附註: 管理費收入乃由訂約雙方經計及服務成本每季度磋商釐定。

董事認為, 上述交易乃於一般業務過程中及按訂約雙方相互協定之條款釐定。

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28. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) The Group had the following material balances with related parties:

Name of related party	關連人士名稱
Amount due to a director – Li Feng Mao	應付董事款項 – 李丰茂

Note: The amount represented the accrued director's remuneration paid to Mr Li Feng Mao as disclosed in note 20 to the financial statements. The amount is unsecured, interest free and repayable on demand.

28. 重要關連人士交易 (續)

(c) 本集團與關連人士擁有下列重大結餘：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
9,150	–

附註：該筆款項指向李丰茂先生支付的累計董事薪酬，並在財務報表附註20披露。該款項為無抵押、免息及須按要求償還。

29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Key sources of estimation uncertainty are as follows:

(a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

The carrying amount of property, plant and equipment as at 31 December 2016 was HK\$6,630,000 (2015: HK\$4,335,000).

29. 重大會計估計及判斷

估計不確定因素之主要來源

估計不確定因素之主要來源如下：

(a) 折舊

物業、廠房及設備於考慮估計餘值後按估計可用年期以直線基準折舊。本集團每年檢討物業之可用年期及其剩餘值(如有)。倘過往估計出現重大變動，未來期間之折舊開支須予調整。

物業、廠房及設備於二零一六年十二月三十一日之賬面值為6,630,000港元(二零一五年：4,335,000港元)。

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29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key sources of estimation uncertainty (Continued)

(b) Valuation of inventories

Management exercises its judgment in making allowance for stocks of completed properties with reference to the existing market environment and estimated net realisable value of the properties, i.e. the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The amount of write-down of completed properties is made if the estimated net realisable value of the property is lower than its carrying amount. If the actual net realisable values of the completed properties are less than expected as a result of change in market condition, material write-down may result.

The carrying amount of completed properties held for sale as at 31 December 2016 was HK\$248,319,000 (2015: HK\$244,363,000).

(c) Allowance for impairment of doubtful debts

Allowance for impairment of doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the management when assessing the credit worthiness and past collection history of each individual debtor. Any increase or decrease in the allowance for impairment of doubtful debts would affect profit or loss in future years.

The carrying amount of loan receivable and trade and other receivables as at 31 December 2016 were HK\$2,344,000 (2015: HK\$22,081,000) and HK\$22,661,000 (2015: HK\$1,765,000), respectively.

29. 重大會計估計及判斷(續)

估計不確定因素之主要來源(續)

(b) 存貨估值

管理層對已完成物業存貨之撥備作出判斷乃根據現有市場狀況及該等物業之估計可變現值(相同於作為日常業務用途之估計銷售價減估計需支付以完成銷售之成本)。若物業之估計可變現值低於其賬面值，已完成物業存貨則須作出撇減。由於市場狀況之改變，已完成物業之實際可變現值若少於預期，則減值虧損可能作出重大撇減。

持作出售完成物業於二零一六年十二月三十一日之賬面值為248,319,000港元(二零一五年：244,363,000港元)。

(c) 呆賬減值撥備

呆賬減值撥備乃根據董事對賬齡分析之定期檢查及可收回性之評估進行評定及提供。管理層於評估每位個人債務人之信貸價值及過往收款記錄時須作出審慎判斷。呆賬減值撥備之任何增減將影響未來年度之損益。

應收貸款及貿易及其他應收賬項於二零一六年十二月三十一日之賬面值分別為2,344,000港元(二零一五年：22,081,000港元)及22,661,000港元(二零一五年：1,765,000港元)。

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29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key sources of estimation uncertainty (Continued)

(d) Current taxation and deferred taxation

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized, the management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

As at and for the year ended 31 December 2016, no provisions for current tax and deferred tax were made (2015: HK\$Nil).

30. DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The employees of the Group's subsidiaries registered in Japan are members of the pension scheme operated by the Japan local government. The subsidiaries in Japan are required to contribute certain pre-fixed amounts of contribution, according to the level of income for each employee to the pension scheme to fund the benefits. The only obligation of the Group in respect of the pension scheme is the required contributions under the pension scheme.

29. 重大會計估計及判斷(續)

估計不確定因素之主要來源(續)

(d) 即期稅項及遞延稅項

釐定所得稅撥備涉及對某些交易未來稅務處理的判斷。管理層評估各項交易的稅務影響，並計提相應的稅項撥備。本集團定期重新考慮這些交易的稅務處理，以及稅務法規的所有修訂。遞延稅項資產是就未利用稅損和可抵扣暫時差異而確認。由於遞延稅項資產只在很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅利潤時才會確認，所以需要管理層判斷獲得未來應稅利潤的可能性。本集團不斷審閱管理層的評估，如果很可能獲得能利用遞延稅項資產的未來應稅利潤，便會確認遞延稅項資產。

於及截至二零一六年十二月三十一日止年度，並無提計即期稅項及遞延稅項(二零一五年：零港元)。

30. 界定供款退休計劃

本集團根據香港強制性公積金計劃條例對於香港僱用條例管轄範圍內僱用之僱員執行強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理之界定供款退休計劃。根據強積金計劃，僱主及僱員各自須按僱員有關收入之5%向該計劃供款，且每月有關收入上限為30,000港元。該計劃之供款乃即時歸屬。

本集團於日本註冊的附屬公司的僱員均為由日本地方政府營辦的退休金計劃的成員。於日本的附屬公司須按每名僱員的收入水平向退休金計劃作出預設金額供款，以支付有關福利。本集團對退休金計劃的唯一責任是作出退休金計劃所需之供款。

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31. CONTINGENT LIABILITY

In previous years, a subsidiary of the Group sold a property to a buyer. The buyer alleged that the subsidiary made certain representations in selling of the property. The buyer filed a claim with the High Court in Hong Kong claiming the repayment of consideration of approximately HK\$9.8 million paid in purchasing the property and rescission of the contract together with related costs, interests and damages. The subsidiary filed a defense against the claim. The directors of the Company are of the view that the buyer's claim is based on unreasonable and invalid grounds and therefore unfounded. In view of the inherent uncertainties of the legal proceedings, the outcome of which cannot be estimated reliably at this stage, the directors of the Company considered that no specific provision should be made in the financial statements.

32. DISPOSAL OF A SUBSIDIARY

On 17 September 2015, the Group entered into a sale and purchase agreement with an independent third party (the "Purchaser") pursuant to which the Group agreed to sell and the Purchaser agreed to purchase 100% equity interests in Sui Chong International (H.K.) Limited at a cash consideration of HK\$500,000. The disposal was completed on 29 October 2015.

31. 或然負債

過往年度，本集團一間附屬公司出售一間物業予買方。買方聲稱附屬公司於出售物業時作出若干聲明。買方入稟香港高等法院，要求償還購買該物業所付約9,800,000港元之代價，及取消合約並支付相關成本、利息及損失。該附屬公司提交答辯書應對申索。本公司董事認為買方申索乃基於不合理及無效理據且因此無事實依據。鑒於法律訴訟之內在不確定性，訴訟結果於本階段無法可靠預計，本公司董事認為不應於財務報表中作出具體撥備。

32. 出售附屬公司

於二零一五年九月十七日，本集團與獨立第三方（「購買人」）訂立買賣協議，據此，本集團同意出售，而購買人同意購買瑞昌國際（香港）有限公司100%股權，代價為500,000港元。出售事項於二零一五年十月二十九日完成。

		HK\$'000 千港元
Net assets disposed of	出售附屬公司資產淨值物業	
Property, plant and equipment	廠房及設備	368
Other receivables	其他應收賬項	1
Net assets disposed of	出售附屬公司的資產淨值	369
Gain on disposal of a subsidiary	出售附屬公司的盈餘	
Consideration received	已收代價	500
Net assets disposed of	出售附屬公司的資產淨值	(369)
Transaction costs	交易成本	(5)
Gain on disposal of a subsidiary	出售附屬公司的盈餘	126
Net cash inflow arising on disposal of a subsidiary	出售附屬公司之現金流入淨額	
Consideration received	已收代價	500
Transaction costs	交易成本	(5)
		495

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元計值)

33. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

33. 公司層面財務狀況表

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資		7,813	7,813
Available-for-sale financial assets	可供出售金融資產		–	6,500
Restricted bank deposits	受限制銀行存款		8,120	–
			15,933	14,313
Current assets	流動資產			
Trade and other receivables	貿易及其他應收賬項		228,061	233,014
Cash and cash equivalents	現金及現金等價物		41,482	–
			269,543	233,014
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬項		1,127	471
Bank loan	銀行貸款	21	120,000	–
			121,127	471
Net current assets	流動資產淨值		148,416	232,543
NET ASSETS	資產淨值		164,349	246,856
Capital and reserves	股本及儲備			
Share capital	股本	24	140,955	140,955
Reserves	儲備		23,394	105,901
TOTAL EQUITY	總權益		164,349	246,856

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33. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

33. 公司層面財務狀況表 (續)

(a) A summary of the Company's reserves is as follows:

(a) 本公司儲備之摘要如下：

		Share premium	Capital redemption reserve	Share option reserve	Contributed surplus	Fair value reserve	Accumulated losses	Total
		股份溢價	股本贖回儲備	購股權儲備	繳入盈餘	公平值儲備	累計虧損	小計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	5,241	121	9,285	234,897	2,230	(125,381)	126,393
Comprehensive income:	全面收入：							
Loss for the year	年內虧損	-	-	-	-	-	(35,636)	(35,636)
Other comprehensive income:	其他全面收入：							
Fair value change on available-for-sale financial assets	可供出售的金融資產之公平值變動	-	-	-	-	2,900	-	2,900
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	2,900	(35,636)	(32,736)
Shares issued under share option scheme	購股權計劃下之已發行股份	21,529	-	(9,285)	-	-	-	12,244
At 31 December 2015	於二零一五年十二月三十一日	26,770	121	-	234,897	5,130	(161,017)	105,901
At 1 January 2016	於二零一六年一月一日	26,770	121	-	234,897	5,130	(161,017)	105,901
Comprehensive income:	全面收入：							
Loss for the year	年內虧損	-	-	-	-	-	(77,377)	(77,377)
Other comprehensive income:	其他全面收入：							
Fair value changes on available-for-sale financial assets	可供出售的金融資產之公平值變動	-	-	-	-	(200)	-	(200)
Reclassification for cumulative fair value gain attributable to disposal of available-for-sale financial assets	出售可供出售金融資產應佔累計公平值收益之分類	-	-	-	-	(4,930)	-	(4,930)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	(5,130)	(77,377)	(82,507)
At 31 December 2016	於二零一六年十二月三十一日	26,770	121	-	234,897	-	(238,394)	23,394

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(Expressed in Hong Kong dollars) (以港元計值)

33. COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Nature and purpose of reserves

(i) Share premium and capital redemption reserve

The application of the share premium account and capital redemption reserve is governed by the Bermuda Companies Act.

(ii) Share option reserve

The share option reserve comprises the portion of the grant date fair value of unexercised share options granted to directors, eligible employees and other eligible participants of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(n)(ii).

(iii) Contributed surplus

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company and the aggregate of the share capital and the share premium accounts of the subsidiaries acquired. Under the Bermuda Companies Act, the Company may make distributions to its members out of contributed surplus in certain circumstances.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(r).

(v) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policies set out in notes 2(e) and 2(h)(i).

(c) Dividend

No interim dividend was paid and the directors of the Company do not recommend the payment of final dividend for the year ended 31 December 2016 (2015: HK\$Nil).

33. 公司層面財務狀況表(續)

(b) 儲備性質及用途

(i) 股份溢價與資本贖回儲備

股份溢價賬及資本贖回儲備之運用受百慕達公司法監管。

(ii) 購股權儲備

購股權儲備包括授予本集團董事、合資格員工及其他合資格參與者且已根據附註2(n)(ii)內以股份為基礎之付款所採納的會計政策確認之未行使購股權授出日期公平值之一部分。

(iii) 繳入盈餘

本公司繳入盈餘指本公司已發行股份之面值與所收購附屬公司之股本及股份溢價賬總額之差額。根據百慕達公司法，本公司於若干條件下可向其成員公司分配繳入盈餘。

(iv) 外匯儲備

外匯儲備包括兌換海外所有公司財務報表的兌外換算差額。儲備乃根據附註2(r)所載的會計政策處理。

(v) 公平值儲備

公平值儲備包含於報告期末持有之可供出售金融資產公平值之累計變動淨額，按附註2(e)及2(h)(i)所載之會計政策處理。

(c) 股息

截至二零一六年十二月三十一日止年度，概無派付任何中期股息，而本公司董事不建議派付末期股息(二零一五年：零港元)。

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34. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issuance of these financial statements, the HKICPA has issued several amendments and standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

34. 於截至二零一六年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響

截至此等財務報表之刊發日期，香港會計師公會頒佈數項尚未於截至二零一六年十二月三十一日止年度生效之修訂及準則（有關修訂及新準則未於此等財務報表中採納）。或會與本集團相關之修訂及新準則如下。

	Effective for accounting periods beginning on or after 於以下日期或之後開始 之會計期間生效
Amendments to HKAS 7, <i>Statement of cash flows: Disclosure initiative</i>	1 January 2017
香港會計準則第7號之修訂，現金流量表： 披露計劃	二零一七年一月一日
Amendments to HKAS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i>	1 January 2017
香港會計準則第12號之修訂，所得稅： 確認未變現虧損之遞延稅項資產	二零一七年一月一日
HKFRS 9, <i>Financial instruments</i>	1 January 2018
香港財務報告準則第9號，金融工具	二零一八年一月一日
HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
香港財務報告準則第15號，來自客戶之合約收益	二零一八年一月一日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i>	1 January 2018
香港財務報告準則第2號之修訂，以股份為基礎之付款： 以股份為基礎付款交易之分類及計量	二零一八年一月一日
HKFRS 16, <i>Leases</i>	1 January 2019
香港財務報告準則第16號，租賃	二零一九年一月一日
Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined
對香港財務報告準則第10號及香港會計準則第28號之修訂， 投資者與其聯營公司或合營公司企業之間的資產出售或注資	待定

The Group is in the process of making an assessment of what the impact of these amendments and standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's financial position or performance.

本集團現正評估於初次採納該等修訂及準則期間對本集團可能帶來之影響。至目前為止，本集團認為應用上述修訂及準則不大可能對本集團之財務狀況或表現產生重大影響。

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財務報表附註

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(Expressed in Hong Kong dollars) (以港元計值)

35. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (i) On 13 January 2017, GP and WI Graphene entered into a license agreement pursuant to which GP granted the right for using certain patents to WI Graphene for manufacturing of graphene and related products, details of which are set out in note 13 to the financial statements.
- (ii) On 13 January 2017, WI Graphene entered into an agreement to purchase a production line for Japanese Yen 700 million (equivalent to HK\$ 47,500,000) from GP.
- (iii) Up to the date of approval of these financial statements, the valuation of the right for using the patents are in progress. Upon completion of the valuation, WI Graphene would allot new shares and GP would own 20% equity interest of WI Graphene, details of which are set out in note 13 to the financial statements.

36. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2016 and 2015, the directors consider that the immediate parent of the Company to be HK Guoxin Investment Group Limited ("HK Guoxin"), which was incorporated in Hong Kong with limited liability and this entity does not produce financial statements available for public use. The ultimate controlling party is considered to be Mr. Li Feng Mao, the sole beneficial owner of HK Guoxin and the director of the Company.

35. 報告期後之非調整事項

- (i) 於二零一七年一月十三日，GP與WI Graphene訂立特許協議，據此GP授予WI Graphene權利可就製造石墨烯及相關產品使用若干專利，詳情載於財務報表附註13。
- (ii) 於二零一七年一月十三日，WI Graphene訂立協議以向GP採購生產線，作價為700,000,000日圓（相當於47,500,000港元）。
- (iii) 截至此等財務報表獲批准日期，專利的使用權估值仍在進行中。待估值完成後，WI Graphene將配發新股份，而GP將擁有WI Graphene 20%股權，詳情載於財務報表附註13。

36. 直接及最終控制方

於二零一六年及二零一五年十二月三十一日，董事認為本公司的直接母公司乃香港國信興業投資集團有限公司（「香港國信」），香港國信乃一間於香港註冊成立之有限公司，而該實體並無編製財務報表以供公眾使用。最終控制方被視為李丰茂先生（香港國信的唯一實益擁有人及本公司董事）。

Group Properties

集團物業

Particulars of the Group's major properties held for sale as at 31 December 2016 are as follows:

本集團於二零一六年十二月三十一日持作出售之主要物業詳情如下：

Location 地點	Existing Use 現在用途	Gross floor area 總建築面積 sq. m. 平方米	Percentage interest attributable to the Group 本集團應佔權益 百分比
30 units of THE ICON, 38 Conduit Road, Mid-levels, Hong Kong 香港半山干德道38號 THE ICON的30個單位	Residential 住宅	1,953	100%

Summary Financial Information

財務資料概要

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 below.

本集團最近五個財政年度之業績及資產、負債及非控股股東權益概要如下。

FINANCIAL STATEMENTS

財務報表

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Revenue	收益	5,442	12,210	5,351	4,880	4,629
Loss before taxation	除稅前虧損	(43,947)	(26,469)	(24,043)	(37,144)	(28,611)
Income tax expense	所得稅開支	–	–	–	–	–
Loss for the year	本年度虧損	(43,947)	(26,469)	(24,043)	(37,144)	(28,611)
Attributable to:	應佔：					
Equity shareholders of the Company	本公司權益持有人	(43,947)	(26,469)	(24,043)	(37,144)	(28,611)
Non-controlling interests	非控股權益	–	–	–	–	–
		(43,947)	(26,469)	(24,043)	(37,144)	(28,611)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		As at 31 December 於十二月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Total assets	總資產	368,751	293,754	299,861	332,001	360,137
Total liabilities	總負債	(137,198)	(5,468)	(9,415)	(19,147)	(20,724)
		231,553	288,286	290,446	312,854	339,413
Equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益	231,553	288,286	290,446	312,854	339,413
Non-controlling interests	非控股權益	–	–	–	–	–
		231,553	288,286	290,446	312,854	339,413

